



## ABSTRACT

Agriculture and Farmers Welfare Department – Agricultural Marketing and Agri Business – Budget Demand Announcement of the Hon'ble Minister for Agriculture and Farmers Welfare for the year 2021-2022 – Permission to the Director of Agricultural Marketing and Agri Business to implement the project, "Providing Capacity Building Training to Members of 318 Farmer Producer Organizations at a cost of Rs.2.00 crore to transform them as Agri Entrepreneurs" – Accorded – Orders – Issued.

### AGRICULTURE AND FARMERS WELFARE (AM3) DEPARTMENT

G.O.(Ms) No.98

Dated:12.05.2022

திருவள்ளூர் ஆண்டு, 2053

சுபகிருது வருடம்,

சித்திரைத் திங்கள் 29 ஆம் நாள்

Read:

1. G.O.(Ms) No.240, Agriculture & FW (AM3) Department, Dated 10.12.2021.
2. From the DAM&AB, Letter No. TNSFAC/ 861/ 2021, dated: 07.01.2022 and 14.03.2022.

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### ORDER:

In Tamil Nadu, Farmer Producer Organizations (FPOs) are mostly in the start-up stage and face various challenges related to entrepreneurial capacity, business and marketing strategy, financial resources, etc. Board members of Farmer Producer Organizations in most of the cases have from agricultural background. For most of the farmer members, running a Farmer Collective within a corporate framework is a new concept. Therefore, Board members need regular capacity building on good management practices to increase their turnover. Farmer Producer Organizations need to be oriented to gain proficiency in strategic planning, bookkeeping, business skills, marketing, corporate governance, etc to make the Former Producer Organization stable and sustainable. Capacity building and training support have to be extended to FPOs to transform them into agri entrepreneurs.

2. Considering the above objective, the Hon'ble Minister for Agriculture and Farmers Welfare during the Demand Session of 2021-2022 has announced as follows:-

"Capacity building trainings will be given to members of 318 Farmer Producer Organizations at a cost of Rs.2.22 crores to transform them as Agri Entrepreneurs"

3. In the Government Order first read above, orders were issued according permission to implement the project, "Providing Capacity Building Training to Members of 318 Farmer Producer Organization at a cost of Rs.2.00 crore to transform them as Agri Entrepreneurs".

4. Subsequently, the Director of Agricultural Marketing and Agri Business in the letter second read above, has sent revised proposal for the project, "Capacity Building Training to Members of 318 Farmer Producer Organizations at a cost of Rs.2.00 crore to transform them as Agri Entrepreneurs" for the year 2021-2022 based on the discussion held on 22.12.2021 and 28.12.2021 to increase the number of beneficiaries and Farmer Producer Companies, with revision of cost norms and requested to issue necessary orders as per his revised proposal.

5. The Director of Agricultural Marketing and Agri Business in his revised proposal has stated that Collectivization of producers, especially small and marginal farmers, into producer organizations has emerged as one of the most effective pathways to address the many challenges of agriculture but most importantly, improved access to investments, technology, inputs, and markets. The Department of Agricultural Marketing and Agri-Business has promoted 318 Farmer Producer Organizations under various schemes such as National Agriculture Development Programme, National Mission for Sustainable Agriculture and Tamil Nadu Irrigated Agriculture Modernisation Project. Besides these, 50 Farmer Producer Organizations are being promoted under the Central Sector Scheme of Formation and Promotion of 10,000 Farmer Producer Organizations.

6. The Director of Agricultural Marketing and Agri Business has given the aim and objectives of this scheme as follows:-

- To develop human resource capabilities of Board of Directors, Chief Executive Officers & Youth members to transform Farmer Producer Companies (FPCs) as Agri entrepreneurs
- To enhance the efficiency for effective functioning of Farmer Producer Organizations (FPOs).
- To present an overview of the process of FPO / FPC formation and statutory compliances required for the FPCs.
- To help in better understanding the concepts of business plan and preparing a business plan for FPCs,
- To create awareness on Government policy for FPOs

- To help in the groups understanding of the Application of business management principles for accelerating the existing small business.
- To create awareness on alternate channels of marketing.
- To enable FPCs to gain knowledge through exposure visits

7. The Director of Agricultural Marketing and Agri Business has further adduced the strategy under this project as follows:-

