



INTRODUCTION & RATIONALE FOR FARMER PRODUCER ORGANIZATION (FPO)



Strengthening the FPO Ecosystem



LET'S GET
STARTED!

OBJECTIVES

Understanding
the need for
collective action

Understanding
the features of
FPO

What are the
different legal
forms for
registration of
FPO?

Understanding
the values and
principles of
cooperation

Understanding
Mutual
Assistance
Principles for
FPOs

Constraints of Farming Activity Individually

- Small land holdings make farming unviable, not yielding surpluses enough for market play
- High input costs due to low quantities procured
- Inability to hold stocks for a later day price discovery
- Inability to access markets, often forcing them into distress selling
- Low skill levels for optimal production



Constraints of Farming Activity Individually

- Insufficient capital for investment
- Lack of assets for farming activity
- No storage facility
- Sale of produce in raw form with little in situ value addition



Benefit of Farmers Acting Collectively

- Advantage of economies of scale
- Timely availability of input at lower prices
- Quality extension and advisory services
- Knowledge about improved agricultural practices
- Easier access to credit
- Collective bargaining power for farmer produce

- Post-harvest processing and value addition services
- Aggregation of produce and bulk transport to distance market, enhancing net income of the producer
- Profit maximization through reduced cost of cultivation, improved production and enhanced prices for farm produce



Activities at Collective Level

**Collective
procurement of
inputs**

**Improved
agricultural
production
technology**

**Small farm
mechanization
through Custom
Hiring Centre**

**Collective
marketing of
produce**

**Processing and
value addition**

**Storage
facility**

**Seed production
and supply**



**So far you
have learned**



**Constraints of
farming
individually**

**Benefits of
farmers acting
collectively**

**Activities at
collective level**

Question

- Are you facing any challenges in farming individually ?

Ans: Yes/ No

- Do you agree that collective farming benefits farmers?

Ans: Yes/No

- Do you agree that challenges in small holder farmer are solved by collective approach?

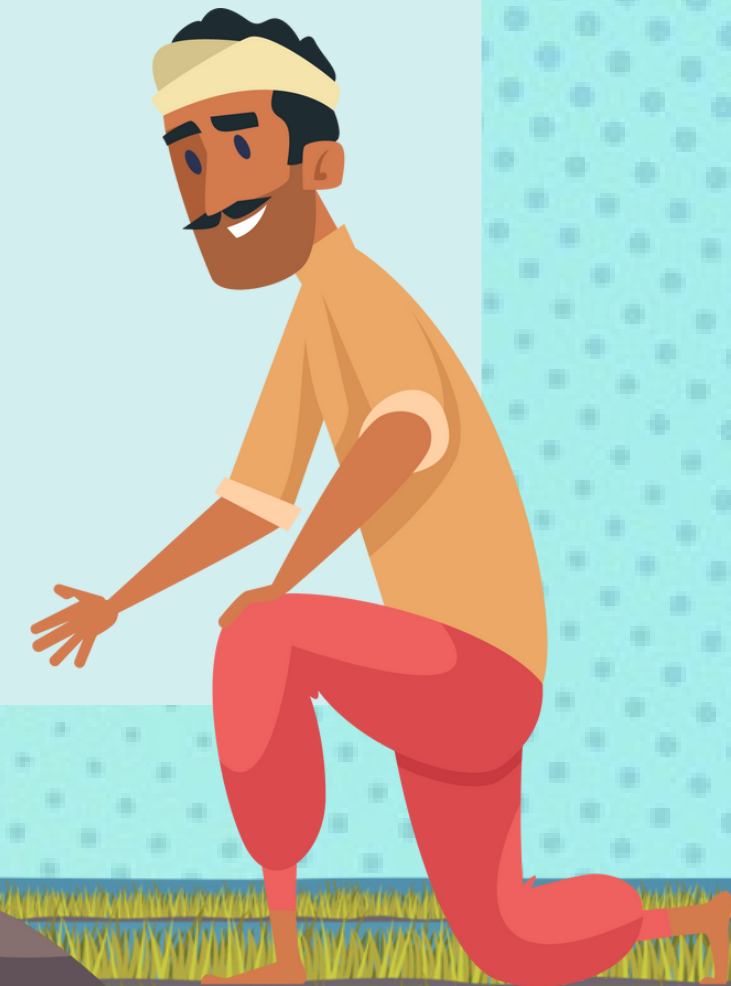
Ans: Yes/ No

- Which is one farming activity that you carried out individually and faced challenges?

