

GOVERNMENT OF INDIA  
MINISTRY OF COOPERATION

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1443**  
TO BE ANSWERED ON 02/08/2023

**Formation of FPOs under Sahakar 22**

**1443. Shri Ayodhya Rami Reddy Alla:**

Will the Minister of COOPERATION be pleased to state:

- (a) the steps that have been taken to facilitate the formation of Farmer Producer Organizations (FPOs) under Sahakar 22, ways in which Government support the registration and legal compliance processes for FPOs;
- (b) whether efforts are being made to improve market access and market intelligence for FPOs, and whether any initiatives has been taken to support FPOs in value addition, branding, and marketing of their produce; and
- (c) whether Government monitors the progress and outcomes of Sahakar 22, details thereof, if the evaluation mechanisms are in place to assess the effectiveness and impact of the scheme?

**ANSWER**

THE MINISTER OF COOPERATION

(SHRI AMIT SHAH)

(a): Ministry of Cooperation with active participation of various States/ UTs has taken various initiatives to revitalize and strengthen the cooperative sector across the country and to achieve the vision of “Sahakar se Samridhi”, as mentioned at Annexure 1.

National Cooperative Development Corporation (NCDC), a statutory body under the administrative control of Ministry of Cooperation, being an Implementing Agency under the Central Sector Scheme titled "Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)", has registered 610 new FPOs as on 30.06.2023. A target of additional 1,100 new FPOs have been allocated to NCDC by the Government, for strengthening of cooperative sector. Now, NCDC has become able to extend the benefit of the scheme by enabling Primary Agricultural Cooperative Societies (PACS) to form new FPOs.

NCDC is also supporting and handholding the FPOs, for registration and legal compliance processes, through Cluster Based Business Organizations (CBBOs).

Further, NCDC had earlier launched its own initiative named Sahakar– 22, during FY 2017-18, to achieve the Mission of New India by the year 2022 through Cooperatives.

Sahakar – 22 initiative of NCDC included the following:

- FOCUS 222 – NCDC’s focused assistance for Cooperatives in 222 Districts (including 117 Aspirational Districts identified by NITI Aayog);
- PACS HUB – Transformation of PACS and other Coops as Apna Kisan Resource Centers;
- AENEC - Act East and North East Cooperatives;
- CEMtC - Centres of Excellence to Market through Cooperatives;
- SAHAKAR PRAGYA - Capacity Development through Laxmanrao Inamdar National Academy for Cooperative Research Development (LINAC).

(b): Yes Sir, under the FPO scheme, Cluster Based Business Organizations have been engaged by NCDC for providing access to market linkages, value addition, branding and marketing of the produce. NCDC monitors overall implementation of the scheme through its 18 Regional Offices across the country.

(c): The Government of India monitors the financial disbursements under NCDC schemes like Sahakar- 22 through approval of annual Programme of Activities, monthly review of the financial achievements, control through Board of Management and General Council, auditing Annual Accounts by the Comptroller and Auditor General of India (CAG) and laying Annual Accounts and Annual Report before the Parliament of India. This ensures effectiveness in implementation of NCDC schemes like Sahakar- 22.

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**A. Making Primary Cooperatives transparent and economically vibrant (14 initiatives)**

