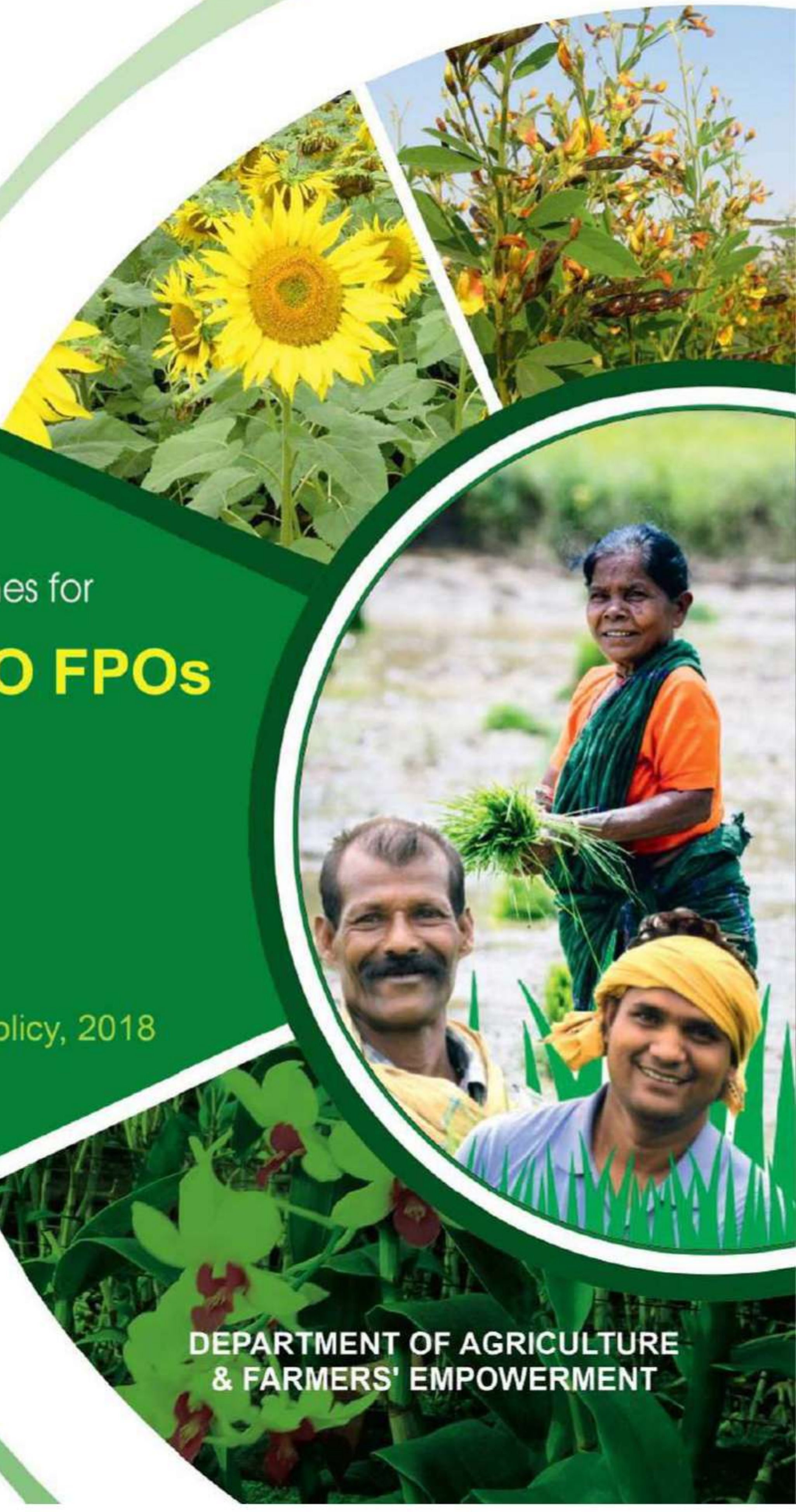
GOVERNMENT OF ODISHA

Operational Guidelines for

SUPPORT TO FPOs

As per Odisha FPO Policy, 2018



DEPARTMENT OF AGRICULTURE
& FARMERS' EMPOWERMENT

CHAPTER 2

SUPPORT TO FARMER PRODUCER ORGANISATIONS (FPOS)

Highlights

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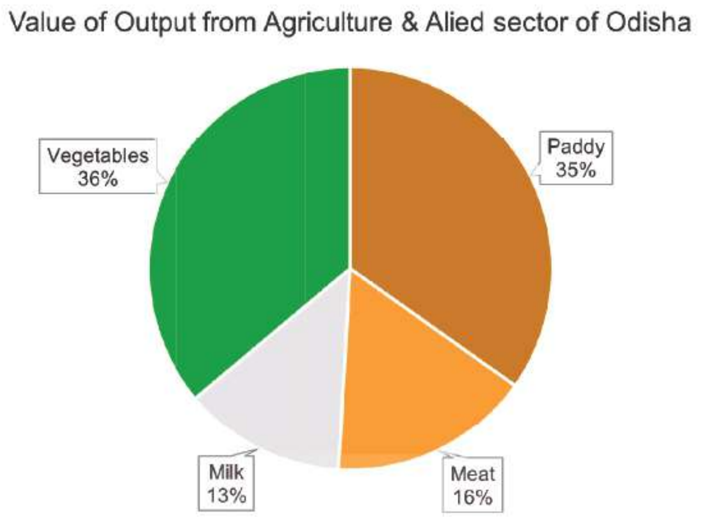
Support Components:

- Promotional campaign of Farmer Producer Organizations
- Capacity Building
- Access to Finance
- Allocation of land on need basis
- Operational & Handholding Support
- Marketing Support
- Management & Government Support
- Establish Centre of Excellence (CoE) for FPOs
- Facilitation of Education and research on FPOs
- Performance Linked Incentives to CBBOs/POPIs
- One Stop Solution System for FPOs

BACKGROUND

Odisha is largely a rural and an agrarian economy. Close to 83 per cent of its people live in rural areas and about 61.8 per cent of its 17.5 million workforce is employed in agriculture. The sector contributes about 18 per cent to the state's GDP. The state has a gross cropped area of about 8 million hectares, 46 per cent of which is double cropped. Paddy is the main crop and covers about 3.89 million hectares (for the triennium ending 2017-18). Odisha produces about `75,800 crore worth of agricultural and allied output. More than half this value is generated from four products: paddy, meat, milk and brinjal. Paddy accounts for 24.4 per cent of the value, meat 11.3 per cent, milk 9.1 per cent and brinjal 6.8 per cent (total share of vegetables is 25.3 per cent).



The state is divided into 10 agro-climatic zones and it suffers from frequent droughts and floods, and sometimes both, in the same year inflicting colossal damage to the Agri-sector. Despite of this, agriculture has proven to be one of the most resilient sectors of the state. In the 16 years since the beginning of this century (2000-01 to 2016-17), Odisha's agricultural GDP nearly doubled in real terms, clocking an average annual growth rate of about 4.5 per cent, higher than the all-India average of 3.1 per cent. The state accounts for 3 per cent of India's agricultural GDP.

Further, to generate wealth for the farmers particularly small farm holders there is an urgent need to create appropriate ecosystem in the state. Certain commodities are also identified for providing necessary support systems for the entire production/ value chain. In this entire process, one of the important elements is institutions of farmers. Experiences in India and other parts of the world clearly indicate that farmers institutions that are membership based, financially robust, adopt business model and well connected (to technology, research, markets, banks and other infrastructure facilities) could provide enormous economic benefits to its members – farmers. Such collective action goes beyond coming together for infrastructure development but goes to realms of business and markets. Moreover, institutional arrangement/ membership-based institutions are found to be backbone for primary sector.

With this background, both central government and state governments are clearly putting considerable emphasis on promoting "Farmers Producers Organizations (FPOs)" as an important policy for creating an ecosystem for enhancing farmers' profits. Owing to the growing importance of FPOs, the principal secretary of the Department of Agriculture and Farmers' Empowerment has facilitated a series of discussions, brain storming sessions with various departments, experts, farmer's organizations and NGOs, civil society organizations to formulation of this Odisha FPO Policy in 2018. The policy which aims for Promotion and Stabilization of Farmer Producer Organizations in Odisha has come up with Operational Guidelines covering the objectives, actions to be taken, guiding principles, expected end results, institutional arrangements at district and state level, financial allocations, and monitoring framework.

OBJECTIVES

i. To provide a supportive ecosystem to for the Farmer Producer Organizations (FPOs) in the State to facilitate better income opportunity and overall socio-economic development for the small and marginal farmers.

ii. To provide handholding and capacity building support to the FPOs up to 5 years in all aspects of management of FPO, inputs, production, processing and value addition, market linkages, credit linkages and use of technology etc.

iii. To improve productivity and realize higher returns for the FPOs through remunerative, institutional, and viable market linkages for their produce and become sustainable through collective action.

iv. To develop FPOs as economically viable and self-sustaining business models beyond the period of support from government.

TENURE

The program is for a period of 5 years from FY 2023-24 to FY 2027-28

TARGET GROUPS

All Farmer Producer Organizations (FPOs) which is registered and operating in 30 districts of Odisha

DELIVERABLES

i. 1000 FPOs will be supported in next 5 years reaching to 2,00,000 farmers in the state

ii. Incremental income of Rs 2000 per month per farmer through implementation of the scheme

iii. A center of excellence (FPOs) in associaton with academic and resource institutions will be established.

iv. Around INR10,000 crore value of transactions through dedicated FPO market platform in 5 years.

v. Creation of infrastructures of INR 50 crore by 100 FPOs in the state with support of other available schemes like MKUY, AIF, PMFME etc.

vi. 20% increase in export marketng through FPO federatons

vii. Create vibrant marketng models for FPOs in Odisha through linkages and convergence with Private sector and Government programe like- Value addition at FPO level through MKUY, AIF, PMFME schemes, Institutional linkages with remunerative markets, procurement of paddy and other MSP crops etc.

PROGRAM BUDGET & FINANCIAL OUTLAY

i. Total budget provisioned for the implementaton is INR 31361.25 lakhs for 5 years.

ii. Entre project will be funded through State Plan Funds.

SUPPORTS COMPONENTS

Component 1: Promotional campaign of Farmer Producer Organizations

RATIONALE

i. Smallholder farmers are usually isolated from markets, have limited selling alternatives, lack contact with downstream buyers, are unable to enter into contractual relationships due to lack of trust and are usually obliged to accept the price offered by the buyers.

ii. FPOs provide a platform for smallholder farmers to collaborate, work and make decisions together so as to achieve higher income from the sale of produces, access to quality and low-cost inputs and higher price realization that is of common interest and wellbeing.

iii. But lack of trust, awareness and year-long distress sale practices creates road block for the farmers to participate in the aggregation and collective marketing model of FPOs.

iv. FPOs find it difficult to capture minimum market share and respond, supply of bulk orders and thus results inability to negotiate price, meet quality and quantity supply requirements and thus low in business turnover.

SPECIFIC OBJECTIVES

i. To create awareness and sensitize small and marginal farmers on the FPO functions, benefits, and opportunity for higher value realization.

ii. To increase membership of FPOs through mobilization of farmers at the ground level.

iii. To promote schemes and convergence opportunities available for the farmers through FPOs.

ACTIVITIES TO BE UNDERTAKEN

i. Promotional Campaigning will be done for farmer producer organizations at District level and block level by DPMU and FPOs respectively. The campaign activities include road shows, vehicle advertisement and display through wall paintings, leaflet distribution etc.

ii. The objective of the campaign is to sensitize and create awareness farmers about FPOs, drive farmer membership for FPOs, highlight the better marketing opportunity for the farmers through FPOs, shareholder benefits, schemes, and convergence opportunities for the small and marginal farmers.

iii. DPMU will organize the campaign at the district level where as the FPOs will organize the Membership campaign at their respective block level. Promotional campaign to be conducted

OPERATIONAL MODALITIES:

i. SPMU will design the content of promotion materials, membership tracker tool after approval and distribute across districts.

ii. DPMU will further conduct FPO coordination meeting for the FPO membership campaign and develop a promotional plan for the district and will share with SPMU for approval.

iii. DPMU will monitor the result of promotional campaigns through a membership tracker tool and will update SPMU on quarterly basis.

iv. The campaign will be of two modes.

   a. **DPMU level :**

      i. DPMU will do promotional campaign for FPOs in the potential GPs only to increase farmer mobilization and participation.

      ii. DPMU will hire professional agencies to do the promotional activities like Road Shows and Van Campaignthrough a tender process. DDH will be the head of the bid evaluation committee.

      iii. DPM and Institutional Development Expert at SPMU will be other two members.

iv. The selection criteria of the agency will be developed by DPMU and must have approval from SPMU.

v. Agency with a lower financial bid will be selected for the promotion campaign.

vi. A Seven Day promotional campaign will be carried out by DPMU at block level out of which 3 days will be for road shows and 4 days will be for van Campaign

vii. DPMU will also conduct wall paintings at the village level to create awareness on FPOs and benefits it provide for the farmers.

viii. FPO officer from DPMU will coordinate the campaigns.

b. FPO level:

i. FPOs will apply for promotional campaign support through FPO web portal to the DPMU.

ii. DPMU will support FPOs to develop a promotional plan and send for DLC approval.

iii. On approval, CEOs/In-charge persons of FPO coordinate the campaign plan with the agency for their FPOs to increase membership and increase in participation in the FPO business activities.

iv. The FPOs will identify the potential GPs/ Villages for business and Membership and can conduct the campaign in those GPs.

v. Lead Farmers in the training groups will conduct group meetings in the target villages.

vi. FPOs will have three types of promotional campaigns- Street plays (2 days), Promotion through autorickshaw (30 days) and Group meetings (30 No.s)

vii. FPOs will hire Street play artists to for the street play.

viii. Banners of 2ft *2ft size can be pasted on the autorickshaws for Promotion through Autorickshaws.

ix. Group meetings will be conducted at the village level by the lead farmers to create awareness on FPOs among the farmers.

v. AHOs will identify the suitable locations for the organizing the awareness campaigns and recommend the locations to DPMU.

vi. Preference in street-play will be given to weekly haats/local events/panchayat meetings/ any other suitable congregations of people.

vii. DPMU will identity the suitable street play group and link them with them the campaign team for the development of the script covering the above activities.

viii. Dates and location of the street play shall be shared with DPMU/ AHO/ / DDH before 14 days of the event.

ix. **Street play:** The street play shall cover following themes

a. FPOs, concept, its functions

b. Linkages between farmers and FPOs, shareholder concept

c. List of Service FPO offers, Collective marketing.

d. Government support for FPOs in production, processing and procurement.

x. Street play group will make the storyline to convey the above points.

xi. **Road Shows (3days):** Road shows will be taken up with village roads in the afternoons when the farmers are available at their households. Rally/campaign will cover on the following aspects:

a. FPOs, concept, its functions

b. Linkages between farmers and FPOs, shareholder concept

c. List of Service FPO offers, Collective marketing.

d. Government support for FPOs in production, processing and procurement.

xii. DPMU will finalize the dates for the road shows in consultation with DLC.

xiii. AHOs and AAOs will identify the suitable villages the organizing the road shows.

xiv. Preference will be given to do road shows during weekly haats /local events/panchayats meetings/suitable congregations' place.

xv. Dates and location of the street play shall be shared with DPMU/ AHO/ DDH before 14 days of the event.

xvi. **Van for audio campaign for (4 days):** AHO identify the suitable locations for the organizing the awareness campaigns.

xvii. Preference in will be given to weekly haats/ local events /panchayat meetings/ any other suitable congregations of people.

xviii. DDH will centrally select an agency who will engage a van and perform audio campaign on the procurement, marketing and other awareness activities.

xix. Content for the audio campaign shall be finalized by the AHO/DDH/DPMU/SPMU

xx. All printing contents for the campaign shall be available in the FPO web portal which can be downloaded and printed for distribution.

xxi. Van campaign shall cover following themes

a. Process of procurement, FPOs' role

b. FAQ about FPOs

c. Post-harvest management and Value addition.