Ans:

- Which is one farming activity that you carried out collectively and got benefited

Ans:



Farmer Producer Organization

A **FPO** is a legal entity formed by **primary producers**, such as farmers, milk producers, fishermen, weavers, rural artisans, craftsmen and others. It can be a **producer company**, a **cooperative society** or any other legal form which provides for **sharing of profits/benefits among the members**.



FPOs are the very effective institutional form for **collectivization** of farmers. FPOs help in taking up of different activities like **processing, value addition, storage, marketing, finance, input supply, seed production** etc. collectively on their own.

Values of FPO

The following are values of co-operation that have to be inculcated by any FPO.

- **Self-help:**

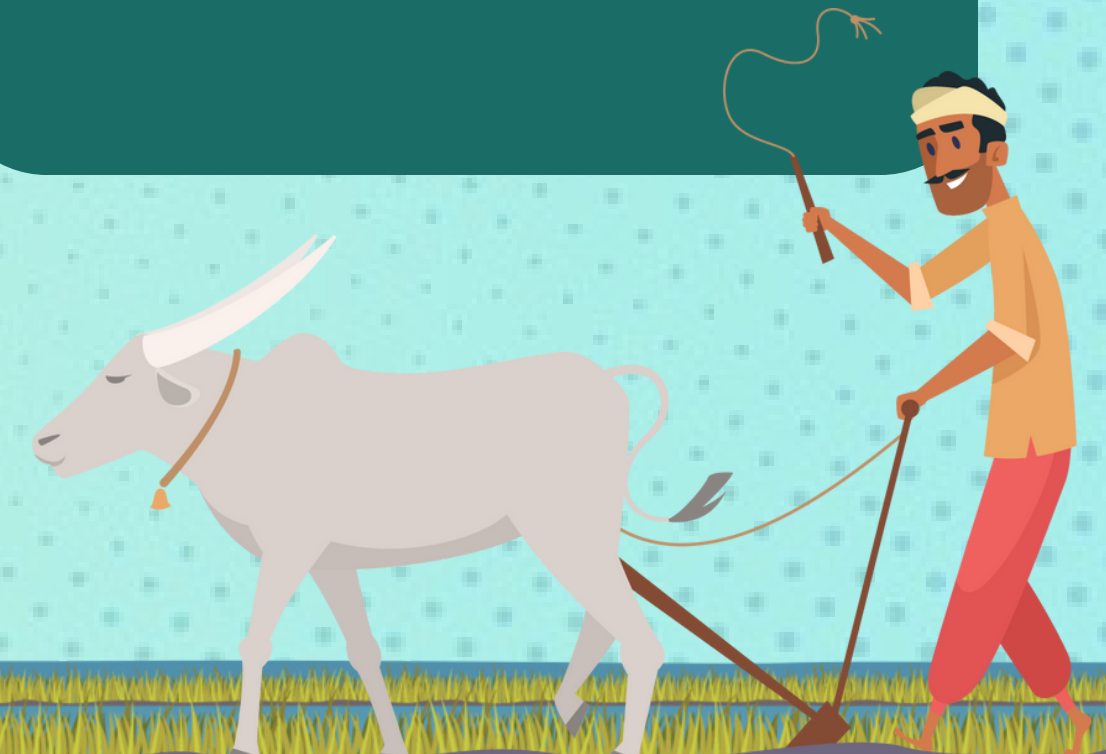
Join together and try to make a difference at our family, our village, our block and even at our local community level.

- **Self-responsibility:**

Fulfil minimum responsibilities as stipulated in its by-laws and business rules by supporting its activities and use its services.

- **Democracy:**

All members are equal. Voting power cannot be bought. It is one member, one vote.



Values of FPO

- **Equality:**

All members have an equal opportunity to get involved, like campaigning for fair trade

- **Equity:**

Commit to fairness in all aspects. Share capital or equity should be same for each members

- **Solidarity:**

Together we're stronger, so we join together to help our FPO become stronger



**So far you
have learned**



What is an FPO?

**How farmers are
benefited from
FPO?**

Values of FPO

Let us recapitulate!

