

# Formation and Promotion of Fish Farmer Producer Organizations (FFPOs) under PMMSY

**National Cooperative Development Corporation**

A Statutory Corporation Under Ministry of Cooperation, GoI

An ISO 9001:2015 Certified Organization

[www.ncdc.in](http://www.ncdc.in)

# SCHEME FOR FORMULATION & PROMOTION OF FFPOs

- Pradhan Mantri Matsya Sampada Yojana (PMMSY): for sustainable and responsible development of fisheries sector at an investment of Rs. 20050 Cr
- FFPOs can be registered under any Cooperative Societies Act / Companies Act
- NCDC is an Implementing Agency for PMMSY
- Under PMMSY 500 FFPOs will be formed initially
- NCDC initial target - 50 FPOs



# NCDC : Assisting Cooperatives. Always !

Financial institution working only for Cooperatives

Under Ministry of Cooperation, Government of India

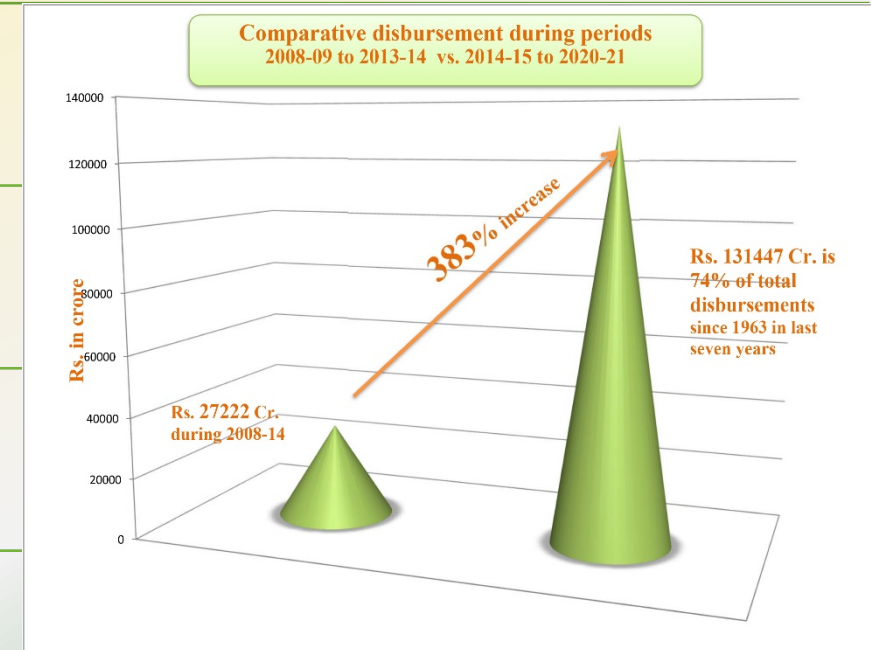
An ISO 9001:2015 certified Organization

A statutory corporation, set up under NCDC Act, 1962

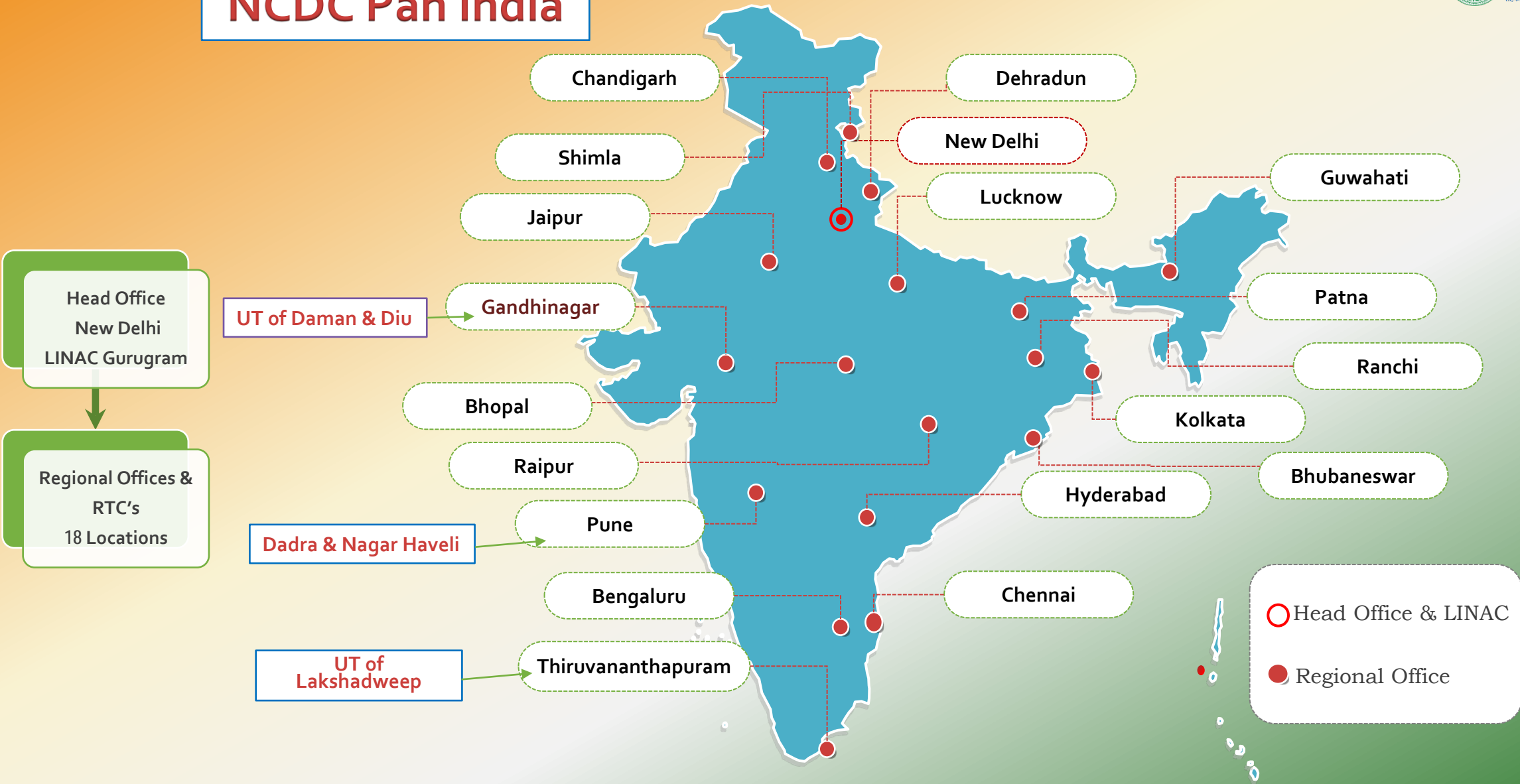
Zero NET NPA since inception

No minimum, No maximum limit, Viability is the major criteria

Support to cooperatives in various sectors for – Project Formulation, Project Funding, Investment Loan, Working Capital/Margin Money



# NCDC Pan India



Pan India presence: 20 locations. All States / UTs covered. 18 Regional Offices. 19 Training Centres

# AIMS AND OBJECTIVES

- Economic empowerment of fishers and fish farmers
- Enhance their bargaining power by achieving economies of scale.
- Enhance productivity
- Realize better returns through better liquidity and market linkage
- Develop entrepreneurial skills for FFPOs to be economically viable and self sustaining.
- Develop sustainable income-oriented fisheries value chains.
- Securing fisher's welfare

## DEFINITION OF FFPO

- FFPO is a generic name, which means an association or group of fishers or fish farmers or of fisheries stakeholders, with the primary objective of carrying out sustainable fisheries value chain business by whatever name called,

Registered under any law for the time being in force;

