

Catalysing cooperation between PACS and FPOs

This integrated approach will benefit farmers in scaling up their produce and synergising logistics

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Primary Agriculture Cooperative Societies (PACS) and FPO-A dense network of 90,000 PACS with a membership of 13 crore farmers are being transformed by computerisation, undertaking multiservice, distribution of electricity, water, medicines and offering services as Common Service Centres (CSC).

Farmer Produce Organisations (FPO) were launched to offer better access to finance and markets to small and marginal farmers. An ecosystem of PACS and FPO work for the welfare of 13 crore farmers.

Under the Centre Sector Scheme 7,059 FPO have been registered in States by various agencies. Further, under the new FPO scheme, 421 FPOs have been registered by different Implementing Agencies (IAs) in Aspirational Districts. Calibration between FPO and PACS is needed to empower the farmers to convert these opportunities into income growth.

The announcement to form 1,100 new Farmer Producer Organizations (FPOs)

in the cooperative sector provides a pathway for coordinated activities and integrated approach.

The Ministry of Agriculture and Farmers' Welfare under the FPO Scheme, has allocated ₹33 lakh to each FPO, and plans to form 1100 additional FPOs to National Cooperative Development Corporation (NCDC). Further, financial assistance of ₹25 lakh per FPO is provided to the Cluster Based Business Organizations (CBBO).

The integration of PACS and FPO will help farmers in scaling up their produce and synergise logistics.

PACS are primarily engaged in short-term credit and distribution of seeds, fertilizers, etc., now they will be able to undertake high income generating activities like bee-keeping, mushroom cultivation, non agri sector like handloom, handicrafts, travel, media, education and health.

NEW BUSINESS MODELS

Integration of FPO and PACS can create opportunities in new age areas — Platform cooperatives, sustainable cooperative, circular economy, regenerative agriculture, custom hiring



FARMER WELFARE. Integrated approach^{AP}

centres offering drone and other technologies.

The PACS and FPO business model should have well defined role and business propositions for working together. Developing partnership, collaborations with service providers, support agencies, promoting agencies, certifying agencies, start-ups to proliferate innovations and entrepreneurship will need a timely attention.

Many States have taken a lead in this direction by computerising and adopting Model Bye Laws of PACS to

bring provisions for joint activities as subsidiary or partnerships. The bye-laws of PACS of Uttar Pradesh defines the objective of society to encourage the development of backward and forward linkages and undertake marketing activities. Uttarakhand has completed the computerisation of all 307 cooperative banks and 670 Multipurpose Primary Agricultural Credit Cooperative Societies.

There are FPO's crossing its turnover of more than one crore, primarily those dealing with one district one product (ODOP) and taking advantages of world Bank sponsored SMART & Central Government/NCDC schemes.

Facilitating and catalysing cooperation between PACS and FPO is to be achieved through mentoring, holding dialogue, creation of participatory learning platforms and Incubation centres where PACS and FPOs can be strengthened.

Creating trust and rapport among the PACS, FPOs and the ecosystem players will pave the path for bottom up growth strategy to bring prosperity.