Budget break up for promotion Campaign at DPMU level

Cost item particulars	Rate	Unit	No.	Cost	Remarks
Road Shows 3 days					Road show at haats/ public gathering places at GP level which are potential for formation of FPOs showing visual display on FPO roles, Functions, success Stories, Govt. Initiatives
Printing of leaflets 200 No.s	20	300	10 days	6,000	leaflets containing the role of FPOs and its functions
Payment to Agencies	6000	2	1 days	12000	
Van campaign - 4 days					Van Campaign at the potential FPO GPs through hiring of van with audio campaign and promotional material distribution
Hiring of Van with fuel, decoration, fixtures, Audio, equipment, flexes	3000		3 days	9000	
Wall Paintings 10 places	300	10		3000	Wall paintings at village walls with consent from GPs on FPO scheme, membership and benefits
Total				**30,000**	

Budget break up for promotion Campaign at FPO level

Cost item particulars	Rate	Unit	No.	Cost	Remarks
Street Play 2 days -Payment to street play artists	1,000	1	2 days	2,000	INR 2000/- per day
Banner 1 No. for street play	500	1	1 No.	500	One banner mentioning role of FPOs and its functions
Promotion through Autorickshaw 5 No.s	3,000	5	30 Days	15,000	5 autos in one block will use the banner. The banner should describe the role of FPOs and its functions
Banners 2ft*2ft 5 No.s	500	5		2,500	Printing of Banners for promotion through autorickshaw
Group meetings 30 groups meeting	300	30	10 days	9,000	Membership meetings
Printing of leaflets 300 No.s	20	300	10 days	6,000	leaflets containing the role of FPOs and its functions
Total Cost for 1 GP level promotion				35,000	
Total for 2 GPs				**70,000**	A FPO will conduct promotional campaign in 2 GPs

COMPONENT 2: CAPACITY BUILDING

RATIONALE:

i. FPCs are formed exclusively by primary producers without many linkages or knowledge about the market both at member and Board of Directors level. FPCs dealing with agricultural commodities must essentially focus on productivity and quality enhancement for creating market surplus for the large market demand.

ii. There is also needed to increase the market orientation, business planning, managing their operations as well as market participation among the farmer-members.

iii. Understanding of legal compliances holds equal importance for smooth operation of the farmer producer company- especially FPOs registered as FPCs under companies act.

iv. Apart from this, the immediate need for these FPCs is to understand the budgetary need and find out suitable funding agency at right time.

v. Another key challenge faced by the FPOs is low level of member farmer engagement/ participation in FPO operations. Lack of awareness of FPO operations, lack of transparency in business processes and limited ability of the FPO management to mobilize farmers are observed as the critical factors responsible for lower engagement.

vi. Member farmers are not able to take decisions on the crop planning to marketing which is in synchronization with business plan of FPO. This in turn leads to lack of ownership and accountability among farmer members for their own FPO.

SPECIFIC OBJECTIVES:

i. To sensitize and create awareness among member farmers of FPOs to increase participation and strengthening of the institution.

ii. To empower the member farmers on decision making on crop selection, membership rights, business functions of FPOs.

iii. To increase the aggregation capacity of the FPOs through increase participation of the member farmers.

iv. To build capacity of FPO management on Governance, business planning and efficient operations.

v. To provide opportunity for the FPO representatives to visit, interact and learn from best agriculture value chain practices.

vi. To train and build capacity of Govt. officials on the FPO concept, functions, scheme guidelines and monitoring.

ACTIVITIES TO BE UNDERTAKEN UNDER THE COMPONENT

The scheme proposes to build capacity of both FPO members and management staffs to address the above-mentioned challenges. The capacity building support will be provided to the FPOs in Four areas.

i. Training

ii. Strategic Business Plan Development

iii. Seminars and Meets

iv. Exposure visits

v. Industry Emersion/Mentorship program with Private Sector

2.1 TRAINING TO FPO MEMBER FARMERS, FPO MANAGEMENT AND GOVT. OFFICIALS

There will be three types of training provisioned. Capacity building (CB-1) will be provided to the member farmers, CB-2 will be provided to the management representatives of the FPO and CB-3 will be provided to the Government officials at district and block level.

The training target participants and training topics are mentioned in the following table.

CB #	Training Components	Target group	Training Topics
CB-1	Sensitization and Capacity Building of Member farmers	Farmer members of FPOs	• FPO concept, functions, • Role of shareholder member farmers, Participation in FPO business activities, Shareholder rights and benefits, • Role of BoDs • List of stakeholders in FPO ecosystem- at FPO level, at District level, at State Level • Grievance redressal
CB-2	Capacity building of Board of Directors	Board of Directors and CEOs	• Governance and Legal Compliance, • Strategic Business Plan Development, • FPO Operations and Business Management
CB-3	District and State level officials	State Nodal officers, DDH/ADH and AHOs at the district level	• FPO functions, Business Model, • Monitoring and Assessment

OPERATIONAL MODALITIES

i. Capacity building training module developed by Bankers' Institute of Rural Development BIRD, NABARD, will be used to train FPOs and member farmers.

ii. Training Modules will be digitalized and will be converted to downloadable videos and will be shared across the FPO member network through social media platforms.

iii. SPMU will be responsible for digitization of the training modules.

iv. DPMU will prepare a list of trainers from the training institutes, KVKs,RRTTES, line departments and will recommend to SPMU for their empanelment.

v. SPMU will empanel the training resources and assign the training areas.

vi. DPMU will prepare the district training calendar and will present at DLC for approval.

Budget Break up for Training to 200 farmers for One FPO:

Training Cost/FPO	Unit	Rate in INR	No. s	Days	Cost in INR
Training for farmers	No.	150	200 farmers	7 days	210,000

CB-1: Sensitization and Capacity Building of Member farmers

i. This Training program will focus on training the member farmers of FPOs.

ii. 200 farmers per FPO will be trained for 7 days i:e average 30 farmers per batch.

iii. Extension workers will mobilize the farmers for the training.

iv. Training will be conducted at FPO office.

v. Dates and venue shall be finalized by DPMU in consultation with AHO and HEW and will be approved by the DDH from DPMU.

vi. The training will be conducted in two phases

   a. First phase will be conducted for 4 days

   b. Second phase will be conducted for 3 days

vii. Second phase will be conducted after six months of completion of first phase training.

viii. Training will also have video demonstrations followed by interaction with trainers.

Phase-1	Topics	Duration	Resource Person
Module-1	Good Agriculture practices, Modern Technologies in Agriculture	2 days	Empaneled Trainers from KVK, RRTTES, Research stations
Module-2	Benefits of Collectives, Case studies, FPO concept, Legal Structure	1 day	FPO officer, DPMU
Module-3	FPO Mission and Vision Basic Operational Details of FPO	1 day	FPO officer DPMU
Phase -2	Topics	Duration	Resource Person
Module-4	Recap of the previous sessions, Basic of collective marketing, marketable surplus FPO business model – share capital, membership benefits, profit distribution, problem solving List of Stakeholders in FPO ecosystem- at FPO level, at District level, at State Level, Grievance redressal.	1 day	Empaneled Trainers from KVK, RRTTES, Research stations FPO officer DPMU
Module-5	Govt. Schemes and programs Fund raising Private sector participation	1 day	Line department Officer FPO officer DPMU
Module-6	Books of accounts Audit and Compliance Income Tax filing and RoC filing	1 day	FPO officer DPMU

ix. The FPO officer has to upload geo-tagged group photograph of the training to the FPO web portal.

x. The lead farmers from the FIGs/ PGs will play role of master trainers at the village level, and they will further sensitize their member farmers on the same.

Target Participants	Duration	Resource Agency
200 Farmer members per FPO • 30 Farmers/day at one village	7 Days	Empaneled trainers from KVK, RRTTES, Line departments, research institutions, FPO Officer, DPMU

CB-2: TRAINING OF BOARD OF DIRECTORS AND MANAGEMENT STAFF OF FPOS

i. The training will be residential in nature focused to train 4 participants i:e: One CEO, 3 Board of Directors per FPO.

ii. 20 participants from of 5 FPOs will be grouped together as one batch for the training-One batch at one time will be trained.

iii. All modules will be conducted as classroom sessions in a spacious hall with adequate space for group activities.

iv. Handouts on processing, value addition, packaging &marketing shall be distributed in the training programme.

v. Dates and venue shall be finalized by DPMU and will be approved by the DDH from DPMU.

vi. DPMU will prepare a Training schedule and Plan for the district on annual basis and submit to SPMU for approval.

vii. Training plan should consist of selected FPOs, Training groups/batch details, Venue and Logistics planning, resource person details with proposed timelines.

viii. SPMU and DoH will approve the training plan upon review with concerned DPMUs.

ix. Institutional Development expert at the SPMU level will be responsible for coordinating the Capacity building and training program.

x. Upon approval, SPMU will organize the training of trainers (T-o-T) for the Empaneled trainers and DPMU will deliver the training program at the State level in coordination with BIRD, Lucknow.

xi. CB-2 Training will be conducted in two phases. Module-1 and 2 will be conducted for 2 days in phase 1 and Module 3 will be conducted for 1 day in phase 2. Both phases will be completed within six months i:e one phase per quarter.

xii. Under CB-2: Module-1 and 2 will be conducted for two consecutive days and Module 3 will be conducted in 2 days.

Training Module	Training Areas	Target Participants	Duration	Resource Persons
Module-1: Governance systems of an FPO	» Working together versus individual action » Basic concepts of an FPO » Formation and functions of FIG and FPOs » Board of Directors and Management: Who they are, how to select » Specific and Shared Responsibilities of BoD& CEO	Board of Directors and CEO (max. 4 members)	1 ½ days	FPO officer, DPMU Empaneled trainers from OUAT and other research institutions,
Module-2: Statutory Legal compliances of an FPO	» Importance of Share capital. How to collect and how to maintain? » Statutory Compliances under CompaniesAct 1956 and CompaniesAct 2013 » Statutory compliances – certification/ licences for trading	Management Committee and CEO (max. 4 members)	½ day	FPO officer, DPMU Empaneled trainers from OUAT and other research institutions,
Module-3: Managing an FPO Operations	» Introduction to HR and roles of the staff in the FPO operations » Introduction to basics of finance in an FPO » FPOOperations–Needforunderstanding and planning various resources - Part 1 » FPO Operations - Need for planning resources in an FPO - Part 2 » Basics of Finance: Budgeting, Working Capital, Cash flow; Raising funds; Managing share capital; Investment financing » Basics of Finance: Price discovery (of FPO's produce) and Profitability » Assessing the Financial position of the FPO for its operations » Introduction to Recruitment process » How to leverage available resources and provision for future needs. » Different scenarios in efficiently managing resources using simulation	Management Committee and CEO (max. 4 members)	1 day	FPO officer, DPMU Empaneled trainers from OUAT and other research institutions,

BUDGET BREAKUP FOR CB-2 TRAINING:

Training Cost for CEO and BoD	Unit	Remarks	No. s	Days	Cost
No. of participants per FPO		CEO and 3 Directors	4		
No of Days				5	
Food expenses @ INR 500 per day per person				2,000	10,000
Staying expenses @ INR 1000 per person per night				4,000	20,000
Total					**30,000**

CB-3: TRAINING TO DISTRICT AND BLOCK LEVEL OFFICIALS AT THE DISTRICT LEVEL

i. A total of 50 Govt officials from the state will be trained annually in 2 batches with each batch have 25 participants.

ii. The training will be conducted for 3 days at the district level and will be residential in nature.

iii. Dates and venue shall be finalized by DPMU with approval from the DDH from DPMU.

iv. Handouts on shall be distributed in the training programme.

v. The officials will be selected from the line departments of Agriculture, Horticulture, Fisheries and Animal resource development through an internal nomination process.

vi. DPMU will further recommend SPMU for approval of the training program.

vii. The training program will be provided on

   a. FPO model, functions,

   b. Scheme features and guidelines

   c. monitoring framework

viii. DPMU will facilitate the list of participants, training schedule and send for approval to SPMU.

ix. DPMU will organize the training program in the district level.

x. Institutional Development Expert from SPMU will deliver the training program.

BUDGET BREAKUP FOR COST OF TRAINING OF GOVT. OFFICIALS FOR ONE FPO

Training Cost for Govt officials	Unit	No.s	Days	Cost	Remarks
No. of participants	50	50			District level and Block level officials
No of Days			3		
Food expenses @ INR 1000 per day per person			1,000	3,000	Considering 1000 FPOs in State, average 33 FPO/district and 50 Govt. officials to be trained, so ~2 No. of officials will be aligned to One FPO
Staying expenses @ INR 1500 per person per night			1,500	3,000	
Total				**6,000**	
Total cost of training per FPO				**12,000**	

2.2 STRATEGIC BUSINESS PLANDEVELOPMENT

RATIONALE

i. A Good Business Plan acts as a compass to the FPO – showing the right direction needed from time to time. Several FPOs prepare business plans for the sake of preparation and it remains a statement of intention rather than a tool for direction. However, a good Business Plan (BP) is the engine that drives the FPO to the destination it has envisioned.

ii. A business plan is an important document to be submitted to the funding agency, post registration. The entire plan of activities of an FPO is mentioned in the business plan. Any individual activity within a business plan of an FPO that needs to be promoted as a micro enterprise, requires a bankable business plan for the funding support of a bank. The consolidation of individual activities/micro enterprises becomes a Business Plan or detailed project report for an FPO. Along with the bankable business plan of the micro enterprise, the business plan of an FPO can be submitted as a supporting document.

OPERATIONAL MODALITIES

i. Business plan development will be a two-day handholding residential exercise and will be conducted with the Chief Executive Officer (CEO) and Managing Directors of FPOs in the district.

ii. A batch size of maximum 20 participants from 10 FPOs will be undergoing this training.

iii. SPMU will engage an Expert Agency to develop the on the Strategic Business plan for FPOs.

iv. DPMU will prepare the list of FPOs to be supported under this component and submit to SPMU for approval.

v. DPMU along with the AHOs will schedule, organize the workshop, and also monitor the implementation of business plan.

vi. Dates and venue shall be finalized by DPMU and will be approved by the DDH from DPMU.

vii. Business plan development will be done through a participatory workshop mode with the participants.

viii. Some key elements of the workshop will be as follows.

    a. Understanding the customer
    b. Broad Components of a Business Plan and data required to prepare business plan
    c. Identifying the potential business to pursue by the FPO
    d. Learnings from an existing FPO's business
    e. Basic understanding of Risk taking
    f. Impact on business in different scenarios using simulated models
    g. Role that a FIG plays in the overall FPO's business
    h. How to prepare and MIS using farmer data
    i. Preparation of a plan for FIG activities contributing towards FPO business plan.
    j. Development of Business plan.

Component	Target Participants	Duration	Resource person
Strategic Business Plan development	CEO and MD of FPO	2 days' workshop	External Empaneled Expert

2.3 SEMINAR AND MEETS

OPERATIONAL MODALITIES

State level:

» A State level FPO conclave will be organized annually by the DoH inviting participants from FPOs, CBBOs, Implementing agencies, Expert groups, Market players, Banks and Financing Institutions, Academic institutions, corporates and officers from concerned Govt. departments.

» The FPO Conclave will be platform to discuss the existing status of FPOs, key challenges, increase in private sector investment, technology integration, research and development among ecosystem stakeholders.

» SPMU will be responsible for conducting the workshop with all required financial and approval from DoH.

» Maximum Two representatives (CEO and One Director) from the FPOs can be invited to participate in the Odisha FPO conclave.

District level:

» A Three-day District FPO meet will be conducted at the district level by the DPMU with approval from SPMU and DoH.

» All FPOs from the district will attend the district FPO meet.

» Three sessions will be organized in the District FPO meet. Four representatives per FPO including- three Management committee members and CEOs, CBBOs and representatives of Implementing agencies will attend the meeting.

- **FPO buyer meet:** FPO crop specific buyers will be invited to interact with the FPO on the opportunities, challenges and support required.
- **CEO interaction:** Interaction with CEO on the FPO business will be conducted through a participatory discussion session.
- **Bankers meet:** Lead and other banks, financial institutions will interact with the successful FPOs, understand their business plan and models to facilitate increased credit flow to the FPOs.

» DPMU will identify the list of FPOs and submit the list of participants to SPMU for approval.