#### **i. Training programme**

The Department of Agricultural Marketing and Agri Business has promoted 318 FPOs so far. In the first phase, training would be provided to 2,120 members of 310 Farmer Producer Organizations. Seven members in each FPO (Chief Executive Officer / Board of Directors/youth members of the FPO) will be identified and provided training in managerial aspects by involving experts in agribusiness management, experienced executives managing private firms, and experts managing technological operations in private firms. The content of the training programme will be as follows:-

- Business strategy formulation,
- business model and business plan preparation,
- sourcing funds from various schemes
- financial and accounts management,
- meeting regulations of Companies Act 2013,
- FPO-driven supply chain management and marketing management.
- Value addition, Marketing and Export

#### **ii. Exposure Visit (Inside State and Outside State)**

Farmer Producer Organizations will be taken on an exposure visit to markets, supermarkets, hypermarkets in cosmopolitan / metropolitan cities and processing centres, successful Agri business units, etc.,. Other progressive FPOs will also be visited to understand business practices and gain from sharing of experiences. The training and exposure visit will involve hands-on preparation for all required business processes for effectively managing the Former Producer Organization.

8. The Director of Agricultural Marketing and Agri Business has also informed that the project will be implemented by selecting seven persons from each Farmer Producer Organization and in each batch 40 persons will be trained. Training and exposure visit would be provided through Agri Business Development Centre (ABD), Tamil Nadu Agricultural University colleges and other Government institutions. In addition, specialized Experts would be utilized for training the Farmer Producer Organizations. Two trainings (Farmer Producer Organization Management training, Entrepreneurship development) for 6 days will be provided for 53 batches covering 310 Farmer Producer Organizations. Training facility of the Tamil Nadu State Agricultural Marketing Board at Salem would also be

used. Exposure visit within the State for 1 day to 53 batches and Exposure Visits outside the State for 5 days to 38 batches would be provided. The training and exposure visit will be provided in a phased manner for a 3 year period (from 2021-22 to 2023-24). The targeted beneficiaries are Chief Executive Officers, Board of Directors & Youth members of the FPO will be trained which will indirectly benefit around 1.60 lakh farmer members of Farmer Producer Organizations.

9. The Director of Agricultural Marketing and Agri Business has furnished the budget and source of funding for this project as detailed below:-

**i. Training to members of Farmer Producer Organization (3 days, within state) :**

S. No	Activity	Days	Participants	Unit cost Rs.	Total cost Rs.
1	Travel expenses Rs.300 per farmer		40	300	12,000
2	Food and Refreshments 3x40xRs.350 per day.	3	40	350	42,000
3	Accommodation cost 3x40xRs.100 per day	3	40	100	12,000
4	Course fee and other expenses Rs.300 per farmer.		40	300	12,000
	Sub - Total				78,000
5	Institutional Charges (10%)				7,800
	Total				85,800

Two trainings (Training I- FPO Management (3 days), Training II- Entrepreneurship Development (3 days)) @ 53 batches per training.

Cost for 1 batch for 6 days training including institutional charges=Rs.85,800x2  
= Rs.1.716 lakh

Total cost for training for 53 batches =Rs.78,000x2x53 =Rs. 82.680 lakh

Institutional Charges @ 10% for 53 batches =7800x2x53  
= Rs. 8.268 lakh

Total amount for Training = Rs.82.680 lakh + Rs.8.268 lakh  
**= Rs. 90.948 lakh**

ATMA fund = Rs.82.680 lakh

TNSFAC fund = Rs.8.268 lakh

**ii. Expenditure for Exposure Visit within the State (One day and 40 persons per batch)**

Cost for 1 batch (i.e 40 persons) for 1 day @ Rs.500/day/farmer  
=Rs.20,000

Total cost for exposure visit for 53 batches= 53xRs.20000  
=Rs.10.60 lakh

Institutional Charges @ 10 % for 53 batches = Rs.2000 x53  
=Rs. 1.06 lakh

Total amount for exposure visit within the State =Rs.10.60 lakh +Rs.1.06 lakh  
= **Rs.11.66 lakh**