OR

Promoted under a scheme or program supported by the Central or State Government

# REGISTRATION of FFPOs

Under Cooperative Societies  
Act of the State

OR  
Under Companies Act

# BROAD SERVICES AND ACTIVITIES BY FFPOs

Production and Productivity

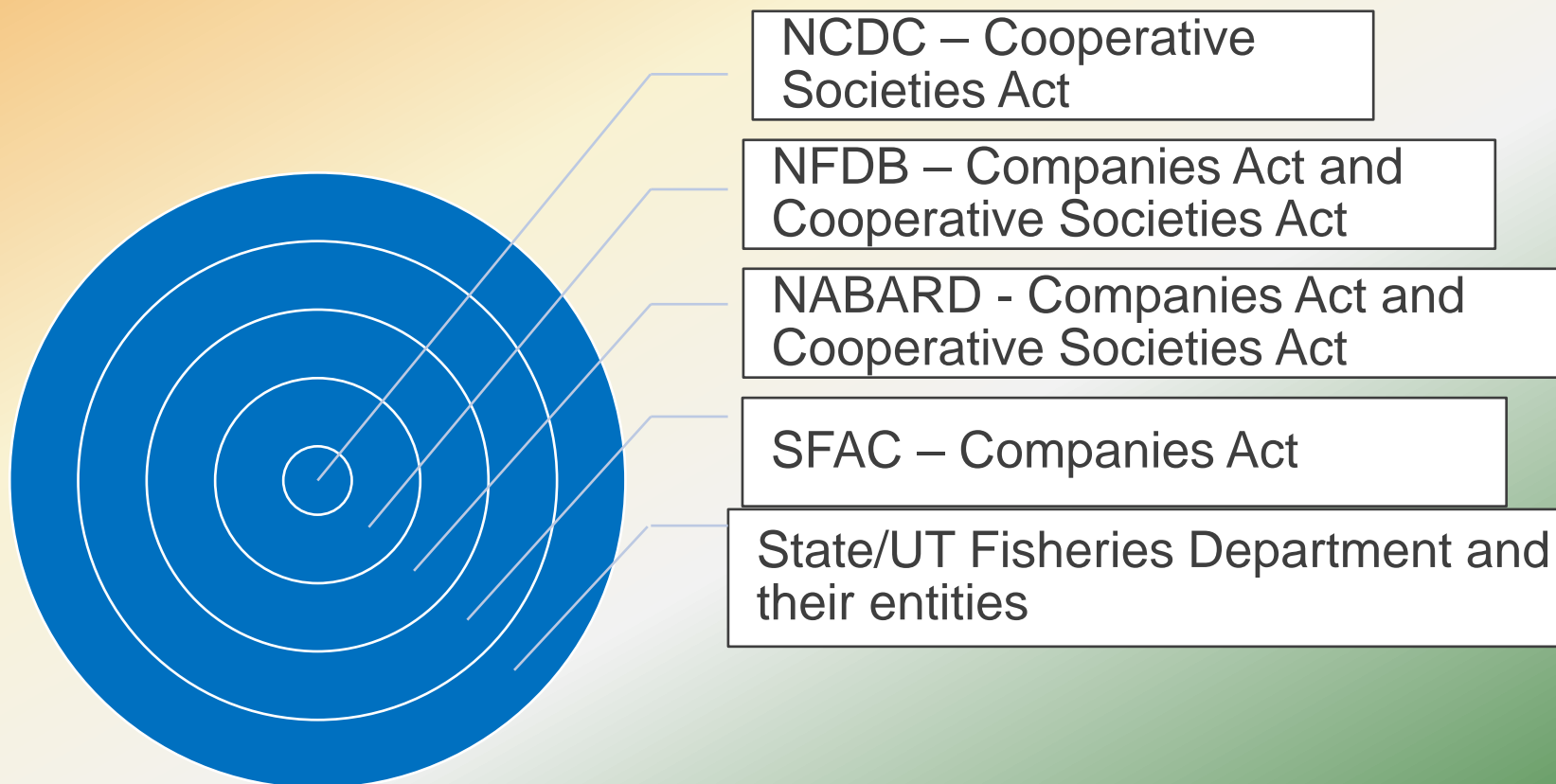
Post Harvest Management and Infrastructure