» DPMU will conduct the meeting at the district level and submit a report to SPMU.

» DLC will coordinate with the district level bankers and invite them to the meeting.

» DDH will invite the buyers to participate in the FPO buyer meet.

BUDGET BREAK-UP FOR DISTRICT FPO MEET

Cost Items	Unit	No of days	Cost in INR	Remarks
No of Participants from FPO	4			CEO and 3 Directors
No. of FPOs	20			
Total No. of participant	80			
No. of bankers	10			Branch Managers from the districts
No. of buyers	20			

Cost Items	Unit	No of days	Cost in INR	Remarks
no. of officials	20			Line departments
Food expenses @ 300 per person				
Bank representatives	300	1	3,000	
Buyers	300	1	10,000	
No of officials for 2 days	300	2	7,500	
No of FPO persons @ Rs.1300 for 2 days	1200	2	192,000	
Staying expenses				
No of FPO persons @ Rs.1000 for 2 days	1000	2	80,000	
Total			272,000	
Cost per FPO			13,600	
Miscellaneous			500	
Round off			15,000	

2.4 EXPOSURE VISITS FOR FPOS

It is important to go at the pace of the participants so that they understand all the components and details. One of the sessions includes a field exposure visit to an existing successful FPO to meet their Board of Directors and understand their business plan.

OPERATIONAL MODALITIES

i. Two exposure visits will be organized with five selected FPOs in each batch in a year for 3 members from each FPO (One CEO, One Director and One Farmer) for 10 FPOs in the district in a year.

ii. The selection of FPOs will be done by DPMU with approval from SPMU.

   a. **Exposure visit 1:** The participants will visit to a model FPO in Outside the State preferably to best performing FPOs and FPO federations in Maharashtra, Karnataka, Gujarat, Madhya Pradesh, Uttar Pradesh and Bihar.

   b. **Exposure visit-2:** The participants will visit to an agri-food processing industry.

iii. DPMU will be responsible for conducting exposure visits with approval from SPMU and DoH and coordinate with the visiting FPOs and industries and other logistic arrangements.

iv. SPMU will approve the places to be visited for exposure.

v. A visit learning report is to be prepared and submitted by DPMU.

BUDGET BREAK UP FOR EXPOSURE VISIT FOR ONE FPO

Cost items	Unit	Unit Cost	Days/ Nights	Cost	Remarks
No. of participants per FPO	3				CEO and One Director and One Farmer
No of Days	7				4 day trip to Maharashtra or Karnataka, 3 day travel
Travel to and From by Train	6	1000		6,000	
Food expenses @ INR 1200 per day per person		1200	7	25,200	
Staying expenses @ INR 1200 per person per night		1200	4	33,600	
Local travel	Lumpsum			1,200	
Total				**66,000**	

2.5 INDUSTRY IMMERSION PROGRAM WITH PRIVATE SECTOR PLAYERS

i. SPMU will organize five Industry emersion program with selected FPOs annual basis.

ii. The objective of the program is to increase corporate engagement with the FPOs and mentor the FPOs on the business processes, standard practices and access to remunerative markets.

OPERATIONAL MODALITIES:

i. SPMU will invite leading corporates to spend one day as employee-engagement with the FPOs in the state as part of their Corporate Social responsibility.

ii. SPMU will coordinate with interested corporates to organize immersion programs with the FPOs.

iii. The emersion program will be conducted for one day at the FPO operational area.

iv. Corporate will sponsor the entire program.

v. Selection of FPOs will be conducted in consultation with the DPMU.

vi. SPMU will facilitate the immersion program between the corporate and the DPMU.

vii. Board of Directors, CEO and selected farmer members from maximum 5 FPOs at the village level will be part of the program.

viii. Some of the key activities in the program

a. Understanding FPO business

b. Success stories and failure cases

c. Challenges and support required

d. Business mentorship on planning, operations and financial management

e. Technology and opportunities in the FPO driven supply chains

COMPONENT 3: ACCESS TO FINANCE

RATIONALE
i. In each of the stage of the FPO, the financial needs were found to be different.
ii. In early stages, financial need of the FPOs revolves around the cost of mobilizing farmers, registration cost, cost of operations and management, training, exposure visits etc. Mostly the need is met thorough the grant support.
iii. Later in the emerging and growing stage, FPOs need working capital to run their businesses.
iv. As the FPOs move towards expanding their businesses, FPOs need term loans are needed to set up processing units, processing/grading/sorting yards, storage go-downs, cold storage, transport facilities, etc.

SPECIFIC OBJECTIVES

i. To support FPO access to formal credit to expand their business and operations through formal linkage with banks and financial institutions

ii. To increase credit flow to FPOs through convergence with bankable projects under schemes like MKUY, AIF and PMFME.

iii. To provide business risk fund support to FPOs for absorption of loss due to climate change or natural disasters and unplanned business risks.

iv. To promote lending to FPOs through credit guarantee fund coverage.

3.1 CAPITAL GRANT SUPPORT FOR FPOS

i. Farmer Producer Organizaton would be provided credit-linked capital grant support @20% on the fxed capital cost and up to 40% on the working capital.

ii. The maximum cost of the project will be INR 50 lakhs per FPO.

iii. FPO contribution should be minimum of 20% of the project cost with balance being loan from Bank.

iv. FPOs can also apply for projects under AIF, MKUY and PMFME schemes to avail this benefit, preferably under MKUY.

v. Federations of FPOs can also apply for under the scheme with 30% capital grant support.

OPERATIONAL MODALITIES

Selection Process for FPOs

i. FPOs can apply for the credit link support to the DPMU through the CBBOs or through AHOs.

ii. District Project Manager would undertake visit to the FPOs units for rating and due diligence to avail benefts under the Scheme. FPO rating will be conducted by CBBOs and/or DPMU consultants annually using the ratng tool framework developed by NABARD.

iii. Based on the rating tool scores the FPOs will be evaluated for the capital grant support through the scheme.

iv. Rating scores will be linked to the amount of support.

Grade	Marks obtained	Remarks
A	**>75%**	Ready for credit linkage
B	**60-75%**	Credit linkage after little capacity building
C	**50-60%**	Need further capacity building
D	**<50%**	Need detailed assessment for further capacity building

v. Due diligence to be carried out by the DPMU for each Unit should have the following details:

- Annual Turnover of the FPO.
- Track Record of payments by the FPO.
- Existing infrastructure.
- Backward and Forward Linkages.
- Marketing linkages of the enterprise
- FPO profile updated in Single window system
- At least one women in the Board of Director.
- The cost of the project proposed should not be larger than the present turnover;
- The cooperative/FPO should have sufficient internal resources to meet 10% of the project cost and margin money for working capital

vi. Rating tools will also be used to measure the progress of the FPOs.

vii. DPMU will consolidate the FPO rating results at the district level and the same will be further consolidated at the state level by the SPMU.

viii. Financial Expert at the SPMU level will be coordinating the FPO credit linkages with banks and financial institutions.

ix. District project Manager (DPMs) will follow up with the banks on the loan application status, help FPOs to meet the compliances raised by the bank and facilitate timely sanction of the loan.

x. All the potential FPOs' application received by DPMU will be sent for approval by DLC.

xi. District Level Committee should study the report submitted by DPMU for each FPO.

xii. Based on the satisfaction of the DLC, DLC can recommend the FPO application to the bank for sanction.

BUDGET CALCULATION FOR CAPITAL FUND PROVISION UNDER MKUY, PMFME PER YEAR

Capital grant Support under MKUY	%	Cost
Average project Cost under MKUY		5,000,000
Fixed capital (FC) requirement	80%	4,000,000
Working Capital (WC) requirement	20%	1,000,000
Support provided under the Scheme 20% of FC	20%	800,000
Support provided under the Scheme 40% of WC	40%	400,000
Total Support provided to one project under MKUY		**1,200,000**

3.2 CREDIT GUARANTEE FUND (CGF) FOR FPOS

i. Government of Odisha has entered into an agreement with NABKISAN Financial Service pvt. Ltd to extend credit guarantee coverage for the loans extended by NABKISAN to the FPOs. Under this component, 50% of the loan outstanding or INR 50 Lakhs whichever is higher is provisioned as credit guarantee to the NABKISAN.

ii. The operation modality of the CGF will be followed as per the agreement of DoH and NABKISAN.

3.3 BUSINESS RISK FUND FOR FPOS

i. As FPOs take up enterprise-oriented activities, they require various types of support for financing, incubation, risk management and stabilization of their business operations. Agricultural commodity businesses have higher requirements of working capital finance since most commodities are stocked right after harvest and thereafter consumed steadily out of the stored stocks till the next harvest.

ii. Though the state has provisioned the Credit guarantee fund to cover the risk of FPO lending, a FPO faces risk due to unprecedented changes in the business cycle. The risks for FPOs in marketing of agri-food produce emanate from factors such as unknown & varying demand, high investments, price volatility, credit defaults, inadequate information on supply chain, customers, and competitors, changing customer loyalties and preferences etc.

iii. Events such as pandemic restrictions and heavy price fluctuations can result in significant losses for the FPOs.

iv. Without earmarked or assured support to deal with these business risks, that encourages FPOs to take up marketing-oriented initiatives, the FPOs would remain trapped in the vicious cycle of 'low risk-low returns' business opportunities and low member engagement.

v. A fund equivalent to 20% of the Capital Support Grant will be earmarked for the FPO business risk fund and aim to support FPOs who faced loss in their business due to losses incurred due to climate related hazards.

OPERATIONAL MODALITIES

Structure of Business Risk for CommercialLoans	
Nature of Instrument	Business Risk Fund(to bereleased in the form of Grant)
Recipientof Assistance	Lending Institutions- Banks
Time of Release of Funds	Ex-Ante (atthe time of RegisteringLoan with the Bank)
Quantum/Rate of Assistance	20% of the Capital Support Grant will be earmarked for the FPO business risk fund
Tenure	Within 5 years of the on-going loan tenure (One time assistance)
Key Guidelines	i. Commercial loansprovided to FPOsby banks shall be eligiblefor business risk fund. These commercialloans(typicallyworking capital-loans)shallbeprovidedtoFPOsforundertakingaggregation and allrelevantvalueadditionactivitiesrequiredformarketingofagricultural and alliedproduce.The ceilingfor creditguarantee shallbe INR 40lacs per FPOs. ii. Preference for assistance under Business risk fund will be given to FPOs which have availed support under Capital Grant Support Component of the scheme. Based on the rating tool scores the FPOs will be evaluated for the capital grant support through the scheme. iii. To be eligible for business risk fund,projects toFPOs for implementingmarketing-orientedinitiativesshallhave tobe registered with the business risk fund.

The Business Risk Fund for FPOs will besetupunder the Capital Grant Support component of the scheme. The following organizational structure could be adopted for the fund:

i. **Management Committee** – The Management Committee shall comprise of experts from domains such as development finance, impact investments, agribusiness, horticulture, organizational development, social sciences, social entrepreneurship etc. The Management Committee would be vested with responsibilities to register loans for credit guarantee, approve proposals for infrastructure development loans, evaluate efficacy of capacity development assistance measures under Business Risk Fund, manage the corpus of the Fund and identify strategies and approaches for better utilization of the gamification instruments (e.g. performance incentives, rewards and awards) included under the Fund. The Management Committee shall comprise of the following members:

a. **District Project Management Unit (DPMU)** – DPMU will monitor the claim of the eligible beneficiary against the business risk fund and put forward the same in DLC for approval. Upon approval, the claim will be moved to SPMU.

b. **State Project Management Unit (SPMU)**–SPMU will report to the Management Committee to ensure the smooth operation soft he Business Risk Fund.Theoperating team will collect ground level intelligence with respect to the functioning of FPOs and the FPO climate fund and inthe process actasaconduit between the fund and the FPOs. SPMU will roll out a separate detailed guideline of FPO climate risk fund in consultation with the stakeholders.

c. **Technical Advisory Panel (TAP)** –This panel shall be constituted by the Management Committee. The member soft he technical advisory panel will have rich experience indifferent technical aspects of agri business and horticulture cutting across different stages of valuechain. Members of the technical advisory panel shall be invited for advisory inputs uponthe request of the Management Committee.

COMPONENT 4: ALLOCATION OF LAND ON NEED BASIS

RATIONALE

i. Value chain centric FPO activities envisage tasks encompassing pre-production to consumption. They include seed procurement, nurseries, organic method of cultivation, post-harvest processing and marketing.

ii. Having a common facility centre (CFC) by an FPO boosts its economic activities by way of Ensuring faith of the farmer members in investing in the equity

iii. Handling the primary processing and grading activities of the commodities and Storing the inputs that are required for their farmer members.

iv. However, investing on common facility center by the FPOs from their equity mobilised initially will lead to the 'egg or chick first dilemma'. They face challenges in accessing common lands, or taking lands on lease to set up the common facility centers or production centers.

SPECIFIC OBJECTIVES

i. To provide infrastructure facilities to the FPOs to set up common facility center and engage in value addition.

ii. To promote enterprise promotion at the local level and create employment opportunities.

OPERATIONAL MODALITIES

i. Land will be made available for the FPOs at a concessional rate for establishment of exclusive storage, sorting, grading yards, and processing plants as per processing norms.

ii. FPOs can apply for availing land or taking lease of land to the DPMU through a formal application with their Board resolution and clearly mention the intended purpose of land allocation.

iii. DPMU will assess the application, conduct due diligence, present the case to DLC.

iv. DLC with chairmanship of District collector will decide the land allocation approval through appropriate mechanisms in consultation and coordination with line departments.

v. However, leasing of unused Government infrastructures at the District level for setting up common facility centres will be encouraged from FPOs through DLC.

COMPONENT5: OPERATIONAL AND HANDHOLDING SUPPORT

RATIONALE

i. It is noticed that FPOs are finding it difficult to avail technical support for the growth of their business operations. Lack of qualified human resources, absence of management standards and systems and Lack of guidance and advisory often results in lower business turnover of the FPOs.

ii. It is noticed that FPOs have been struggling to comply with the legal requirements required by MCA to be done periodically. Especially, in case of FPOs registered under companies act as farmer producer companies (FPC), there are more items of compliance required than the FPOs registered under as cooperatives.

iii. Some of the cost incurring items includes- Statutory annual audit, GST filing, return filing, share capital filing etc. More number of legal compliance translates to increased cost in terms of payment to MCA, fees to be paid to CA/CS for filing etc.

iv. In the on-going schemes for FPO formation and promotion, FPOs are generally supported for first three years to file their compliances regularly. But, after three years, it was noticed that FPCs with low annual business turnover and low networth find it difficult to meet the legal compliance expenses. In case, the FPC fails to meet any legal compliance, as per the companies Act, MCA charges penalties from the day one of the default. The penalty amount gets accumulated and results in a huge amount which becomes difficult for the FPC to pay. Such case leads FPCs to become defunct and out of business activity. There are many such cases noticed in the State.

SPECIFIC OBJECTIVES

i. To provide handhold support to FPOs and to strengthen the business and operations for increase in profitability.

ii. To access to technical advisory support services to meet the current market demands

iii. To introduce the affordable technology and integration of the same in the FPO supply chains.

iv. To provide legal and compliance support to FPOs and make them business ready.

The scheme will provide the following two key supports.

i. Technical Support

ii. Legal and Accounts Support.

5.1 TECHNICAL SUPPORT

FPOs can avail hiring an empaneled Technical Expert on short term basis to work on increasing business turnover and will be paid 2% of the total turnover out of which 50% can be availed from the state scheme. The critical support areas include

- Business Mentorship
- Linking with markets, Technology and Service providers
- Process re-engineering and resource optimization
- Convergence with schemes

OPERATIONAL MODALITIES

i. Technical Experts across the state and outside will be empaneled to provide the technical support to FPOs through expression of interest.

ii. SPMU will empanel the Technical Experts (TE) with approval from SLC.

iii. DPMU will conduct the Rating of FPOs and based on the score, DPMU will place for DLC approval and then recommend the list of FPOs to SPMU who are interested to avail this support.