- 1. Model Bye-Laws for PACS making them multipurpose, multidimensional and transparent entities:** Prepared and circulated to all the States/ UTs for adoption as per their respective State Cooperatives Act to enable PACS to undertake more than 25 business activities. Model byelaws have been adopted by 27 States/ UTs.
- 2. Strengthening of PACS through Computerization:** Process to onboard 63,000 PACS on an ERP based national software, with an outlay of ₹2,516 Crore started.
- 3. New Multipurpose PACS/ Dairy/ Fishery Cooperatives in uncovered Panchayats:** A plan has been approved to set up 2 lakh new multi-purpose PACS or primary dairy/ fisheries cooperatives covering every Panchayat/ village in the next five years.
- 4. World's Largest Decentralized Grain Storage Plan in Cooperative Sector to ensure food security:** Pilot Project is under implementation to create godowns and other agri-infra for grain storage at PACS level.
- 5. PACS as Common Service Centers (CSCs) for better access to e-services:** More than 17,000 PACS onboarded as CSC to improve their viability, provide e-services and generate employment in rural areas.
- 6. Formation of new Farmer Producer Organization (FPOs) by PACS:** 1,100 additional FPOs to be formed by PACS in those blocks where FPOs have not yet been formed or the blocks are not covered by any implementing agency.
- 7. PACS given priority for Retail Petrol/ diesel outlets:** PACS have been included in the Combined Category 2 (CC2) for allotment of retail petrol/ diesel outlets. Existing PACS with wholesale petrol pump license permitted to convert into retail outlets.
- 8. PACS eligible for LPG Distributorship for diversifying its activities:** PACS have now been allowed to apply for LPG Distributorships.
- 9. PACS as Jan Aushadhi Kendra for improving access to generic medicines at rural level:** PACS have been allowed to operate Pradhan Mantri Bhartiya Janaushadhi Kendras which will provide additional income source to them.
- 10. PACS as Pradhan Mantri Kisan Samridhhi Kendras (PMKSK) for fertilizer distribution:** PACS have been allowed to operate PMKSK for ensuring easy accessibility of fertilizer & related services to farmers in the country.
- 11. Convergence of PM-KUSUM at PACS level for energy security:** Farmers associated with PACS can adopt solar agricultural water pumps and install photovoltaic modules in their farms.

12. **PACS to carry out O&M of rural piped water supply schemes (PWS):** PACS have been allowed to carry out the Operations & Maintenance (O&M) of PWS in rural areas.
13. **Micro-ATMs to Bank Mitra Cooperative Societies for providing doorsteps financial services:** Micro-ATMs now being given to cooperative societies like Dairy, Fisheries.
14. **Rupay Kisan Credit Card to Members of Milk Cooperatives:** Rupay Kisan Credit Cards being provided to the members of cooperatives through Cooperative Banks for providing credit at comparatively lower interest rates.

**B. Strengthening the Urban and Rural Cooperative Banks (9 initiatives)**

15. UCBs have now been allowed to open new branches to expand their business.
16. UCBs have been allowed by RBI to offer doorstep services to their customers.
17. **Cooperative banks** have been allowed to make one-time settlement of outstanding loans, like Commercial Banks.
18. Time limit increased to achieve Priority Sector Lending (PSL) targets given to **UCBs**.
19. A Nodal Officer designated in RBI for regular interaction with **UCBs**.
20. Individual housing loan limit more than doubled by RBI for **Rural and Urban Co-operative Banks**.
21. **Rural Co-operative Banks** will now be able to lend to commercial real estate/ residential housing sector, thereby diversifying their business.
22. License fee for **onboarding Cooperative Banks to 'Aadhaar Enabled Payment System' (AePS)** has been reduced by linking it to the number of transactions.
23. Non-scheduled UCBs, StCBs and DCCBs notified as **Member Lending Institutions (MLIs) in CGTMSE Scheme** to increase share of cooperatives in lending.

**C. Relief to Cooperative Societies in Income Tax Act (6 initiatives)**

24. **Surcharge reduced from 12 % to 7%** for co-operative societies having income between Rs. 1 to 10 Cr.
25. **MAT reduced** for cooperatives from 18.5% to 15%.
26. A clarification has been issued to remove difficulties in cash transactions by cooperatives under **Section 269ST of IT Act**.
27. A flat **lower tax rate of 15%** has been fixed, compared with current rate of upto 30% plus surcharge, for new cooperatives commencing manufacturing activities till March 31, 2024.

28. Limit increased from Rs. 20,000 to Rs. 2 lakh per member for deposits and loans in cash by PACS and PCARDBs.

29. **Increase in cash withdrawal limit** for cooperatives from Rs. 1 Crore to Rs. 3 Crore, per annum, without being subjected to TDS.

**D. Revival of Cooperative Sugar Mills (4 initiatives)**

30. **Relief from Income Tax to Sugar Cooperative Mills:** Sugar cooperative mills not to be subjected to additional income tax for paying higher sugarcane prices to farmers up to Fair and Remunerative or State Advised Price.

31. **Resolution of decades old pending issues related to Income Tax of Sugar Cooperative Mills:** Sugar cooperatives allowed to claim as expenditure their payments to sugarcane farmers for the period prior to assessment year 2016–17, giving a relief of nearly Rs. 10,000 crores.