ATMA fund – Rs.10.60 lakh  
TNSFAC Fund – Rs.1.06 lakh

**iii. Exposure Visit Outside State (five days and 40 persons per batch)**

S. No.	Activity	Amount in Rs.
1.	Travel Expenses (Rs.500 x 5 days /person)	2500
2.	Incentives for boarding and lodging (Rs.500x5 days/person)	2500
	<b>Sub-total</b>	<b>5000</b>
	Rs.5000 x 40 person/batch	200000
	Institutional charges/batch 10%	20000
	<b>Total</b>	<b>2,20,000</b>

Cost for 1 batch for 5 days including Institutional Charges = Rs.2.20 lakh

Total cost for Exposure Visit (38 batches) outside the State = Rs.2,20,000 x 38  
= **Rs.83.60 lakh**

TNIAMP fund = Rs.41.80 lakh  
TNSFAC Fund = Rs.41.80 lakh

**iv. Abstract on Training and Exposure Visit Components:  
[2021-22 to 2023-24]**

S. No	Component	Amount (Rs. in lakh)	Source of funding
1.	Training	90.948	ATMA fund = Rs.82.680 lakh TNSFAC Fund = Rs.8.268 lakh

2.	Exposure visit within the State	11.66	ATMA fund – Rs.10.60 lakh TNSFAC – Rs.1.06 lakh
3.	Exposure Visit Outside State	83.60	TNIAMP fund = Rs.41.80 lakh TNSFAC Fund = Rs.41.80 lakh
4.	Materials, documentation, software, etc	13.792	TNSFACFund = Rs.13.792 lakh
	<b>Total</b>	<b>200.00</b>	

#### v. Source of Funding:

Funds would be dovetailed from ATMA, TNSFAC & TNIAMP as below:-

Agricultural Technology Management Agency (ATMA)	Rs.93.280 lakh
Tamil Nadu Small Farmers' Agri Business Consortium (TNSFAC)	Rs.64.92 lakh
Tamil Nadu Irrigated Agriculture Modernization Project (TNIAMP)	Rs.41 .80 lakh
<b>Total</b>	<b>Rs.200.00 lakh</b>

10. The Director of Agricultural Marketing and Agri Business has stated that the phases of implementation are follows:-

#### a. Training within the State and Exposure Visit within the State

S. No.	Year	Number of Batches @ 40Nos./Batch	No. of FPCs	Number of Beneficiaries	Amount (Rs. in lakh)
1.	2021-22	5	28	200	9.68
2.	2022-23	24	141	960	46.464
3.	2023-24	24	141	960	46.464
	<b>Total</b>	<b>53</b>	<b>310</b>	<b>2120</b>	<b>102.608</b>

6 Members from best performing 50 FPCs and 7 Nos from remaining 260 FPOs @ 40 Members/Batch for training and exposure visit within the state.

#### b. Exposure Visit outside the State

S. No.	Year	No.of Batches @ 40Nos./ Batch	No of FPCs	No.of Beneficiaries	Amount (Rs. in lakh)
1.	2021-22	2	16	80	4.40

2.	2022-23	18	144	720	39.60
3.	2023-24	18	150	720	39.60
	<b>Total</b>	<b>38</b>	<b>310</b>	<b>1520</b>	<b>83.60</b>

Exposure Visit outside the State – 5 members from 280 FPOs and 4 members from 30 FPOs @ 40 members/Batch.

11. The Director of Agricultural Marketing and Agri Business has therefore requested to accord permission for the implementation of the project, "Capacity Building Training to Members of 318 Farmer Producer Organizations to transform them as Agri Entrepreneurs" at a cost of Rs. 2.00 crore as per his revised proposal to increase the number of beneficiaries and FPCs, with revision of cost norms.