Grade	Marks obtained	Remarks
A	>75%	Eligible for technical Support
B	60-75%	Eligible for technical Support
C	50-60%	Eligible for technical Support
D	<50%	Not eligible, needs further capacity building

iv. On the DPMU recommendation, SPMU will assign the TEs with the FPOs for a mutually agreed period and business targets through a contract.

v. The standard contract contents will be developed by SPMU.

vi. A tri-party agreement among the FPO, TE and the SPMU will sign the contract containing the scope of the support to be provided and the payment terms and conditions.

vii. DPMU will be monitoring the progress of the TE support on quarterly basis and share the progress report to the SPMU.

5.2 LEGAL AND ACCOUNTS SUPPORT

i. 100% Exemption from stamp duty charges in case of land lease or setting up common processing centers

ii. 100% reimbursement on license fee for seeds, fertilizers license through e-licensing application

iii. 50% reimbursement on certification fee for FSSAI, HAAP etc.

iv. 30% reimbursement on export license fee.

v. Compliance Advisory support for revival of FPOs (Case to case basis)

vi. Reimbursement of CA/CS fees towards concurrent audit of books of accounts.

OPERATIONAL MODALITIES:

i. FPOs need to apply for the reimbursement of the fees through the AHOs through a formal application with board resolution.

ii. The standard application template will be developed by SPMU.

iii. The following documents will be attached with the application.

- Certificate of registration
- Copy of Certificate or license for which claim is made
- Payment receipts
- Board resolution
- Copy of Bank passbook
- Copy of last FY audited statement

iv. AHOs will forward the application to the DPMU and DPMU will conduct the due diligence through site visit.

v. DPMU will recommend the finalized list of FPOs to DLC for approval and then to SPMU.

vi. SPMU will process the application on approval of SLC and initiate the reimbursement to the FPO accounts.

EMPANELMENT OF CA/CS FOR LEGAL AND ACCOUNTS COMPLIANCE SUPPORT TO FPOS:

i. One CA/CS will be empaneled at each district through application of invitation followed by due diligence process.

ii. Any qualified CA/CS Firms/ Individuals having office in the district will be empaneled through a process of selection taken up by DoH and SPMU.

iii. The selection process involves Expression of interest of CA/CS and application seeking details of their experience on Statutory audit of FPOs.

iv. Scrutiny of credentials will be done by SPMU.

v. Shortlisted firms/individuals will give a presentation before a panel of experts identified by SPMU. (Criteria, score sheet and process will be developed by SPMU)

vi. Based on the scores, final list of CA/CSs will be approved by the selection committee.

vii. MoU will be signed between Director of Horticulture and selected CA/CS and SPMU after proper scrutiny.

viii. Based on experience and local presence, districts will be assigned to CA/CS, but not more than 5 districts across the state.

ix. CA will send the quarterly progress report and payment invoice to the DPMU.

x. DPMU verify the CA report with the FPO and then forward to SPMU for payment release.

xi. Payment to CA will be made on quarterly basis based on the progress report.

Budget break-up for technical and legal Support:

	Cost Items	Payment to be made	Amount in INR
Operational handholding support (Technical, Legal and Accounts)	Technical consultant Fee	Technical (Expert consultations)	50,000
	Professional fees reimbursement on secretarial compliance	Legal and Corporate Secretarial Support	20,000
	Concurrent Audit of books of Accounts	Accounts Support	20,000

COMPONENT 6: MARKETING SUPPORT

RATIONALE

i. Linking farmers and farmer producer organization by guiding them to understand the demand, requirement of food safety, network of market, and market intelligence to take informed decision is prerequisite to strengthen the linkages with markets.

ii. To bring this transformation, marketing as a function of management needs to guide the flow of produce from farm to fork through the flow of information, so as to fulfill the demand in a way that results is optimization of cost and maximization of value realization.

iii. Given these changes, linking farmers and FPOs to market is a long term strategy to enhance income and ensure wellbeing of farmers. Studies show that agronomic support services as prevalent in countries are not enough. T

iv. These efforts need to be complemented by promoting mechanism to do strengthen existing marketing platforms, increase capacity for FPOs on viable aggregation models to scale the business.

v. Further Limited opportunity for value addition creates a bottle neck for high profit margin realizations and thus limits market share of the producer organizations.

vi. The lower aggregation is often powered by lack of price discovery mechanisms, absence of bulk demands and inability to supply required quality and quantity.

SPECIFIC OBJECTIVES

i. To bring understanding of pathways of linking FPOs to alternative markets like e-markets, direct marketing etc.

ii. To bring understanding of market information and marketing decision.

iii. To bring information about ways to have access finance, credit and risk management in marketing.

iv. Provide exposure to best marketing practices in ensuring food safety, managing supply chains and value addition.

v. Bring awareness about the opportunities and challenges in food safety and requirements for getting linked with profitable value chains.

vi. To build capacity of FPOs in Production Cluster model and tap the export markets for high value crops.

vii. To promote business engagement of FPOs directly with leading agribusiness corporates through online marketing portal through Odisha FPO Marketing Initiative.

The proposed support areas under this component are as follows.

i. Strengthening of marketing systems

ii. Facilitating Aggregation of produces through streamlining the procurement systems, access to PHM facilities and access to credit

iii. Export Promotion through FPOs

iv. Federation of FPOs

v. Engaging Market Facilitation Agency (MFA) for Increase FPO market share

6.1 STRENGTHENING OF EXISTING MARKETING SYSTEMS

i. FPOs will be mapped with local mandis, satellite markets, rural haats to manage and market their products through those platforms.

ii. e-NAM platforms can be strengthened to on-board FPOs and increase volume and value of transaction through FPOs. Operational Modalities:

OPERATIONAL MODALITIES

i. A study will be undertaken by SPMU with approval from SLC “Mapping of local mandis, satellite markets, rural haats and RMCs having e-NAM facilities with the FPOs.

ii. SPMU can associate with OSAM board for the conduct and compilation of the study.

iii. The study should clearly recommend implementation plans to map the FPOs with the existing marketing platforms.

iv. The district wise FPO mapping plan will be shared with DPMU to initiate the discussion with the FPOs through AHOs.

v. DPMU with approval from DLC will invite expression of interest from the FPOs to manage the available rural haats, mandi's and Sateliite markets through public advertisement process and through the state FPO portal.

vi. The interested FPOs need to submit their expression of interest through the portal and/or offline to the DPMU.

vii. The application should have the recommendation of AHOs/AAOs to be eligible for submission.

viii. In the chairmanship of District Collector, the DLC will evaluate the FPO applications and assess the feasibility against the study recommendations for the approval.

ix. Upon approval, the district administration will allocate the market to the FPO through appropriate process on a user-pay revenue model.

x. FPO will sign the agreement with the district administration for the allocation and management of the markets.

xi. Detailed terms and conditions will be laid out in the agreement including the tenure, operational procedures, payment of fees, transactions terms, list of commodities to be marketed, termination clauses etc.

xii. DPMU will monitor the progress of the FPOs and submit the progress report to the DLC.

xiii. DPMU will support RMCs to conduct awareness campaigns at their block level to sensitize FPOs on the e-NAM registration and trading through the e-NAM platform.

xiv. The cost of this campaign, sensitization and promotion can be supported by OSAM board.

xv. DPMU will also facilitate FPOs to trade on commodity platforms like NCDEX for commodities like Turmeric, Coriander, pulses and maize based on the capacity of FPOs to manage the risks.

6.2: FACILITATING AGGREGATION OF PRODUCES AT FPO LEVEL

FACILITATING AGGREGATION OF PRODUCES:

The scheme proposes to increase aggregation of produces at the FPO level through following measures

i. **FPOs capacity to work on Price Discovery Mechanism:** Competitive, but yes profitable price offering will help FPOs to offer attractive business deals for the farmers.

ii. **Streamline the Procurement and Marketing Systems:** Cost efficient procurement and supply chains will ensure the inclusion of higher small and marginal farmers.

iii. **Access to PHM infrastructures:** Availability of post-harvest management infrastructures especially storage can attract aggregation of produces.

iv. **Integrated FPO market platform for bulk demand generation:** Availability of bulk demand will increase the scope for aggregation of produces, association of FPOs.

v. **Ensuring transparent and timely payment systems:** Value propositions in the supply chains will fetch increased supply and aggregation of produce through farmer members.

The Operational modalities for each these activities are mentioned down below.

OPERATIONAL MODALITIES:

Measures to Increase aggregation of produces	Operation Modalities
FPOs' capacity to work on Price Discovery mechanism	i. FPOs will be trained on the use of Price Discovery tool during the capacity building trainings. ii. Based on the offered price, FPO can offer best competitive price to the member farmers. iii. HEWs and Agri extension workers can use their local network to capture prices of top seasonal crops at the local mandi/ markets on daily basis. iv. District level FPO groups can be formed for market price dissemination through HEWs/ Extension workers/ buyers. v. CBBOs can look for tie up with leading mobile service providers to share price details with the farmers through message services. vi. FPO officer, DPMU will maintain the price list and share monthly price trend reports to SPMU.

Measures to Increase aggregation of produces	Operation Modalities
	vii. FPOs can negotiate on the price with the set of registered buyers on the web portal. viii. FPOs can reach out to farmers on the price list through mobile message services or WhatsApp groups.
Standard Operating Process for Procurement and marketing	i. Standard Operating Process (SoP) for 20 important marketable surplus crops will be developed by SPMU based on the successful procurement models adopted by FPOs across the country. ii. The SoPs will cover the following topics • Pre-procurement planning- Potential member farmers-village wise, collection route mapping, collection centers, availability of assets and storage infrastructures, roles and responsibilities of Board of Directors, capital availability and requirement, Buyer identifications and MoU signing • Procurement plan - Purchase order from buyers, Advance payment to farmers, transportation arrangements, Collection and aggregation, processing, supply of orders • Post-Procurement – payment realization from the buyers, payment settlement with farmer members iii. FPOs will be trained on the SoP during the CB-2 Module and FPO-buyer meet. iv. CBBOs and FPOs can ensure the implementation of SoPs during the procurement and marketing season.
Access to Infrastructure support for Post-Harvest Management/Processing	i. FPO can access and utilize existing PHM infrastructures at the District and Block level for their business use subjected to approval from District level authority. ii. Types of Common infrastructures to be funded under the scheme: a. Premises for assaying of agriculture produce sorting, grading, warehouse and cold storage at the farm-gate b. Common processing facility for processing of produce. FPOs can apply for availing PHM infrastructures at the district level through the FPO web portal (www.fpoodisha.nic.in) The application will be routed to the concerned AHO in the block level. AHO can put forward his/her recommendations with mention of schemes under which the facility can be allocated. DPMU will receive the application from the AHO and will send the recommendations to SPMU with approval from DDH for the new facilities which needs to be constructed.

Measures to Increase aggregation of produces	Operation Modalities
	Assistance will be provided on a case-to-case basis and the applications for the same will be evaluated by the DPMU on following criteria. Due diligence to be carried out by the DPMU for the FPOs which should have the following details: a. Annual Turnover of the FPO b. Existing infrastructure c. Marketing linkages of the FPO d. Type of PHM service use iii. In case of application for availing the existing facilities, DPMU can recommend the case to the DLC and under the chairmanship of District Collector, the allocation process will be followed as per Government norms. iv. DPMU will be coordinating this process of PHM unit allocation to FPOs
Integrated FPO Market Portal for Demand generation	i. A portal for FPO Markets will be integrated on the state SWS portal to place deals offered by buyers and this in turn will create demand at the FPO level with price specifications.
Transparent and timely payment Systems	i. The CEOs of the FPOs will be trained to follow an transparent payment systems which will boost the farmers' confidence to sell his/her produce through the FPO. ii. During the bankers' meet, transactions through the banks will be encouraged by bankers. iii. During concurrent audit of books of accounts, empaneled CA will advise and ensure the timey payment systems followed by FPOs.

BUDGET BREAKUP FOR MARKETING SUPPORT FOR ONE FPO

Cost Items	Specific Activties	Unit	Unit Cost in INR per FPO
Marketing platform development on the FPO web portal	Platform development	Lumpsum	2,500
Branding and promotion	Branding and Promotion	Lumpsum	50,000
Aggregation System Strengthening	Price discovery	Lumpsum	7000
Export promotion for FPOs	Export licensing, market Linkage	Lumpsum	30,000

6.3 EMPANELMENT OF MARKET FACILITATION AGENCY (MFA) FOR INCREASE FPO MARKET SHARE

i. Any leading agribusiness corporate/company operating in the state and active in the district level will be chosen as MFA through a process of selection taken up by DoH and SPMU. The selection process involves :

   a. Expression of interest of all potential organizations and application seeking details of their agribusiness plans with the FPOs in Odisha.

   b. Scrutiny of credentials will be done by SPMU.

   c. Shortlisted organization will give a presentation before a panel of experts identified by SPMU and selection committee comprising state level senior officials from Horticulture, Agriculture, Fisheries, OLM, Soil Conservation and Watershed development under the chairmanship of APC. (Criteria, score sheet and process will be developed by SPMU)

   d. Based on the scores, the qualified agency will be approved by the selection committee.

   e. MoU will be signed between Director of Horticulture and selected MFA and SPMU after proper scrutiny of MFAs.

ii. A portal for FPO Markets will be developed and will be managed by the MFA to link FPOs to the buyers. The portal will be integrated on the state SWS portal.

iii. Other than MFA, other institutional buyers can also register on the portal and offer suitable marketing deals to the FPOs.

iv. Administrative approval of the Portal management will be with SPMU only. MFA will work in consultation with SPMU for the management of the portal.

v. SPMU will ensure the data privacy and authentic use of data on the portal.

vi. Performance of MFA will be evaluated based on the volume and value of transactions occurred on the portal.

vii. Payment to the MFA will be linked on the volume and value of the transactions.

viii. MFAs will support FPOs in aggregation of produces, quality control through its existing business network and sale of produces to the buyers through the portal.

ix. MFAs will be responsible to ensure that business of FPOs is as per set milestones and deadlines.

x. MFAs will be responsible for submission of all the reports and documents related to FPO marketing to SPMU.

CRITERIA FOR SELECTION OF MFA

The marketing firm should understand the uniqueness of your industry, eliminating the need to educate them. In addition, they may already know your competitors, understand what motivates your prospects and be aware of who your top prospects should be.

» It should be a Company/ Firm/ LLP registered in India with a good track record in trading of agri commodities, providing marketing and export support, advisory services at least for at least 5 years

» Should be an accredited agency with legally compliant

» Should be having a scale of operation in terms of volume and presence in the state

» Average turnover of the company should be more than 100 Cr for last 3 years

» It must come to the table with experience, pragmatic ideas, and the knowledge necessary to grow your business.

» It should also have key contacts in the media as well as trade organizations, making it easier to obtain press coverage and speaking engagements.

6.4 EXPORT PROMOTION THROUGH FPOS

i. Agri Export Policy announced by Government of India with "Farmers' Centric Approach" suggests for developing product specific clusters in the country to help improving productivity and quality of the varieties of crops with special involvement of Farm Producer Organizations(FPOs).

ii. FPOs are an institutional innovation to help small holders to reduce cost of produce by procuring necessary inputs in bulk at wholesale rates, aggregation of produce and bulk transport reducing marketing cost etc. and extend their reach to modern technology and distant markets. The policy also aims at addressing the obstacles faced by FPOs through organisation like Small Farmers Agribusiness Consortium (SFAC) and State level organizations to expand FPO network.

iii. APEDA has been focusing on collaborative approach to bring synergy with such organizations and has been engaged with them for mutually working together in the development of agriculture and allied sectors and its exports for bringing better value to the stakeholders.

iv. APEDA has been in dialog with SFAC for linking of Farmer Producer organizations, farmers' cooperatives to the export value chain through capacity building, production of the quality produce as per the requirement of importing countries, creation of infrastructure, facilitating primary and secondary processing in the clusters and also by linking them to the exporters.

v. Areas of export cooperation includes

   a. SFAC to share list of all clusters in various states with APEDA for achieving scale and aggregation with export orientation.

b. APEDA and SFAC to jointly work together to link up the FPOs/FPCs with the exporters to achieve the goal and doubling the farmers income as well.

c. To work towards capacity development, outreach programs, awareness programs and workshops of various stakeholders.

d. To work together to showcase to the Indian and Global Market, the products, technologies, processes, knowledge and services by the FPO sector stakeholders through variety of modes as may be identified by them from time to time.

e. APEDA to facilitate certification of organic produce /areas by the FPCs assisted or identified by SFAC.