Please respond on the following keeping your FPO in mind:

Value	Is your FPO demonstrating the value? (yes / no / don't know)	What are the practices around the value that you can identify?
Self-help		
Self-responsibility		
Democracy		
Equality		
Equity		
Solidarity		



Cooperative Principles

**Principle 1:
Voluntary and
open
membership**

**Principle 2:
Democratic
member
control**

**Principle 3:
Member
economic
participation**

**Principle 4:
Autonomy and
independence**

**Principle 5:
Education,
training and
information**

**Principle 6:
Cooperation
among
cooperatives**

**Principle 7:
Concern for
community**



Mutual Assistance Principles



Producer Companies are to be guided by Mutual Assistance Principles (MAPs) as spelled out in **Sub-section (2) of Section 581G of the Companies Act, 2013**. The Act specifies that these principles should be part of the Articles of the Producer Company. Mutual Assistance Principles are almost in similar line with Cooperative Principles given below

Mutual Assistance Principles

Principle 1
Voluntary
membership

Principle 2
Democratic
member
control

Principle 3
Governance
by elected
Board

Principle 4
Limited return

Principle 5
Member
economic
participation

Principle 6
Education,
training and
information

Principle 7
Cooperation
among
Producer
Organizations



Key Features of FPOs

- **Business Enterprise:** Provide pre-production, production, post production services
- **Autonomous & Independent:** Farmers own enterprise, private in nature
- **Formal organization:** Registered, legal entity with staff and systems
- **Member owned:** Owned, used and controlled by members, Provide required services to members

- **Equity from members:** Members contribute to capital
- **Self-governance:** Governed by Board of Directors ,elected by and from members
- **Democratic control:** One member, one vote



Appropriate Legal Forms for FPOs

- **Producer Company under Companies Act 2013, Ministry of Corporate Affairs, Government of India. Producer Companies are guided by the Articles of Association (AoA) as laid down by the Producer Company and approved by Registrar of Companies**
- **Cooperative under Multi State Cooperative Societies Act, Ministry of Agriculture and Farmers Welfare, Government of India. Cooperatives are guided by the By-laws as laid down by the Cooperative and approved by Registrar of Cooperatives**
- **Under Cooperative Acts of concerned States. For example, Mutually Aided Cooperative Societies (MACS) Act 1995, Andhra Pradesh**

Note: Articles of Association/ By laws detail out the objects of the FPO, different aspects of their activities and serve as guiding document for functioning of FPOs.



A Structure Ensures




सत्यमेव जयते

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Kolkata
Nizam Palace , 2nd MSO Building , 2nd Floor , 234/4, A.J.C.Bose Road

Certificate of Incorporation
[Pursuant to sub-section (2) of section 7 of the Companies Act, 2013 and
rule 8 of the Companies (Incorporation) Rules, 2014]

I hereby certify that MANBAZAR AGRO PRODUCER COMPANY LIMITED is incorporated on this
Nineth day of February Two Thousand Fifteen under the Companies Act, 2013 and that the company
is limited by shares.

The CIN of the company is U01403WB2015PTC205222.

Given under my hand at Kolkata this Nineth day of February Two Thousand Fifteen.


DIP NARAYAN CHOWDHURY
Assistant Registrar of Companies
West Bengal

Mailing Address as per record available in Registrar of Companies office:
MANBAZAR AGRO PRODUCER COMPANY LIMITED
C/O JAMINI KANTA MAHATO, VILL-JOWRA, CHOURANGI MORE, P.S- BORO,
PURULIA - 723131,
West Bengal, INDIA



Acknowledgement of Stamp Duty MoA Payment



MCA

Acknowledgement of Stamp Duty payment for
Memorandum of Association

Name of office of RoC :	Registrar of companies , West Bengal
State/ Union Territory :	West Bengal
Serial Number (SRN) :	D08550444
Payment Date :	29/01/2015
Value in Rupees :	60.00
Value in Words :	Rupees sixty only
Date of Generation :	09/02/2015
Corporate Identity Number (CIN) :	U01403WB2015PTC205222
Company Name :	MANBAZAR AGRO PRODUCER COMPANY LIMITED
Company Address :	C/O JAMINI KANTA MAHATO, VILL-JOWRA,CHOURANGI MORE,P.S- BORO, PURULIA - 723131, West Bengal, INDIA

This is a MCA21 system generated acknowledgement and does not require any signature.

Acknowledgement of Stamp Duty AoA Payment



MCA

Acknowledgement of Stamp Duty payment for
Articles of Association

Name of office of RoC :	Registrar of companies , West Bengal
State/ Union Territory :	West Bengal
Serial Number (SRN) :	D08550444
Payment Date :	29/01/2015
Value in Rupees :	300.00
Value in Words :	Rupees three hundred only
Date of Generation :	09/02/2015
Corporate Identity Number (CIN) :	U01403WB2015PTC205222
Company Name :	MANBAZAR AGRO PRODUCER COMPANY LIMITED
Company Address :	C/O JAMINI KANTA MAHATO, VILL-JOWRA,CHOURANGI MORE,P.S- BORO, PURULIA - 723131, West Bengal, INDIA

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DOUBT?



Share your
doubts and
questions!



Did you find the session
useful ?



Do you have clarity on
benefits of FPO for
marginal farmers?



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New Delhi – 110016

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