12. The Government after careful examination of the proposal of the Director of Agricultural Marketing and Agri Business issue the following orders:-

- i) The orders already issued vide G.O (Ms) No. 240, Agriculture and Farmers Welfare (AM3(2)) Department, Dated: 10.12.2021 is hereby superseded.
- ii) Permission is accorded to the Director of Agricultural Marketing and Agri Business to conduct training and exposure visit at a total cost of Rs. 2.00 crore through Agri Business Development centre (ABD), Tamil Nadu Agricultural University colleges and other Government Institutions. In addition, specialized Experts shall be utilized for training the Farmer Producer Organization.
- iii) Permission is accorded to the Director of Agricultural Marketing and Agri Business to conduct two trainings (FPO management training, Entrepreneurship Development) for 3 days each, to be provided for 53 batches covering 310 (2,120 beneficiaries) FPOs and on completion of training, the 53 batches shall be taken for one day exposure visit within the State based on the need of the batch. Exposure Visit outside the State for 5 days to 38 batches by covering 310 FPOs (1,520 beneficiaries) as annexed to this order.
- iv) Permission is accorded to the Director of Agricultural Marketing and Agri Business to dovetail funds to the tune of Rs.93.28 lakh from Agricultural Technology Management Agency (ATMA),Rs.64.92 lakh from Tamil Nadu small Farmers' Agri Business Consortium (TNSFAC) and Rs.41.80 lakh from Tamil Nadu irrigated Agriculture Modernization Project (TNIAMP) totaling to Rs. 2.00 crore.

- v) The Director of Agricultural Marketing and Agri Business is authorized to utilize the above funds of Rs. 2.00 crore from ATMA, TNSFAC & TNIAMP.
- vi) The Director of Agricultural Marketing and Agri Business is authorized to change components, if required without exceeding the funds allocated.
- vii) Permission is accorded to the Director of Agricultural Marketing and Agri Business to conduct the training and exposure visit in a phased manner from 2021-22 to 2023-24 as annexed to this order.
- viii) The Director of Agricultural Marketing and Agri Business is directed to strictly follow the norms and guidelines of Agricultural Technology Management Agency(ATMA), Tamil Nadu Small Farmers' Agri Business Consortium (TNSFAC) and Tamil Nadu Irrigated Agriculture Modernization Project (TNIAMP) in the implementation of the Scheme.
- ix) The Director of Agricultural Marketing and Agri Business is directed to finalize and complete the audit of final accounts of 2020-2021, 2021-2022 by 30.09.2022 of Tamil Nadu Small Farmers' Agri Business Consortium (TNSFAC) and ensure that the Board meetings are conducted as per Bye-Laws.

13. The Director of Agricultural Marketing and Agri. Business is directed to take appropriate further action as per the above orders.

14. This order issues with the concurrence of Finance Department vide its U.O. No: 14711/Finance (Agri &FW)/2022, dated:13.04.2022.

**(BY ORDER OF THE GOVERNOR)**

**C. SAMAYAMOORTHY  
AGRICULTURAL PRODUCTION COMMISSIONER  
AND SECRETARY TO GOVERNMENT**

To

The Director of Agricultural Marketing and Agri Business, Chennai-32.  
The Chief Executive Officer, Tamil Nadu State Agricultural Marketing Board, Chennai-32.

The Principal Accountant General (A&E/ Audit/ AAD/G&SSA/E&RSA),  
Chennai-18.

The Resident Audit Officer, O/o the Principal Accountant General  
(Social Sector Audit), Chennai-9.

The Director of Local Fund Audit, Chennai -108.

The Treasury concerned.



Copy to

The Additional Chief Secretary to Government, Finance Department,  
Chennai-9.

The Special Personal Assistant to Hon'ble Minister for Agriculture and  
Farmers Welfare, Chennai-9.

The Senior Private Secretary to Agricultural Production Commissioner  
and Secretary to Government, Agriculture and Farmers Welfare  
Department, Chennai-9.

The Finance (Agri. & FW) Department, Chennai-9.

The Assistant Programmer, Agriculture and Farmers Welfare Department,  
Chennai -9.

The Agriculture and Farmers Welfare (OP3/ B&P) Department, Chennai-9.  
Stock File/Spare Copies.

**//FORWARDED BY ORDER//**

*L. Chitra*  
12/5/2022  
**SECTION OFFICER**

**ANNEXURE**

G.O.(Ms) No.98, Agriculture and Farmers Welfare (AM3) Department,  
Dated:12.05.2022

**i. Training to members of Farmer Producer Organization (3 days, within state) :**

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**vi. Phases of implementation of the Scheme**

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C. SAMAYAMOORTHY  
 AGRICULTURAL PRODUCTION COMMISSIONER  
 AND SECRETARY TO GOVERNMENT

//True Copy//

*R. Chihā*  
 12/5/2022  
 SECTION OFFICER