FARMER CONNECT PORTAL BY APEDA (https://farmerconnect.apeda.gov.in/)

APEDA (Agricultural and Processed Food Products Export Development Authority) has undertaken a Programme for Agro food cluster for export promotion and had identified potential clusters and products based on the export potential. APEDA is planning to carry out a number of Farmer Connect initiatives in these clusters partnering State Governments, Exporters, Experts, etc., as well through a number of direct interventions. APEDA has developed an online facility to implement an ICT (Information and Communication Technologies) solution in the form of a Portal and Mobile Applications, to bridge this gap between farmers and exporters. This will help enable conversion of under- performing farms into high yielding farms of quality products in demand, by leveraging ICT enabled services.

The main objective of this initiative shall be the facilitation and integration of activities of farmers and Aggregators in the form of **Farmer Producer Organizations (FPOs)** with Exporters through the assistance of an ICT platform and a Field Coordinator who shall assist the Farmer / FPO to make better use of the opportunities provided by the Exporters and the ICT platform. This platform can also later on establish active enrolment and involvement of agricultural input providers, ware housing facility providers, logistic service support providers, banks and Insurers etc.

Export will be promoted under the scheme for potential high value crops like Non-basmati Aromatic rice, turmeric, Ginger, coffee, cashew, millets, Lemongrass Oil, Sal seeds, Organic vegetables, etc.

OPERATION MODALITIES

i. SPMU will work closely with SFAC and APEDA and facilitate ease of export for the FPOs through Farmer Connect Portal.

ii. SPMU will organize online webinars and learning sessions for the state FPOs to know the requisites for export market supply in association with APEDA.

iii. FPOs can reach out to avail handholding support for export through applying on the FPO web portal.

iv. On receipt of the application, the AHO will validate and recommend the application to the DPMU.

v. DPMU will coordinate with SPMU about the list of FPOs recommended for export market support.

vi. With Govt. of Odisha's support APICOL is being planned to be a Special Purpose Vehicle for facilitating export linkages for the State. APICOL will connect with export markets, establishing linkages with the exporters and facilitate the logistics and coordination during export of goods.

vii. SPMU will inform and coordinate with APICOL to connect with FPOs to supply to the export markets.

viii. APICOL will facilitate the supply of goods by FPOs to the export market and ensure the price realization subject to terms and conditions of trade.

ix. DPMU will coordinate at the district level for all need based available support to the FPOs for the supply of orders.

EXPORT PROMOTION THROUGH FEDERATIONS

Identifying a product is the foremost step in zeroing in on an effective export strategy. Keeping some key parameters in mind can augur well for those looking to branch out in the business. In case of FPO, for operational convenience and suitability, a federation needs to be formed and given the responsibility of monitoring and management of marketing with special focus on export. The federation would be given all the responsibilities and authorities to decide and execute on behalf of the feeder FPOs.

1. FORMATION

i. The federation would be registered as a for profit company under companies act taking one or two BoDs from each onboarded FPO and the governing bodies would have to be finalized among them.

ii. Obtaining PAN, TAN, Bank Account and GST registration is the immediate action after formation.

iii. As per the Foreign Trade Policy, it is mandatory to obtain IEC for export/import from India. This procedure would be initiated based on the PAN number. (www.indiantradeportal.in)

iv. The federation would follow the documentation process to avail authorization to import/ export or any other benefit or concession, as also to avail the services/ guidance, exporters are required to obtain RCMC granted by the concerned Export Promotion Councils/ FIEO/Commodity Boards/ Authorities.

2. LINKAGE

Forward

i. Linkage is the most vital and critical part of marketing, that includes identification of crop and market, finding buyers, price and terms negotiation, order execution and covering risk through ECGC.

ii. The Federation would adopt a comprehensive marketing strategy covering both domestic as well international markets. Such strategy helps the company in ensuring farmers remunerative price for their produce.

iii. Establishing linkages with reputed retail chain operators in the country, thereby ensuring remunerative price to its members for the produce.

iv. The company must make its presence felt in the international market also by fulfilling safety and quality norms as per the international standards.

v. Sharing its profits earned through processing and exports amongst its members

vi. The Federation has also ventured into retailing through its subsidiaries to develop better integrated supply chains.

Backward

i. To provide back-end support to the member-farmers, the company has started a Farmer Facility Centre in the company premises. The Centre includes facilities like Consumer Mall, Agri-input retail centre facilitating farmers having easy access to modern agriculture inputs with latest varieties, farm equipment's and technology for scientific crop cultivation to attain maximum output. The company is also providing other services like Bank Finance, Insurance, and welfare measures.

3. PROCESSING AN EXPORT ORDER

i. **Confirmation of order** - On receiving an export order, the federation would examine carefully in respect of items, specification, payment conditions, packaging, delivery schedule, etc. and then the order should be confirmed. Accordingly, the exporter may enter into a formal contract with the overseas buyer.

ii. **Procurement of Goods** - After confirmation of the export order, immediate steps may be taken for procurement/manufacture of the goods meant for export. The federation should remember that the order has been obtained with many efforts and competition so the procurement should also be strictly as per buyer's requirement.

iii. **Quality Control** - It is important to be strict quality conscious about the export goods. Some products like food and agriculture, fishery, certain chemicals, etc. are subject to compulsory pre-shipment inspection. Foreign buyers may also lay down their own standards/specifications and insist upon inspection by their own nominated agencies. Maintaining high quality is necessary to sustain in export business.

iv. **Finance :** The federation is eligible to obtain pre-shipment and post-shipment finance from Commercial Banks at concessional interest rates to complete the export transaction. Packing Credit advance in pre-shipment stage is granted to new exporters against lodgment of L/C or confirmed order for 180 days to meet working capital requirements for purchase of raw material/finished goods, labour expenses, packing, transporting, etc.

v. **Labeling, Packaging, Packing and Marking :** The federation should give more focus on labeling and packing strictly as per the buyer's specific instructions. Good packaging delivers and presents the goods in top condition and in attractive way. Similarly, good packing helps easy handling, maximum loading, reducing shipping costs and to ensuring safety and standard of the cargo. Marking such as address, package number, port and place of destination, weight, handling instructions, etc. provides identification and information of cargo packed.

vi. **Insurance :** Marine insurance policy covers risks of loss or damage to the goods during the while the goods are in transit. Generally, in CIF contract the exporters arrange the insurance whereas for C&F and FOB contract the buyers obtain insurance policy.

vii. **Delivery :** It is important feature of export, and the exporter must adhere the delivery schedule. planning should be there to let nothing stand in the way of fast and efficient delivery.

viii. **Customs Procedures :** It is necessary that the federation should obtain PAN based Business Identification Number (BIN) from the Customs prior to filing of shipping bill for clearance of export good and open a current account in the designated bank for crediting of any drawback amount and the same has to be registered on the system. The shipping and delivery procedure for EDI and Non-EDI system is different and includes lots of procedural changes, which needs to be taken care of while dispatching.

ix. **Customs House Agents :** Federation can avail services of Customs House Agents licensed by the Commissioner of Customs. They are professionals and facilitate work connected with clearance of cargo from Customs.

x. **Submission of documents to Bank :** After shipment, the federation should present the documents to the Bank within 21 days for onward dispatch to the foreign Bank for arranging payment. Supporting documents would be drawn under Collection/ Purchase/Negotiation under L/C, along with the following documents -

- Bill of Exchange
- Letter of Credit (if shipment is under L/C)
- Invoice
- Packing List
- Airway Bill/Bill of Lading
- Declaration under Foreign Exchange

- Certificate of Origin/GSP
- Inspection Certificate, wherever necessary
- Any other document as required in the L/C or by the buyer or statutorily.

xi. Realization of Export Proceeds: As per FTP 2015-2020, all export contracts and invoices shall be denominated either in freely convertible currency of Indian rupees, but export proceeds should be realized in freely convertible currency except for export to Iran.

The whole export proceeds should be realized in 9 months.

6.5 BRANDING AND PROMOTION OF FPO PRODUCE

i. An effective marketing strategy for agricultural products is branding. It helps to bridge the firm with their customers by identifying the product. This is possible only through the uniqueness of the brand by its logo, name, type, and use of the product.

ii. Odisha could well emerge as the food factory of the country with the opening up of global markets It is essential to look at the world markets and examine what they are demanding for and then offer them branded agricultural products.

iii. Traditionally farmers were supplying agricultural produce to wholesale markets. But now a day modern food chains are there and because of these chains there is increasing importance on branding, distribution and services. Branding of agricultural produce may be an answer to get higher price for our nation‟s agricultural products at the global and national level. Branding help to create consumer demand and thereby giving farmers leverage in negotiations with large number of buyers.

iv. Under the policy support, FPOs will be supported to develop and promote their brands for the processed products. Brand types to be supported under the scheme are as follows.

	Purpose	Example	Ownership	Legal device
Producer brands	Distinguish between different products and their producers	Kewda Ganjam Floriculture Ganjam, Sambalpur Maize Nabrangpur	Primary producers, Processors	Trademark
Varietal brands	Distinguish between different varieties of product type	Stern brinjal Ganjam Black chili Kuchinda Totapuri Mango	Owner of the variety	Trademark with associated patent
Geographical brands	Distinguish between different products through their geographical origins	Kandhamal Turmeric Koraput Ginger Koraput Coffee Bamnda Chili	Public sector bodies or associations	GI or Appellation of origin
Certification brands	Distinguish between different products and ethical and social standards	Fair Trade Rainforest Alliance Organic	Certification bodies	Trademark

OPERATIONAL MODALITIES

i. Branding through Firm or Corporate level: SPMU will push for Branding at the firm/corporate level Branding at the firm/corporate level, which will be is probably the easiest and most extensively of the branding methods available for the agricultural products. Thus, with there is lot of scope to sell branded vegetables, fruits, commodities like rice, pulses, etc.

ii. SPMU will work in coordination with the PMFME scheme PMU to brand and promote the ODOP products which can be produced and marketed by FPOs.

iii. For Non-ODOP products, SPMU will coordinate with suitable marketing agencies like ORMAS to promote the FPO brands in the trade fairs, exhibitions and retail outlets.

iv. SPMU will coordinate with Spices Board of India, to create brands for FPOs which can market branded spices under the FPO brands.

v. SPMU can work with retailer association of India to push FPO branded products through Organized retailers' network. When branding at a farm level is not economically viable, then, branding at a point of sale is a way of creating a brand.

vi. The scheme aims at developing branding for potential commodities (for e.g. chili, ginger, turmeric, coffee, sweet potato etc) particularly the local indigenous varieties through value addition, branding and packaging.

vii. SPMU will work closely with OSAM board to promote branding and promotion of the FPO products across the country and overseas markets.

6.6 PROMOTE FEDERATION OF FPOS

Since a good volume of FPOs have been formed in the state so far, therefore, there is a need for well-structured architecture to overcome the challenges of socio-cultural, market dynamics, shelf-life of agricultural products, infrastructural and technological requirements at different points of agricultural value chain and institutional deficiencies. The structural design of FPOs is to be need based. To overcome the challenges at different points of agricultural value chain and institutional deficiencies, the Odisha FPO policy operational guideline proposes the following operational modalities for the FPOs -

Under the scheme, One FPO or group of FPOs can form FPO federations to meet the desired quality and quantity of the produce for export. Such federations will be responsible for procurement, aggregation, value addition and market linkage with higher order markets including export markets.

OPERATIONAL MODALITIES

i. The legal framework of federation will be rolled out during the scheme implementation.

ii. Potential production clusters will be identified by SPMU for setting up federations based on the stake holder consultation workshops.

iii. DPMU will recommend the potential clusters and based on DLC approval SPMU will prepare an action plan for registration and function of FPO federation.

iv. The plan will be presented to SLC for approval.

v. Government will designate a nodal FPOs to manage the federation in the first year. The federation will be gradually managed by all member FPO representatives.

vi. Quality control and testing labs, processing facilities will be set up at Federation level as per market requirement.

vii. The primary role of the FPO federation will be procurement from member FPOs and marketing linkage with bulk buyers.

viii. FPOs can access to avail such services based on their market requirements.

ix. FPOs in a district shall follow a three-tier structure. The primary FPO shall be at a GP level or blocks level; the federation of primary level FPOs at Block level or at the district level depending upon the marketable surplus of the crops.

x. The primary FPO shall collate surplus produce from farmers, undertake primary value addition and market its produce in local community and nearby markets and provide all necessary production and post-harvest services to its members. The primary FPO shall serve as a single window service centre to the producers in respective geographic areas of GP blocks as the case may be.

xi. FPO Federation at the Block level shall collate surpluses of agricultural, horticultural and allied produce including livestock of all primary level FPOs of its Block and the other Blocks of the District and undertake appropriate value addition for enhancing shelf-life of respective agricultural products. An FPO Federation at the Block level with a minimum nos of primary level FPOs of the respective Block and sizeable turnover can avail applicable facilities under convergence plan of this Policy.

xii. FPO Federation at the District level will collate the surplus of value-added products from its all the Block level FPOs and undertake branding and marketing. An FPO Federation at the district level with minimum 5 Block level Federation and sizeable turnover can avail applicable facilities under convergence plan of this Policy.

xiii. Primary level FPO should be registered either under Cooperative Societies Act 1962 or under chapter IXA of Companies Act 1956 as amended in 2013. The Block level FPO and District level FPO, as per the procedural convenient, can also be registered either under Cooperative Societies Act or under chapter IXA of Companies Act 1956 as amended in 2013 . However, it is advisable that both Primary level FPO and Block level FPO may be registered under Co-operative Societies Act. The District level FPO can be registered either under Cooperative Societies Act 1962 or under chapter IXA of Companies Act 1956 as amended in 2013.

xiv. Implementing Agencies in coordination will undertake baseline survey to assess and identify the appropriate higher order federation of FPOs at the Block and District level.

xv. Additional Budgetary Provision has been proposed to facilitate formation of about 30 Block level and District level FPO Federations. In the subsequent phase of the project, as more GP level FPOs are formed and stabilized, appropriate provisions shall be made for more Block level and District level Federations of the FPOs.

BUDGET BREAK-UP FOR FEDERATION OF FPOS- ONE FEDERATION

Cost Items	Unit Cost	Unit	Cost in INR
Mobilization of FPOs 5 No.s	200,000	1	200,000
Registration	200,000	1	200,000
Value addition Facilities - Sorting, Grading, Processing, Packaging, branding	3,000,000	1	3,000,000
Storage provisions - Warehouses	1,500,000	1	1,500,000
Logistic Facilities - Transport vehicle	1,000,000	1	1,000,000
Administrative cost			1,660,000
Manager Salary 12 Months	50,000	1	600,000
Accountant Salary	15,000	1	180,000
Marketing Officer Salary	40,000	1	480,000
Management Cost for One year	200,000	2	400,000
Miscellaneous	Lumpsum		20,000
Total			**7,980,000**
Round Off Total			**8,000,000**

COMPONENT 7: MANAGEMENT & GOVERNANCE GRANT

Rationale

i. It has been observed that the major cause for the failure of FPOs is lack of professional leadership and management practices in the operations.

ii. This is due to inability to hire or attrition of high skilled professionals from the organization due to higher cost.

iii. Thus, financial support forsalaries of Chief Executive Officer (CEO)/managing Director and accountant is required for attracting and retaining skilled professionals in the FPO, which will in turn the guide to improve its business operations and build a sustainable organization.

SPECIFIC OBJECTIVES

i. To attract barefoot professionals and ensure FPOs are run and managed by skilled professionals.

ii. To build a vision and business acumen of the organization through skilled management.

7.1 TOP-UP SUPPORT FOR SALARY OF CHIEF EXECUTIVE OFFICER (CEO)/ MANAGING DIRECTOR

i. For FPOs formed under the Central Sector scheme "Formation and Promotion of 10,000 FPOs" - this will be provided over and above the assistance for salary of CEO (INR 25,000 per month) under the FPO management cost of the central sector scheme.

ii. For FPOs formed under any other scheme or independent actors, assistance will be provided upto INR 12,000 (per month) for salary of the CEO.

iii. The support will be provided for three years as a top-up to the FPOs.

