प्रश्न संख्या (Question No.)

# U.P.S.C.

इस भाग में कुछ न लिखें (Don't write anything in this part)

Farmer Producer Organisations can play a major role in aggregating small farmers and value adding agricultural produce. Explain (200 words)

Farmer Producer Organisations (FPOs) are voluntary organisations controlled by their farmer-members who actively participate in setting their policies and making decision.

**Current Benefits from FPOs**

1. Negotiating with corporates
2. Economies of Aggregation
3. Development of social ~~impact~~ capital
4. Declining Average land holding

**Concerns to an FPO**

1. Difficulty in securing institutional finance
   - 1.1 → Banks usually wary of granting loans to the FPOs

(2) They are forced to raise their working capitals at very high-interest rate

(3) Inability to operate in the regular agriculture market due to lack of storage facilities, resistence offered by licensed traders.

(4) Lack of legal recognition under the contract farming regulations.

(5) Many benifits like tax exemptions, subsidies are not extended to FPOs.

FPOs role after aggregating small farmers and value adding agricultural produce

are following

(1) Institutional credit at very low rate and very easy way

(2) Tax subventions and tax exemption to encourage growth of FPOs

(3) Subsidies inline with cooperatives

(4) Expansion of FPOs in other areas like Horticulture, Pisciculture etc. ~~like~~ in line with Dairy FPOs

(5) Establishment of storage facilities and provision like from farm to fork

(6) More benefit small farmers in terms of increased incomes

(7) Introduction of forward and backward linkage to facilitate easy handling of produce.

(8) Decentralisation of agriculture.

Thus, aggregating the small farmers and value adding the agriculture have potential to make farmers Atmanirbhar in true sense by increasing their income.