32. **Rs. 10,000 crore loan scheme launched by NCDC for strengthening of Sugar Cooperative Mills:** Scheme can be used for setting up ethanol plants or cogeneration plants or for working capital or for all three purposes.

33. **Preference to Cooperative Sugar Mills in purchase of ethanol:** Decision has been taken to put Cooperative Sugar Mills at par with private companies for ethanol procurement by Government of India under the Ethanol Blending Programme (EBP).

**E. Three new Multi-State Societies at the National Level (3 initiatives)**

34. **New National Multi-State Cooperative Seed Society for certified seeds:** New apex multi-state cooperative seed society established under the MSCS Act, 2002 as umbrella organization for quality seed cultivation, production and distribution under a single brand.

35. **New National Multi-State Cooperative Organic Society for organic farming:** New apex multi-state cooperative organic society established under the MSCS Act, 2002 as umbrella organization to produce, distribute and market certified and authentic organic products.

36. **New National Multi-State Cooperative Export Society for promoting exports:** New apex multi-state cooperative export society established under the MSCS Act, 2002 as umbrella organization to give thrust to exports from cooperative sector.

**F. Capacity Building in Cooperatives (3 initiatives)**

37. **Establishment of the World's Largest Cooperative University :** Decision for establishment of National Cooperative University for Cooperative education, training, consultancy, research and development and a sustainable and quality supply of trained manpower is at advanced stage.

38. **New Scheme of Cooperative Education and Training:** To strengthen the cooperative movement, build capacity of faculty of VAMNICOM, NCCT and JCTC, promote quality research and studies on important areas of Cooperative sector, etc.

**39. Promotion of training and awareness through National Council for Cooperative Training (NCCT):** NCCT conducted 3,287 training programs and provided training to about 2,01,507 participants in FY 2022-23.

**G. Use of Information Technology for 'Ease of Doing Business' (2 initiatives)**

**40. Computerization to strengthen the Central Registrar's Office:** For creating a digital ecosystem for Multi-State Cooperative Societies and to assist in processing applications and service requests in a time bound manner a decision for computerization has been taken.

**41. Scheme for computerization of office of RCSs in States and Union Territories:** To increase ease of doing business for Cooperative Societies and create a digital ecosystem for transparent paperless regulation in all States/Union Territories.

**H. Other Initiatives (7 initiatives)**

**42. New National Cooperative Database for authentic and updated data repository:** Preparation of a database of cooperatives in the country started to facilitate stakeholders in policy making and implementation.

**43. Formulation of New National Cooperative Policy:** A National level committee comprising 49 experts and stakeholders drawn from all over the Country constituted to formulate the New National Cooperative Policy to create an enabling ecosystem to realize the vision of 'Sahakar-se-Samridhi'.

**44. Multi-State Co-operative Societies (Amendment) Bill, 2022:** Bill introduced in the Parliament to amend the MSCS Act, 2002 to incorporate provisions of 97<sup>th</sup> Constitutional Amendment, strengthen governance, enhance transparency, increase accountability and reform electoral process in the Multi State Cooperative Societies.

**45. Inclusion of Cooperatives as 'buyers' on GeM portal:** Cooperatives permitted to register as 'buyer' on GeM, enabling them to procure goods and services from nearly 40 lakh vendors to facilitate economical purchases and greater transparency.

**46. Expansion of National Cooperative Development Corporation to increase its range and depth:** New schemes for cooperatives launched by NCDC in various sectors such as 'Swayamshakti Sahkar' for SHG; 'Deerghavadhi Krishak Sahkar' for long term agricultural credit; 'Dairy Sahkar' for dairy and 'Neel Sahkar' for fisheries. Total financial assistance of Rs. 41,024 Crores disbursed by NCDC in FY 2022-23.

**47. Computerization of Agriculture and Rural Development Banks (ARDBs):** To strengthen the Long-term Cooperative Credit structure, a decision has been taken to computerise Agriculture and Rural Development Banks (ARDBs).

**48. Refund to Investors of Sahara Group of Societies:** A portal has been launched for making payments to the bona fide depositors of the cooperative societies of Sahara Group in a transparent manner after proper identification and submission of proof of their deposits and claims.