7.2: TOP-UP SUPPORT FOR SALARY OF ACCOUNTANT

i. For FPOs formed under the Central Sector scheme "Formation and Promotion of 10,000 FPOs" - this will be provided over and above the assistance for salary of Accountant (INR 10,000 per month) under the FPO management cost of the central sector scheme.

ii. For FPOs formed under any other scheme or independent actors, assistance will be provided as INR 7,000 (per month) for salary of the accountant.

The support will be provided for three years as a top-up to the FPOs.

OPERATIONAL MODALITIES

Selection Process for FPOs:

i. FPOs can apply for the Management and Governance Grant to the DPMU through the portal with recommendations from CBBOs or through AHOs (for existing FPOs).

ii. DPMU will assess the applicant FPO's score as per the FPO rating tool.

iii. The Management and Governance grant will be provided to the FPOs which score 50% or above.

Grade	Marks obtained	Remarks	Proposed CEO Salary top-up in INR	Proposed Accountant Salary top-up in INR
A	>75%	Eligible for Management Support	INR 12,000	INR 7,000
B	60-75%	Eligible for Management Support	INR 10,000	INR 6,000
C	50-60%	Eligible for Management Support	INR 8,000	INR 5,000
D	<50%	Not eligible, needs further capacity building		

i. DPMU will consolidate the FPO rating results at the district level and send for DLC approval,

ii. After DLC approval, the same will be shared with the SPMU for sanction and release of the salary.

iii. SPMU after approval from SLC will facilitate release of salary to the FPOs on yearly basis.

iv. FPOs need to produce the utilization certificate to the DPMU through the portal.

COMPONENT 8: ESTABLISH CENTRE OF EXCELLENCE (COE) FOR FPOS

Centre of excellence for FPOs

i. The scheme proposes to develop One Centers of excellence for FPOs .

ii. COE will Function as an expert knowledge partner for FPO's and co-ordinate policies and programmes for sustainable FPO management

SPECIFIC OBJECTIVES

i. To coordinate with Development Departments, Farm Universities, Public and Private Institutes in strengthening activities pertaining to FPO's and enhance impacts

ii. To collaborate with different institutions of repute for bringing in new learning's to the state and partner for implementing best practices of FPOs

iii. To demonstrate an effective institutional model that promotes economic sustainability and self-reliance while serving the cause of disadvantaged entities such as Producer Enterprises and small holders.

iv. To enhance professional capabilities of FPO stakeholders through training, consultancy and research

v. To promote partnerships between the Government and civil society inclusive of various stakeholders of horticulture and allied sectors

OPERATIONAL MODALITIES

i. Academics and Research Institutions like OUAT, KIIT, XIMB, SOA and Utkal University can be considered to develop a Centre of excellence in their premises.

ii. SPMU will recommend the allocation of CoE and its facilities at the academic institution level to SLC for approval based on expertise.

iii. Academic institutions can select the CoE set up plan for FPOs and submit a plan of action with budget and timeline to the SPMU.

iv. The CoE must have provision to organize training sessions, exposure visits of the participants.

v. The training and research programs will be conducted in consultation with SPMU.

vi. The CoE will be developed in the first two years during the implementation of the scheme.

vii. CoE will have designated staffs from the academic institutions.

viii. The scheme will support the management, administrative and operational cost of the CoE.

ix. The CoE can take reference of CoE, Karnatak State and develop accordingly.

x. The CoE will present its updates during the SLC review.

xi. Each Centre of Excellence will have the following facilities but not limited to.

  a. Undertake all training and capacity building for the other FPOs and CEOs of FPOs and Directors.

  b. Organize series of workshops and training programs for the various stakeholders of FPO promotion and implementation through the experts in SPMU.

  c. Function as an information and support center for FPOs by developing website & maintaining data base of FPOs and their key activities.

  d. Integrate Market driven production systems and GAP

  e. Use of Agri-techs, Integration of modern technology in the operating value chain(s)

  f. Branding and retailing: Own brand of products with retail outlets, certified products.

  g. Knowledge and resources for training and learning.

COMPONENT 9: FACILITATION OF EDUCATION AND RESEARCH ON FPOS

i. The scheme proposes to facilitate education of Farmer Producer Organization Management through academic courses curriculum to the agriculture students.

ii. The participating students can also be facilitated to take part in FPO development activities during their RAWE program and field visits.

iii. A course on FPO management will be introduced as part of the agribusiness management course. Students can avail stipend of INR 10000 for the course for 70 students per year.

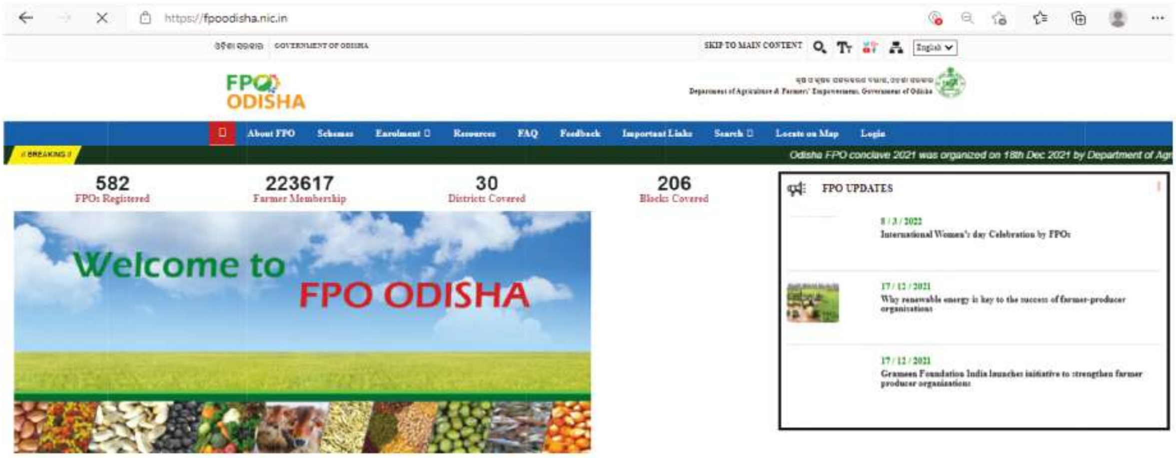
iv. Academics and Research Institutions like OUAT, KIIT, XIMB, SOA and Utkal University can be awarded with Research grants to conduct action and policy research on the FPO management and development.

v. Maximum 20 such research grants of INR 2,50,000/- each can be awarded to the academic institutions.

vi. SPMU will review and provide recommendations on the research studies and draw the actionable items for policy update.

COMPONENT10: ONE STOP SOLUTION SYSTEM FOR FPOS

The One stop solution System for FPOs is a dedicated web portal (www.fpoodisha.nic.in) which caters to the government, FPOs and Ecosystem partners. The web portal will operate to provide information and extend services to all FPOs in the state.



» **Single Stop Solution for all FPO needs**: FPOs will be able to avail services like input licenses for fertilizers, seeds and information regarding available post-harvest management structure, link to register under e-NAM, application for GST license, food certification license and other requirements through this dedicated portal.

» **Knowledge Bank**: The Portal aims to be a knowledge bank for FPOs. The FPOs can identify and benefit from different schemes under implementation by different departments through this dedicated portal. Training modules on various aspects of FPO governance and management, preparing a business plan, etc., will also be available on the portal.

» **Market Platform**: A portal for FPO Markets will be developed and will be managed by the MFA to link FPOs to the buyers. The portal will be integrated on the state SWS portal. Other than MFA, other institutional buyers can also register on the portal and offer suitable marketing deals to the FPOs.

» **Search Platform**: The web platform will help FPOs in finding and linking with buyers for their produce.

» Government will use this SWS to monitor the progress of FPOs.

» **Any FPO based in Odisha can register on the SWS portal. FPOs need to regularly input and update their data on the SWS to avail benefits under the scheme.**

» **The SPMU will analyses and assess the performance of the FPOs through the portal. The SWS will enable better decision making for the government while formulating DFDPs under the scheme and/or other policy support.**

» **The eligibility criteria of FPOs can also be verified as per the data of FPO available on the FPOs.**

SERVICES OFFERED ON PORTAL FOR FPOS

FPO	Government	Market Players	Other Interest groups
• Market Linkage – Input /Output market linkages/ Hiring / Farm implements • Licenses & certification-Online Application for additional areas • Access to Schemes- Information on schemes, Navigation to online application & status update • Market Information – information on dealer network for seed, fertilizer, insecticide and farm implements • Administrative and operational management-FPO profile creation, updates and inventory management • Query & Grievance resolution • Market Information & Advisory • FPO dashboard and other features	• Scheme performance-Including number of schemes applied by and utilized by FPO. • Tracking scheme application- including schemes and licenses • Advisories & Announcements-Inbound and outbound crop and related advisories to be facilitated to the FPO based on the provisioning and fresh announcements to be disbursed to the FPO • Integration and convergences- with other department and systems for benefit of FPOs and Farmers • Grievance redressal- track and resolve grievances, appraisal management • Know Status of FPO-Categorization & Ranking based on maturity index)	• Trade Opportunity – Linkage with FPO for trade opportunity (seed fertilizer, insecticide, Farm implements, Custom Hiring) • Integrated marketing Portal • Government subsidies and other scheme benefits applicable • Access and accept sales order directly • Connect to other business facilitators/ stakeholders: Link to logistics, quality assaying, warehousing etc. • Administrative management- Keep a stalk for organizational sales and administration through dashboard and reports	• Government Policies and benefits for FPOs • FPO Database • Knowledge Products- research and studies for Public consumption • D2C linkages- Consumer groups directly connecting to FPOs

OPERATIONAL MODALITIES

i. SPMU will be administrate and manage the FPO portal with support from NIC.

ii. The dedicated web-portal will be maintained at the NIC server. NIC will be responsible for time-to-time update and design of the portal with technical inputs and approval from SPMU.

iii. SPMU will coordinate with concerned line departments to integrate their portals on to the FPO portal to enable services at one spot.

iv. SPMU will use the USER manual to train the DPMU and concerned officials at DoH to train the use of the portal.

v. SPMU will organize webinars, training sessions for the FPOs, CBBOs to facilitate the date entry and use of portal.

vi. DPMU will ensure FPOs apply through the portal only to avail the scheme benefits including the grievances.

vii. Individual login IDs to be issued to at each level of authorizations like FPOs, AHOS, DPMU, SPMU etc.

viii. FPOs should keep their profiles and business details updated on the portal to become eligible for availing scheme benefits.

ix. Implementing Agencies should encourage CBBOs to support newly formed FPOs update the data regular basis.

x. AHOs will be mapped to the FPOs operating in the respective blocks.

xi. DDHs and DPMU will be authorized to see the updates/ recommendations from the AHOs for the FPO applications.

xii. In case of any technical issues, DPMU should immediately bring to the notice of SPMU and SPMU will further raise the issue with NIC. NIC should resolve the issue at the earliest.

xiii. Data privacy, protection and security will be ensured with the portal by NIC.

COMPONENT 11: PERFORMANCE LINKED INCENTIVES TO CBBOS/POPIS

RATIONALE:

To improve business performance of FPOs, well performing CBBOs may be incentivized to continue providing guidance and handholding support which may materialize into long term support to FPOs.

SPECIFIC OBJECTIVES

i. To foster healthy competition among CBBOs/POPIs towards the aim of improving business performance of FPOs

ii. To ease adoption of technology and digitization by the FPOs with continued support from CBBO/POPI.

iii. To encourage long term relationship between the FPO and CBBO/POPI.

FPO RESOURCE AGENCY: SCOPE OF WORK

CBBO/POPI which have guided FPOs, of which at least 1 FPO achieves an annual turnover of more than Rs 1 Crore will be empaneled as an FPO Resource Agency (FRA) with the State Government.

- FRAs will act as learning and knowledge dissemination centers
- Provide training and capacity building support to FPOs in areas of best practices for cultivation, organic farming, ZBNF, aggregation, value addition, value chain strengthening, institutional strengthening of FPOs, market linkage.
- Integration of Ag-tech and digitization of FPO value chains.

OPERATIONAL MODALITIES

i. Well performing and active CBBOs/POPIs will be empaneled as FRA and provided financial assistance in the form of a grant under this component.

ii. The CBBO/POPI must submit the Letter of Interest (LoI) for FRA empanelment to the DLC through DPMU.

iii. The LoI must have proof of last 3 years audited financial statements of the FPOs, Letter of CBBO/POPI's support to FPOs (to be signed and approved by Board of Directors).

iv. Upon DLC approval, SPMU in consultation with SLC will facilitate the empanelment process for FRA.

v. Post empanelment, CBBO needs to submit a proposal to avail grant assistance to the DLC.

vi. Post approval from the DLC, the SPMU will carry out due diligence, examine the proposal and take it forward to the SLC, which may approve the grant as per the recommendation of the SPMU.

vii. The Grant will be disbursed two equal installments- the second instalment will be released post the utilization check. A CBBO/POPI will be eligible to avail the grant assistance only once.

viii. The details of the grant are given below:

S.No.	Type of Grant Assistance	Eligibility Criteria	Proposed Grant Amount
1	Empanelment as FPO Resource Agency (FRA)	• At least 1 FPO promoted by the CBBO/POPI must have achieved an annual business turnover of Rs. 1 Crore – Rs. 2 Crore within 3 years of its inception.	Up to INR 5 Lakhs
		• At least 1 FPO promoted by the CBBO/POPI must have achieved an annual turnover of more than Rs. 2 Crore within 5 years of its registration.	Up to INR 10 Lakhs

CHAPTER 3

IMPLEMENTATION STRUCTURE

Highlights

Summary

Highlights of the proposed structure:

1. Directorate of Horticulture will appoint a Project Management Unit (PMU) for rolling out the operational guidelines under the purview of Odisha FPO policy, 2018
2. The Project Management Unit will operate at two levels – State level (by State Project Management Unit – SPMU) & District Level (by District Project Management Unit – DPMU)
3. For overall monitoring, policy level decisions, advocacy a State Level Committee (SLC) will be constituted under the chairmanship of Agriculture Production Commissioner (APC) convened by Director of Horticulture. SPMU will work under the guidance of SLC with direct reporting to Director of Horticulture.
4. Similarly, for overall monitoring, review and budget approval for some components a District Level Committee (DLC) will be constituted under the chairmanship of District Collector, convened by Deputy Director of Horticulture in the respective districts. DPMU will work under the guidance of DLC with direct reporting to SPMU.
5. SLC will meet once in every quarter, DLC will meet once in every quarter.
6. SPMU will work in coordination with the state Implementing agencies (IAs) under the Central Sector Scheme of 'Formation & Promotion of 10,000 FPOs' for reaching out to the FPOs in the state through IAs appointed Cluster Based Business Organizations (CBBOs) in the state.
7. FPO can only become eligible for benefitting under the state policy after getting registered in the state portal and getting mapped with a CBBO irrespective of any current benefits they are availing from any other schemes/guidelines.
8. CBBOs will be responsible for maintenance of MIS, strengthening FPOs through their available resources and tracking the performance.
9. FPOs will undergo need assessment by the DPMU for deciding the level of support required for the FPOs to strengthen and become viable.
10. Based on FPO ranking tool, credit requirement of the FPO will be finalized.
11. Any State Directorates who have a provision of providing support to FPOs will establish a PMU and appoint a nodal officer for communicating with the SPMU on various aspects.

Background & underlying assumptions

A. The implementation framework will coordinate with the existing proposed structure under the central sector scheme of 'Formation & Promotion of 10,000 FPOs' for information flow, need assessment and planning of inputs.
B. Budget provisioned under Central sector scheme and state scheme is at the discretion of center and state respectively.
C. As mentioned in the scheme guidelines of 'Formation & Promotion of 10,000 FPOs' atleast 10,000 FPOs will be promoted across the states. Hence, it is assumed that the policy can support FPOs over and above the target allotted to any particular IAs for the state.

