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## NBCC inks MoU with PACs

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**Gandhinagar:** NBCC (India) Ltd has signed an MoU with 25 primary agricultural credit societies (PACs) of north Gujarat to set up a storage unit for grains, said state cooperatives minister Jagdish Vishwakarma on Wednesday.

The minister said that NBCC, formerly known as the National Building Construction Corporation, signed the MoU at the office of the registrar of cooperatives in Gandhinagar on Tuesday. The storage fa-

cility will be constructed soon in north Gujarat.

Meanwhile, as part of the Centre's plan to expand foodgrain storage facilities in the country, a godown is being constructed in each state under a pilot project.

"In Gujarat, Chandranagar village in Viramgam taluka of Ahmedabad district has been chosen to build a godown that can store 750 metric tonnes of grains," said Vishwakarma. TNN



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## Scaling up FPOs

### Scaling up FPOs

Important lessons to be learned from SHGs

Dhirendra Srivastava

**F**armer Producer Organisations (FPOs) and Self-help Groups (SHGs) are the two most important initiatives taken in the rural development landscape of our country. SHG Bank Linkage Programme (SHGBLP), piloted by NABARD in 1992, aimed at economic and social development of women, has now become one of the premier global microfinance programmes.

Farmer Producer Organisations (FPOs) gained traction since 2013 when national policy for the promotion of FPOs was formulated. It was considered as panacea for leveraging the power of collectivisation to increase the income of the farmers.

However, there is a huge gulf between the successes of the two programmes with SHGBLP surging ahead.

As per NABARD status report 2004-05, number of credit linked SHGs (those which have received bank loans) up to March 2005 was 16.18 lakh, benefitting 12.10 crore people. According to a study, 24,183 FPOs have been formed till March 2023, by mobilising more than 22 lakh farmers/producers. Clearly, in terms of scale and outreach, SHGBLP was far ahead.

While forming SHGs is simple, just requiring 10-20 members and an understanding among themselves to follow the norms set by the SHG, forming FPOs is a more complex process requiring more paper work. Further, the process differs from agency to agency which is sponsoring the FPO. For instance, while SFAC mandates 1000 members, those promoted through NABARD assistance requires 300-500 members only.

SHGs initially formed by NGOs with financial and other support from NABARD and then later on under NRLM (National Rural Livelihoods Mission) by various State Missions. Both the NGOs and State Missions had good and committed presence at the ground and hence, helping in the scaling up of SHGBLP.

On the other hand, FPOs are being promoted through various organisations and agencies (no single ownership), most lacking in grassroots presence.

Banks have played a major part in the scaling up of SHGs with RBI playing a key role. But for FPOs credit access has been a major challenge despite the number of schemes launched to improve credit access. For instance, many



**SELF-HELP GROUPS.** Fostering change BISWABANJIAN ROUT

FPOs are not able to prepare a viable business plan which is the first requirement from banks.

Further, without a reliable market linkage, FPOs face market risk after aggregation of products. Organised players and institutional buyers also offer stiff competition. Thus, many FPOs encounter financial issues soon after they start their operations, having a bearing on their viability and hence, bankability.

Despite these issues, there have been some success stories in FPOs — grapes marketing in Maharashtra and organic turmeric in Odisha. But FPOs are yet to spread their wings and can learn a few lessons from the SHG experience.

#### A BLUEPRINT

The process of FPO formation need to be simplified and universalised. The present multiple implementing agency approach needs to be reviewed. Single ownership with specific responsibility may bring richer dividends.

Agencies involved with FPOs must connect with the grassroots for their scaling up. Group dynamics which was the hallmark of SHGBLP is not that pronounced in case of FPOs.

This lead time is not there in case of FPOs. Banks with a large presence in rural areas, which played a major role in SHGs success, need to be convinced about FPOs viability and ramp up their lending to them. The awareness for FPOs in rural areas must be increased.

Greater involvement of the people and taking them on board and passing on them the ownership gradually, holds the key for faster growth of FPOs. FPOs hold the promise of providing enhanced income to the farmers/producers and their rapid growth is a must for socio-economic development of vast rural populace.

The writer is former General Manager, Nabard. Views expressed are personal



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MoU for 25 packs of Gujarat with NBCC

अनाज संग्रह योजना

# गुजरात की 25 पैक्स का एनबीसीसी से एमओयू

गांधीनगर @ पत्रिका. गुजरात के सहकारिता मंत्री जगदीश विश्वकर्मा ने कहा कि सहकारिता क्षेत्र में सबसे बड़ी अनाज संग्रह योजना के तहत गुजरात में 25 प्राथमिक कृषि ऋण सहकारी मंडलियों (पैक्स) के साथ नेशनल बिल्डिंग कंस्ट्रक्शन कॉर्पोरेशन लिमिटेड (एनबीसीसी) ने एमओयू किया है। बुधवार को रजिस्ट्रार, सहकारी मंडलियां, गांधीनगर कार्यालय में इस योजना को लेकर एमओयू किया गया। प्रधानमंत्री नरेन्द्र मोदी के सहकारिता से समृद्धि के संकल्प को साकार करने के लिए सहकारिता मंत्रालय ने प्राथमिक कृषि ऋण सहकारी मंडलियों को आर्थिक तौर पर मजबूत

बनाने की पहल की है। इसके तहत यह एमओयू हुआ है। विश्वकर्मा ने कहा कि इस योजना के तहत पायलट प्रोजेक्ट के लिए अहमदाबाद जिले में विरमगाम की चन्द्रनगर सेवा सहकारी मंडली लिमिटेड को चुना गया है। यहां मंडली ने 750 मीट्रिक टन का गोदाम बनाया है। इस योजना के क्रियान्वयन से नेशनल को-ऑपरेटिव डवलपमेन्ट लिमिटेड (एनसीडीसी) के तहत एमओयू किया है। एनसीडीसी ने इस योजना के तीव्र कार्यान्वयन के लिए एनबीसीसी के साथ हाल ही में एमओयू किए हैं। राज्य में ज्यादा से ज्यादा प्राथमिक कृषि ऋण सहकारी मंडलियां इस योजना का लाभ ले सकती हैं।