Marketing and Branding

Any other feasible activity under framework of PMMSY



# IMPLEMENTING AGENCIES (IAs)



## Main role of Implementing Agency

- IA works with Community Based Business Organizations (CBBOs) to make FFPOs economically sustainable.
- Monitor and supervise the functioning of CBBOs.
- Formulation of rating tools for FFPOs

# CLUSTER BASED BUSINESS ORGANIZATIONS

- CBBOs are empaneled by IA.
- In a State, based on geography, fisheries clusters etc., there may be one or more than one CBBO. One CBBO may serve more than one State/UT as per requirement.
- CBBOs given work as per human resources available with them, past turnover and work experience etc.
- CBBOs should have experience in formation of FFPOs in fisheries and allied sector and should provide handholding support to FFPOs.
- CBBOs must have five specialists— Fisheries Business Operations, Fisheries Post-Harvest Management, Social Mobilization, Law & Accounts and Fisheries/ Agri-Marketing with IT/MIS skills.

# CRITERIA FOR IDENTIFICATION OF CBBOs

- Committee in DoF, GoI to recommend criteria of eligibility and qualifications and other minimum requirements to select CBBOs
- Initial engagement of CBBOs for maximum three years for formation of new FFPOs.
- IA will review performance of CBBOs from time to time for their continuation.
- Interested State and Central Government Agriculture Universities and KVKs may be empaneled as CBBOs on nomination basis.

# SOME OF THE DUTIES AND RESPONSIBILITIES OF CBBOs

- Assist in implementation of scheme
- Assist IA in cluster identification.
- Assist in community mobilization – baseline survey, cluster finalization, value chain study, formation of groups and FFPOs and their periodic meetings.
- Registration of FFPO
- Training of Board of Directors (BOD) on roles, responsibilities, management and also capital/equity mobilization.
- Training and capacity building of FFPOs – Training needs identification, develop training modules; conduct basic training workshop; exposure visits, on-line training, webinars etc.
- Encourage and promote social cohesiveness amongst members of FFPOs.

## SOME OF THE DUTIES AND RESPONSIBILITIES OF CBBOs cont'd

- Preparation and execution of Business Plans.
- Coordination with various stakeholders at field level
- Assist FFPOs in mobilizing / availing equity grant and credit guarantee facility.
- Submission of periodic progress report to IA on specified target activities.
- Assist IA in data collection and generating MIS reports.
- Assist FFPOs in proper financial management, utilization of fund, accounting and timely submission of returns and certificates.