Overall Implementation Framework

Overall implementation framework can be structured through two-tier structure –

A. **At State level**, by a State Level Committee assisted by State project Management Unit for day to day roll out of the programme, monitoring and reviews of the project.
B. **At District Level**, 30 District Level Committee assisted by District Project Management Unit for day to day roll out of the programme, monitoring and review at district level of the project.

The Implementing Agencies and Cluster Based Business Organisations (CBBOs) will be synergized with the above structure for exchange of information, planning of inputs and coordination across both central and state scheme.

The proposed structure has been presented below:

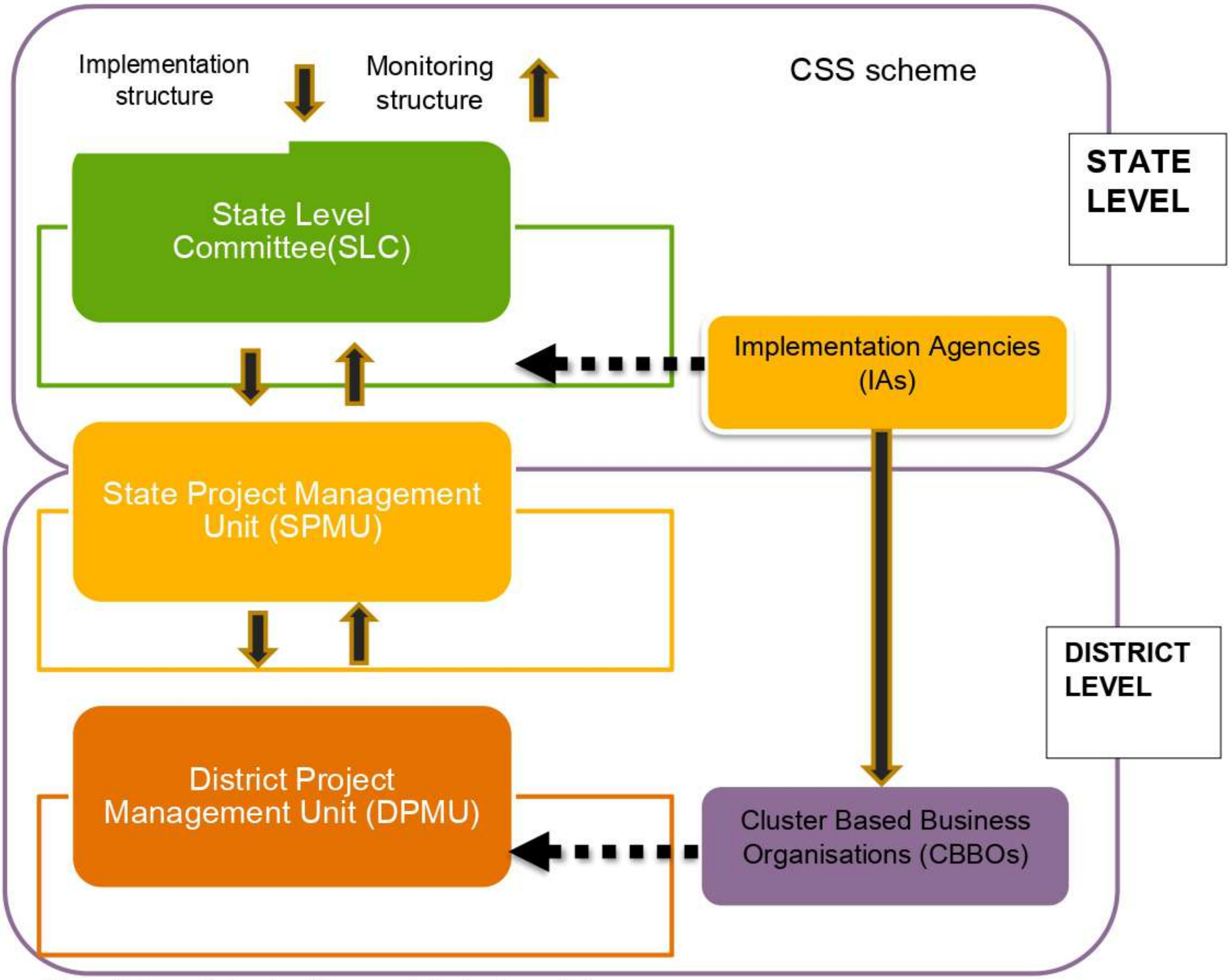


Figure X: Overall structural framework for implementation

PMU at other Directorates/Departments

Along with the above established structure, all the directorates under Department of Agriculture & Farmers' Empowerment will set up their own PMU structure with appointment of one nodal officer to look after all the schemes related to FPOs. The nodal officer in the respective directorate/department will be coordinating with SPMU for information flow, planning and progress updates on their schemes. Any other department/ directorate with schemes provisioned for FPOs are also instructed to appoint a nodal person who will coordinate with SPMU on their work progress.

Key functions of the overall implementation structure

A. **Planning** – Evaluating situation in the field through need assessment of existing FPOs, DPMU will plan at district level in coordination with CBBOs existing in the district. DPMU will finalize the action plan to be taken up in the district and the consolidation of action plan from all the districts will be presented to SPMU for final state level planning and approval.
B. **Execution** –SPMU will be responsible for overall execution of the plan for all the districts. DPMU will be responsible for execution of the activities as per the plan at field level under the guidance and handholding of SPMU at state level.
C. **Monitoring & Review** – SLC, at state level will monitor and review the overall project implementation with support from SPMU. DLC, at district level will monitor and review the work done at field level with the guidance of SLC.

Coordination & Convergence

It is proposed for convergence of Central and State sector scheme without any structural changes for both the structure to complement each other. The Implementing Agencies at State level and CBBOs at district level will be synergized with the above structure on the following areas:

a. Information exchange: IAs through SPMU and CBBOs through DPMU will exchange information about their action plans, supports provisioned for the FPOs, any gaps, assessment of FPOs at their level. This will be helpful for identification of FPOs and their need assessment.
b. Coordination: The cohesive approach between central structure and state structure are intended to ensure the benefits of a maximum outcome. Coordination will support reaching out to maximum FPOs and hence maximum beneficiaries in the state without overlapping of the effort.
c. Planning Inputs: Planning will be done in convergence between central and state structure. CBBOs can support in information flow to the DPMU in devising action plan based on their interaction with the FPOs in the state.

The scheme will promote FPOs which are formed earlier in a structured way to be converged with central Sector Schemes and State schemes. This will encourage maximum flow of benefits to the FPOs available with both Central Sector Scheme and State scheme. It will also act as a checking point for formation of FPOs without right intent and will provide a supportive environment for the farmers to come forward for formation of an FPO.

Overall, Roles & responsibilities of the entities in the structure

Various roles and responsibilities of different entities has been depicted in the below table:

Entity	Roles & responsibilities	Reporting to
State Level Committee (SLC) • Convene every quarter • Chairman: Agriculture Production Commissioner (APC) • Convenor: Director of Horticulture	Policy decisions & advisory for the project Any structural & financial changes/decisions for the project Financial decisions and approval Monitoring & review of the project Empanelment of external agencies for the project	Agriculture Production Commissioner (APC), Department of Agriculture & farmers' Empowerment, Government of Odisha
State Project Management Unit (SPMU) • Empanelment of an external agency • Headed by a team lead Commissioner (APC) • Office set up by Directorate of Horticulture	Overall implementation of the project Providing expertise on various fields to DPMU, FPOs Establishing DPMU and monitoring the responsibilities given to the DPMU Maintenance of IT structure developed for the project	Reporting to SLC for approval and review Director of Horticulture for day -to day implementation activities
District Level Committee DLC) • Convene every quarter • Chairman: Collector cum District Magistrate • Convenor: Deputy Director of Horticulture (DDH) of the respective districts	Approval on various support items provisioned under the FPO support component Monitoring implementation of the project on field level Reporting progress in the district to SPMU	Reporting to SPMU for guidance and reporting Reporting to SLC for any policy related/ structural changes
District Project Management Unit (DPMU) • Two personnel in the district; District FPO officer, District training officer • Headed by District FPO officer who is responsible for	Map FPOs to CBBOs and put it for final approval before DLC Need assessment and provisioning of support component for FPOs in the district Coordinating for channelizing of all support components	Reporting to DPMU for overall implementation of the project at field level Reporting to DLC/DLSC for advisory and progress reporting

implementation of the project in the district • District training officer will facilitate training and capacity building programme of the FPOs	under the guidelines to be rolled out for FPOs Coordinating with CBBOs for consolidation of MIS	
Implementing Agencies (IAs) • As per the guidelines under Central Sector Scheme of 'Formation & Promotion of 10000 FPOs'	Supporting SPMU in mapping of FPOs for CBBOs Provisioning support for FPOs in the scheme	Coordinating with SPMU
Cluster Based Business Organisations (CBBOs)	Sharing information to the DPMU on their project activities in the district Supporting in planning of inputs for state support component	Coordinating with DPMU

Decision making structure

For overall policy advisory and policy level support for the implementation of FPO policy, a state level committee at the state level and a district level committee at the district level will be constituted.

State Level Committee (SLC)

The State Level Committee will be constituted at the state level under the convening of Directorate of Horticulture. SLC will meet every quarter for planning, advisory, finalizing structure of project implementation, monitoring & review of the project.

Constitution of SLC

SLC will be constituted with the following members:

a)	Agriculture Production Commissioner (APC)	Chairman
b)	Secretary to Govt. of Odisha, Agriculture & FE Dept.	Co-Chairman
c)	Secretary to Govt. of Odisha, F & ARD Deptt	Member
d)	Secretary to Govt. of Odisha, Finance Deptt	Member
e)	Director of Agriculture & Food Production, Odisha	Member
f)	Director of Horticulture, Odisha	Convenor
g)	Director of Soil Conservation & WD, Odisha	Member
h)	Director of AH & VS, Odisha	Member
i)	Director of Fisheries, Odisha	Member
j)	Managing Director, APICOl	Member
k)	Representative OSAM Board/OLM	Member

Key Responsibilities of SLC

1. SLC will be responsible for overall planning, policy advisory and policy level support for proper implementation of the project.
2. SLC will review the plan submitted by SPMU, achievement and quality outcomes/results every quarter.
3. SLC will be responsible for approval of various components under the FPO scheme on need basis.
4. SLC will also be responsible for any structural changes in the guidelines or mode of delivery.
5. SLC will be responsible for district wise review of the implementation at district level.

District level Committee (DLC)

District Level Committee will be constituted at each of the district under the chairmanship of Collector cum District Magistrate. The frequency of meet will be every quarter.

Constitution of DLC

a)	Collector cum District Magistrate	Chairman
b)	Project Director, Respective district	Co-chairman
c)	Deputy Director of Horticulture	Convenor
d)	Chief District Agriculture Officer	Member
e)	Chief District Veterinary Officer	Member
f)	District Forest Officer	Member
g)	Executive engineer (Agril.)	Member
h)	Lead Bank Manager	Member
i)	DDM, NABARD	Member

Functions of DLC

1. DLC will meet every month to discuss monthly progress in the field along with the target to be set for the next month.
2. DLC will be responsible to consolidate the progress at field level and will present the same to SPMU.
3. DLC will be responsible to monitor the progress of DPMU in the field and any issues and challenges faced by DPMU need to be discussed and sorted out at DLC.

Implementation structure

The project will be implemented by establishing a Project Management Unit (PMU) within Department of Agriculture & Farmers' Empowerment with Directorate of Horticulture as convening Directorate.

The project management unit will be established at two levels:

A. State Level, referred as State Project Management Unit (SPMU)
B. District Level, referred as District Project Management Unit (DPMU)

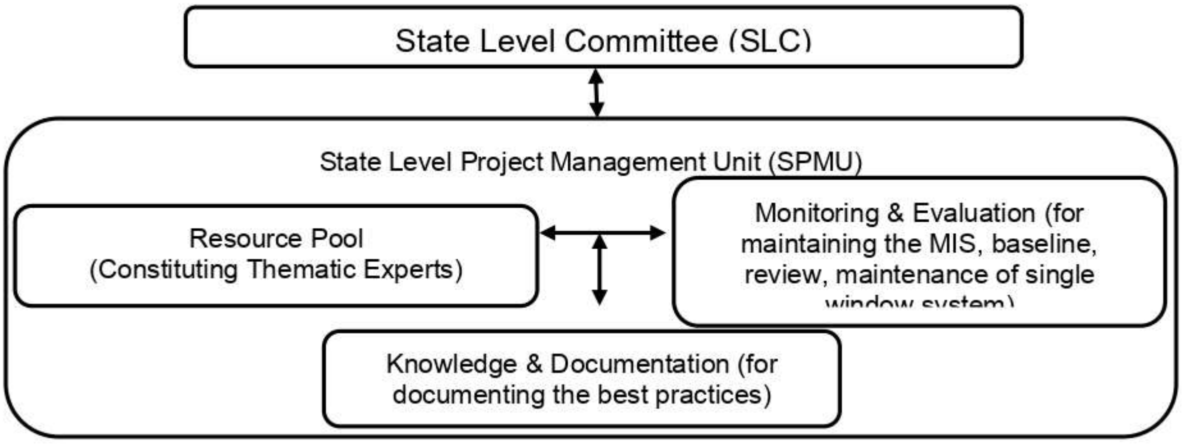
State Project Management Unit (SPMU)

A State Level Project Management Unit will be established within the Department of Agriculture & Farmers' Empowerment with the approval of SLC.

There will be three major divisions in the SPMU for project management at State level.

1. There will be a pool of thematic experts which will provide technical support and look after the overall aspects of community mobilization, training needs assessment, training & capacity building, institutional development, marketing and business development activities, and provide experts services as and when required.
2. The second function is the Monitoring & Evaluation (M&E) team which will be exclusively engaged in MIS, progress and process monitoring as well as evaluation on different interventions and the progress and also provide feedback for better implementation of different activities.
3. The third function shall coordinate the documentation and knowledge structure. The division will be responsible for documenting the case stories and best practices and circulate it among the FPOs other stakeholders.

Components of SPMU



Role and Responsibilities of SPMU

Overall role and responsibilities of the SPMU team would be providing technical support and expertise for better management of the project in each and every aspect. SPMU members would provide periodic update of FPOs progress to SLCC which would be shared with respective line departments on regular basis. Besides, the SPMU will look after the following aspects,

1. To provide guidance, monitor project implementation, track timelines and deliverables.
2. Provide necessary framework, operational modalities and professional inputs for FPOs on – managerial capacity building, governance capability of BoD of respective FPOs, production technology/ extension services, post-harvest management, marketing, accounting, business plan development, and organizational development, stability and long term sustainability.
3. Finalize all Annexure to the operational guidelines including reporting structure of different reports (monthly report, quarterly report, annual report, baseline report, project completion report etc.) within the first three months of constitution of SPMU.
4. SPMU shall create a Logical Results Framework for performance measurement of FPOs & CBBOs and other agencies involved in the FPO mission in the state. It is important that FPO policy progress review is conducted based on quantifiable inputs from the ground. SPMU should also ensure that the same performance framework is followed across all verticals i.e. Districts & Blocks.
5. Develop necessary ICT products for FPOs including web-based monitoring systems; Dash Boards (for public view).
6. Ensure the MIS dashboards are up to date with information on FPOs & CBBOs operating and registered from different GPs/Blocks/Districts in the state in the Single Window System.
7. Prepare guideline for inter-departmental convergence and channelizing of funds from Govt. /financial institutions and other agencies.
8. Extend support to channelize and integrate available funds/ programs/ schemes of the departments towards strengthening/ supporting of FPOs (e.g., capacity building; provision of infrastructure facilities; demonstration of new technologies, risk coverage, and mechanization, etc.). Oversee funding and convergence among Directorates, National Partners and Schemes for holistic development of FPOs.
9. Facilitate and conduct regular and timely performance audit, physical progress and financial transactions.
10. Collaborate with other partner institutions (Research organizations, Development agencies, companies, corporations, etc.) in promoting FPOs

District Project Management Unit

At the district level, a DPMU cell will be established in the office of District Head of Horticulture Directorate. District Level Project Management Units for FPOs will be set to monitor and supervise the functioning of FPOs in the district. The DPMU will facilitate DLC meeting which would be convened by Deputy Director of Horticulture & chaired by District Collector once every month.

