

Producer Organization Promoting Institutions (POPIs)

1. The POPI could be Non-Governmental Organizations, Trusts, Cooperatives, CSR Wings / Development Foundations of Corporates, State Govt. Departments, NABARD promoted Subsidiaries, KVKs, Big Farmer Producers' Companies, Farmer Federations, Commodity Boards, Co-operative Milk Unions and other experienced institutions meeting the eligibility criteria.

2. Identification of POPIs

- i. Registered as a legal entity under the relevant Act.
- ii. Minimum 3 years' audited financial statements.
- iii. Good track record and experience in the field of implementing NABARD programs.
- iv. It has requisite dedicated and professionally competent staff and adequate infrastructure facilities for carrying out the developmental works.
- v. It was not blacklisted by any funding Agency/ Bank/ Govt./Other Agency
- vi. It has positive net worth and no default to any financial institution
- vii. It has adequate expertise in organizing technical help to POs/ primary producers
- viii. It has demonstrated facilitation of business or large scale livelihood activities with market linkages
- ix. It shall qualify the rating criteria and exposure norms devised by NABARD

3. Role of Producer Organization Promoting Institutions (POPIs)

The identified/ selected POPI shall execute an Agreement with Regional Office, NABARD. The major roles of the POPI are as under:

- i. To identify potential pockets / cluster from Watershed Development Projects, Wadi Projects, existing Farmers' Club clusters, Farmers' Cooperatives, SHGs, JLGs, Farmer Interest Groups, specific commodity growing areas, etc.
- ii. To conduct diagnostic and feasibility studies and undertake baseline survey in the selected project area. Diagnostic study is conducted to find out produce and socio-cultural similarity, existing gap and potential activity, interventions in terms of infrastructure, services etc. required in the value chain of agricultural and horticultural produce including post-harvest management and marketing; Feasibility study is conducted in order to establish a fit case for formation of an economically sustainable FPO; and feasibility study should broadly cover the aspect such as financial, technical, legal, political, socio-cultural, environmental, economic and resource; and baseline assessment to generate data related to the current prevailing situation of farming and potential farmers, including small/marginal and landless farmers, for aggregation; and baseline assessment will cover a variety of factors to identify the minimum geographical area for potential interventions, to plan development and business plans

and to estimate future outcome through measurable indicators to understand the change contribution.

iii. To focus on awareness creation among the primary producers and motivate them to form / join a PO.

iv. To ensure regular monthly meetings of shareholder members

v. After formation of the PO, POPI shall start the process of registration under Companies Act or Cooperative Societies Act by obtaining necessary documents for registration. FPOs promoted under other forms / statues are not eligible for financial assistance from NABARD.

vi. To organise capacity building programmes for CEO and Board Members / Management of the PO.

vii. To undertake training need assessment (TNA) of the producers and also assess infrastructure requirements, market interventions and other support facilities necessary for financial sustainability of the PO.

viii. To facilitate preparation of long term business plan of the PO.

ix. To facilitate the PO in obtaining necessary approvals / permissions, etc., in dealing with procurement and sale of inputs and in marketing of produce of the members.

x. To facilitate the PO in credit linkages, as per the business plan, including guidance on preparation of loan application / detailed project report (DPR) for securing institutional credit.

xi. To facilitate the PO in market linkages, including online commodity exchanges, exports, etc., depending on the nature of the producers' output / quality, etc.

xii. To guide and facilitate the PO to have convergence with various Government interventions pertaining to POs, members' activities, etc.

xiii. Overall, POPIs shall have to develop governance & management structure, nurture the PO by ensuring preparation of a sound business plan, facilitate credit and market linkages and provide handholding support for attaining financial sustainability during the period of 5 years.