Role and Responsibilities of DPMU

DPMU will be responsible for tracking the number of FPOs in the districts, need assessment of the FPOs, monitoring their performance and channelising any scheme towards the FPOs in the district through CBBOs.

The key responsibilities of DPMU are –

1. DPMU will identify FPOs in the district and map it to CBBOs. The mapping of FPOs getting linked to the CBBOs will be placed in DLC for approval.
2. DPMU will train CBBOs on need assessment of FPOs, after which CBBOs will do need assessment and action plan for each of the FPOs will be prepared.
3. DPMU will facilitate training & capacity building of FPOs along with other support component that has been provisioned in the scheme.
4. DPMU will be responsible for reporting field progress and will place it in DLC for consolidation.

Structure of SPMU and DPMU

The expert resource pool in the State Project Management Unit (SPMU) shall support the overall project implementation and management including specific tasks like training needs assessment, training and capacity building, technical guidance to DPMUs and FPOs as well as undertake Monitoring and Review of the project and provide necessary and required updates and reports to Director Horticulture, Principal Secretary Agriculture &FE and SLC.

The Experts team will be engaged for 5 years during implementation of the project (2023– 2028). However, the tenure of engagement of each of the experts may vary based on need and progress of the project during implementation. Recruitment will be undertaken in accordance with Govt. of Odisha Guidelines on the Use of Consultants (as amended from time to time).

The experts' team will comprise of a Team Lead with 18 Technical Experts and 2 Support Staff. At district level, a DPMU will be established which will be comprised of by District FPO manager, One FPO training officer, one FPO marketing Officer (3 districts) and One MIS-Accountant, District Project Manager (DPM) will be in-charge of the DPMU and will work in consultation with DDH office. The detail staff structure is presented in **Table 1.**

Sl no.	Team Position	No. of positions
1	Team Lead	01
2	Agribusiness Expert	02
2.1	*Agriculture Expert*	01
2.2	*Horticulture Expert*	01

3	Institution Development Expert	01
4	Bank & Credit Linkage Expert	01
5	Marketing & Export Linkage Expert	02
6	Value Chain Expert	01
7	Finance & Accounts Officer	01
8	Monitoring & Evaluation Expert	01
9	Monitoring Research Associates	02
10	IT Expert	01
11	Communication Expert	01
12	MIS Manager	01
13	FPO Relationship Officer	01
	District Project Management Unit (DPMU)	
	District FPO Manager	30
	FPO Training Officer	30
	FPO Marketing Officer (3 districts/ Officer)	10
	MIS-Accounts officer	30

Roles and responsibilities of different experts of SPMU & DPMU as well as the eligibility requirement for the position has been annexed.

Roles and Responsibilities

Sl no.	Team Position	Roles and Responsibilities
1	Team Lead	• Overall Management and Coordination of the Programme implementation. • Responsible for program performance management, Quality control, program delivery. • Policy review, Inter-department PMU and stakeholder coordination, • Presentation and Knowledge management • Reporting to the Government and external Stakeholders including SLC.
2	Agribusiness Experts	• Crop specific planning, Policy research, policy formulation, evaluation. • Crop business modelling and price forecasting, adoption of extension services as required by industry
2.1	*Agriculture / Hortilculture*	
2.2	*FARD*	

		• Cluster mapping, Marketable surplus estimation, aggregation, and post-harvest management practices. • Convergence with Central/ State Government and multi-lateral organization in the area of either economics, agriculture and environment • Private sector engagement in developing agri-allied infrastructures for the FPOs. • Field visits. • Reporting, Knowledge management and presentation.
3	Institution Development Expert	• Training and Capacity building- content development and finalization • Implementation of Capacity building programs in coordination with DPMU • Empanelment of consultants/ experts for technical support, business plan. • Policy research, policy formulation, evaluation • Field Visits. • Reporting, Knowledge management and presentation.
4	Bank & Credit Linkage Expert	• FPO bank credit linkage • Policy research, policy formulation, evaluation • Training on Business plan development • Coordination with Bankers meet • Evaluation of business plans, DPR for project applications under MKUY, AIF, PMFME etc • Reporting, Knowledge management and presentation.
5	Marketing & Export Linkage Expert	• Establishing market linkage with state (including rural markets) and national markets/e-NAM for different agricultural / horticultural/pisciculture commodities. • Liasoning with export markets, institutional buyers, mobilization of private sector players for sourcing through FPOs. • Develop sustainable sourcing models through FPOs. • Development of Price Discovery Tool, SoP for procurement of Crops. • Coordinate with PMUs of other departments. • Architecting Federation of FPOs • Branding and promotion of FPO produce. • Field Visits • Reporting, Knowledge management and presentation. • Coordinate with the FPO / PP / entrepreneurs and buyers at the state and national level for supply chain management / supply of agricultural commodities/value added commodities
6	Value Chain Expert	• Value chain development of crops • Market led supply chain systems, private sector mobilization for FPOs • Branding, packaging, and promotion of potential FPO commodities • Setting up Common facility centers for FPOs • Facilitate functioning of FPO federations

7	Monitoring & Evaluation Expert	• Monitoring and Evaluation framework development with LFA and defined set of indicators • Development of Process flow • Quality control of the program • Policy research, policy formulation, evaluation • Field visits and monitoring check of the program delivery. • Reporting, Knowledge management and presentation.
8	Monitoring and Research Associates	• Policy research, policy formulation, evaluation • Field visits and monitoring check of the program delivery. • Reporting, Knowledge management and presentation.
9	Finance & Accounts officer	• Program finance management and accounts maintenance • Financial reporting • Fund utilization statements and validation
10	IT Manager	• System development & MIS • Data management, technology in modern data management systems. • Web portal management • Coordination with NIC and other relevant stakeholders • Data security and authentication • Marketing Platform management • Administration
11	Communication Expert	• Design of promotional and campaign materials, • Development of knowledge materials, case studies, learning documents, progress reports and presentations • Content digitization
12	MIS Manager	• Data Management • Design and Development of dashboard, reports • Coordination with DPMU
13	FPO Relationship Officer	• Help desk management of FPOs • Front end response and for FPOs • SPMU administration work • Operations, travel and meeting scheduling, logistic arrangements • Letter drafting and dispatch
	District FPO Manager	• Overall Management and Coordination of the Programme implementation of scheme components at the district level. • Responsible for program performance management, Quality control, program delivery at the district level. • Stakeholder Coordination at district and block level. • Conduct learning event, seminars, Presentation and Knowledge management for FPOs and district officials • Finalization of trainers. • Field visits to FPOs. • Reporting to the DLC and SPMU

	FPO Training Officer	• Training and Capacity building- content development and finalization. • Implementation of Capacity building programs for FPOs at the district level. • Field Visits • Conducting and delivery of training to farmers, FPOs and Govt. officials. • Conducting exposure visits and events for FPOs • Reporting, Knowledge management and presentation. • Reporting to DPM, DLC and SPMU
	FPO Marketing Officer	• Establishing market linkage with state (including rural markets) and national markets/e-nam for different agricultural / horticultural/pisciculture commodities; • Tracking market price of different commodities and linking with remunerative markets. • Cluster mapping, Marketable surplus estimation, aggregation, and post-harvest management practices in district level. • Coordinate with the FPO / PP / entrepreneurs and buyers at the state and national level for supply chain management / supply of agricultural commodities / value added commodities; • Organize buyer-seller interface on periodic basis at district level involving district level stakeholder departments, Local Farmer Producer Organizations / Companies, (FPOs / FPCs/PFCSs), buyers from state and national level and other persons who can help in agribusiness promotion / agricultural market linkages at district level . • Reporting to DPM, DLC and SPMU
	MIS-Accounts Officer	• Data Management, reporting • Financial reporting • Fund utilization statements and validation

Promotional Campaign for Farmer Producer Organizations			**Delegation to SLC**	**Delegation to DLC**
	SPMU level;	Audio content finalization		
		Video Content finalization		
Promotional Campaign for Farmer Producer Organizations	DPMU level	Audio/ Video content development agency finalization		
		Leaflet content finalization		
		Promotion agency finalization - Road show, Rath Drive		
		Road show area selection		
		Leaflet distribution		
	FPO level	Finalization of Farmer campaigners		
		Rath drive		
		Street play area finalization		
		leaflet distribution		
Capacity building and Exposure				
Training to Member farmers	SPMU level	Training content finalization- Module development		
		Module finalization		
		Hiring of Agency for digitization/ video modules		
		Training of trainers		
	DPMU level	Finalize the list of trainers from KVK, RRTTES		
		Training schedule development		
		List of FPOs and List of farmers to be trained		
		Conducting training		
		Payment for Training Expenses		
Training to BoD and CEO	SPMU level	Training content finanlization- Module finalization, approval		
		Hiring of Agency for digitization/ video modules		
		Training of trainers		
		Hiring/ empanelment of Experts for FPO Business plan development		
	DPMU level	Training schedule development		

		List of FPOs and List of farmers to be trained		
		Training Venue selection		
		Conducting training		
		Payment for Training Expenses		
Exposure visit	SPMU level	Selection of FPOs to be visited		
		Selection of Industries to be visited		
		Coordination with the Industries		
	DPMU level	List of FPOs and List of participants		
		scheduling the exposure visits		
		Conducting exposure visits-ticket booking, stay, food arrangements and local travel		
		Payment for Exposure visit Expenses		
Seminar and meet	SPMU level	Plan and schedule Odisha Conclave		
		Selection of Venue and participants		
		Organizing the conclave		
	DPMU level	Plan and schedule District FPO meet		
		Mobilization of buyers		
		Invitation to Bankers		
		List of FPOs and List of participants		
		Meeting Venue selection		
		Conducting meets - stay, food arrangements		
		Conducting training		
		Payment for meeting Expenses		
Industry Immersion program	SPMU level	Selection and Invite Industries		
		Connect Industries with DPMU and FPOs		
	DPMU level	List of FPOs and List of participants		
		Venue selection		

		Conducting Programs- arrangements by FPO		
Credit Linkage				
Credit Linkage	DPMU level	List of FPOs for application for credit linkage		
		Coordination with line departments for scheme convergence, applications		
		Follow up with Banks, FIs at the district level		
Capital Grant				
Capital grant	SPMU level	Finalization of FPO rating sheet		
		Training to DPMU on the FPO rating		
		Coordination with SNA		
		Review of the applications		
		Recommendation on the capital grant		
	DPMU level	Conduct FPO rating		
		Conduct due diligence visits		
		DLC approval of the FPO applications		
		Utilization of grant		
Allocation of lands on need basis				
Allocation of lands on need basis	SPMU level	Conduct a detailed study on Land allocation framework for FPOs		
	DPMU level	Due diligence of FPO application		
		Present the application to the DLC for approval		
Operation and Handholding Support				
Technical Support	SPMU level	Hiring/ empanelment of Experts for FPOs		
		Assigning of Expert to FPOs		
	DPMU level	Conduct FPO rating		
		Service agreement MoU between FPO, TE and DPMU		

		Monitoring		
		Payment to Experts		
Legal and account support	SPMU level	Hiring/ empanelment of CA at the district level		
		allocation of districts to the CA		
	DPMU level	List of FPOs for the support		
		Scheduling of Legal support activities		
		Service agreement MoU between FPO, CA and DPMU		
		Monitring		
		Payment to CA		
Marketing Support				
Strengthening Existing Marketing system	SPMU level	Conduct Study on Mapping of local market, mandi, haats with FPOs		
		Coordinate with OSAM board of e-NAM strenghtening		
		Knowledge sharing workshop for the DPMU		
	DPMU level	Invite application from FPOs to use the local markets, haats		
		Present the cases to DLC		
		Monitoring		
		Support RMC to conduct e-NAM awareness campaign		
Facilitating Aggregation of Produces	SPMU level	Develop the Price Discovery Tool		
		Conduct webinar/ online training session for CBBOs, DPMU on use of PD tool		
Price Discovery tool	DPMU level	Create District FPO groups including buyers for price announcements		
		Coordinate with extension workers to fetch local market prices		
		MoU with Mobile msg service providers for sharing of price details of nearby 3-4 markets, traders to FPO farmers		

Standard Operating Process for Procurement and marketing	SPMU level	Develop Model SoPs and train DPMU, CBBOs		
	DPMU level	track the SoP implementation benefits at FPO level		
Access to Infrastructure support for Post-Harvest Management	SPMU level			
	DPMU level	asses the Infra available at District level		
		Review FPO applications to avail the infra strucutres		
		present the application to DLC		
		Faciliate the convergence		
		Monitoring and utilization check		
Integrated market portal for FPO Procurement and marketing	SPMU level	develop RFP to on-board the MFA		
		On-board the MFA		
		Monitor the performance of MFA		
Export promotion for FPOs	SPMU level	Formal association with SFAC		
		Formal association with APEDA		
		Formal association with APICOL		
		Facilitate Revival/ installation of necessary infrastrucuture support at the Airports, Ship ports		
		Export promotion activities		
	DPMU level	Prepare potential List of FPOs for export, mobilize applications		
		Due diligence of FPOs for availing export support		
Branding and Promotion	SPMU level	Prepare a branding and promotion plan for FPOs		
		Conduct Branding and protional Campaign for FPOs		
		Payment of expenses		
	DPMU level	Conduct Branding and protional Campaign for FPOs		
		Payment of expenses		
Centre of excellence				

Centre of excellence	SPMU level	Prepare a detail COE selection, implementation plan		
		Selection of CoE		
		Development of CoE		
		Payment towards CoE function		
		Monitoring CoE performance		
	DPMU	List of FPOs to visit CoE		
		Mobilize the FPOs		
Facilitation of Education and research on FPOs				
Facilitation of Education and research on FPOs	SPMU level	Course module development		
		approval of Course module		
		refine RAWE programe with inclusion of FPO component		
		review of Research grants topics		
		recommendation on the research grant		
		payment towards research grant		
One Stop solution Web portal for FPOs				
One Stop solution	SPMU level	Administer the Web portal		
		Coordinate with NIC		
		payment to NIC		
		Upgradation o Portal		
		Grievance redressal through NIC		
SPMU and DPMU empanelment				

Financial Management

Fund Flow Mechanism

The fund for execution of the project activities will be released by A&FE dept. to the Directorate of Horticulture. The SLC should ensure that financial support will be extended in a phased manner to prevent mis-utilization of funds & also incentivize good performing FPOs.

There will be two parts to the fund –

A. Programme Funds: These are funds to be utilised for implementation of the programme.

B. Facilitation Funds: These are meant for programme facilitation and are received/spent by the facilitating agency.

The fund flow mechanism has been described below:

- Department of Agriculture & Farmers' Empowerment will release the fund for execution to the Director of Horticulture after the approval of EFC.
- Director of Horticulture will release the funds for the purpose of monitoring, capacity building, training & exposure visits components to SPMU with the recommendation of SLC.
- Director of Horticulture will release funds to APICOL for DPR preparation, front end subsidy as capital grant support to FPOs over and above available schemes like MKUY, PMFME with the recommendation of SPMU.
- Director of Horticulture will release funds to empanelled organisations/individual consultants for providing technical, legal and operational support to FPOs with the recommendation of SPMU.
- For development of web portal which will act as one stop information center and single window clearance system for FPO ecosystem, Director of Horticulture will release funds to NIC with the recommendation of SPMU.
- Director of Horticulture will release funds to research institutions for development of FPOs as Center of Excellence and to grant for supporting research scholars.
- Director of Horticulture will release fund for development of a dedicated market portal for FPO to an empaneled market facilitating agency. The fund will be released on phase manner after development of work plan and delivery of the activities with the recommendation of SPMU.
- The basis for fund release will be accordance to half year plans submitted by SPMU. Funds will be released to the respective agencies against approved action plans and only after 85 per cent of the expenditure on the earlier releases is made. Funds will be released to any agencies after due recommendation from SPMU after the approval of the progress report at SLC.
- All funds will be transferred to the necessary entity only through NEFT/RTGS/PFMS mode.

In case the programme needs more investments and financial budgeting, this can be used as a symbolic intervention in 1st year which will be followed by dovetailing of other schematic programme from 2nd year onwards.