# STRATEGY FOR FFPOs FORMATION

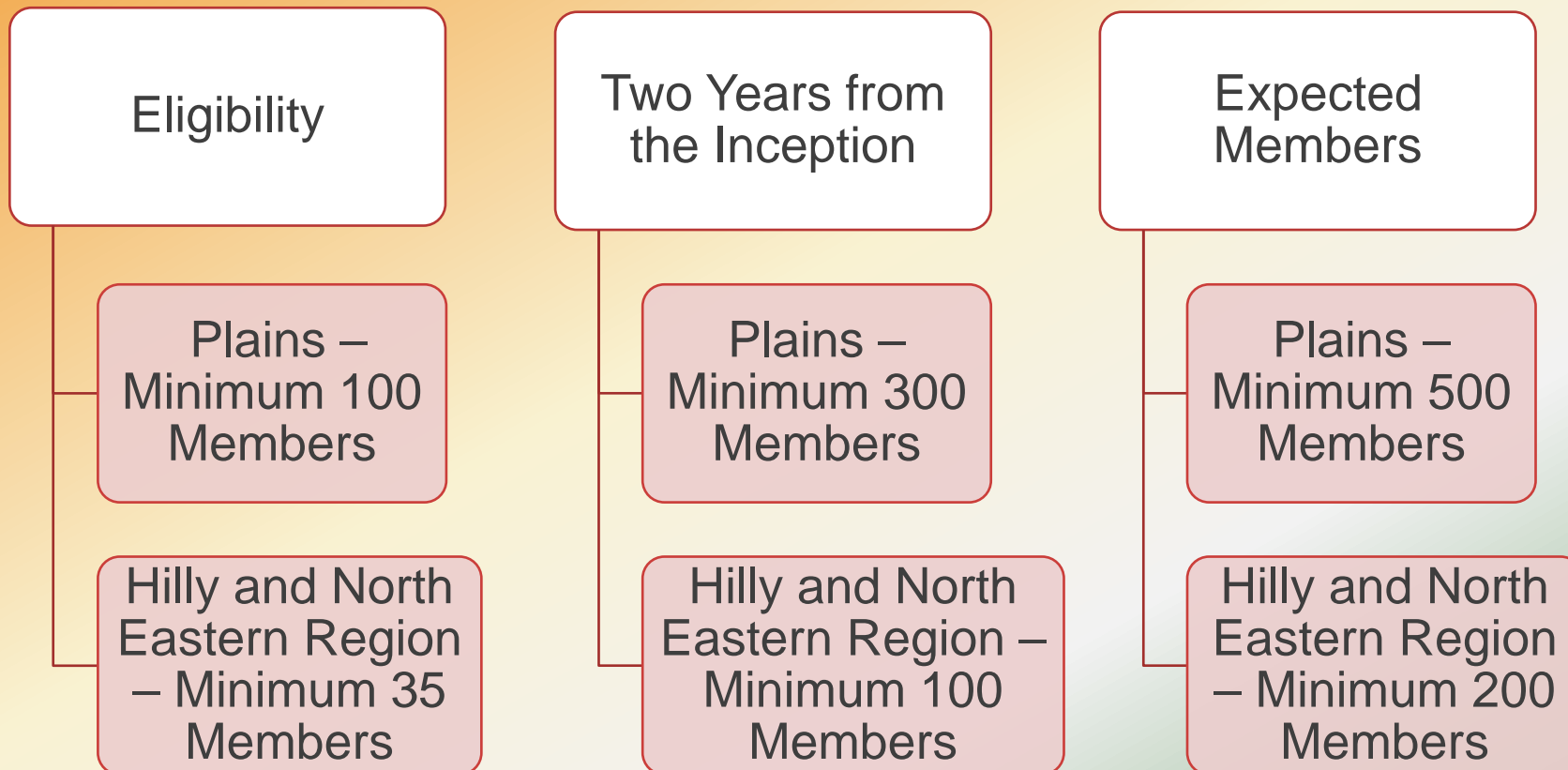
- Based on Fisheries Business Cluster Area, defined as - **for the purpose of FFPO formation, promotion, operations and management means a geographical area wherein a fisheries related business can be formed for leveraging economies of scale in the entire fisheries value chain in a sustainable manner.**
- Fisheries Business Cluster Area to be identified by CBBO, with IA's approval.
- CBBOs will undertake feasibility studies - two components.
  - i. Diagnostic study including baseline survey
  - ii. Business plan
- FFPOs can be federated at District and State levels

# STRATEGY FOR FFPOs FORMATION

- Concerted efforts to form FFPOs in Aspirational Districts, 112 high potential fisheries districts, tribal areas.
- Existing FFPOs (including fisheries primary cooperatives) may avail relevant benefits including advisory services from CBBO and IA.
- FFPOs, to be supported through technical and managerial training for their BoDs and CEOs to implement business plan.
- FFPOs including fisheries primary cooperatives which are already registered but have not yet started business operation also covered.



# SIZE AND COMPOSITION OF FFPOs



## Composition of FFPOs

- i. Fishers
- ii. Fish Farmers
- iii. Fish Workers and Vendors
- iv. Fisheries Entrepreneurs
- v. Any other person associated with fisheries sector

# PAYMENT CRITERIA FOR CBBOs

Six months from beginning

- Number of FFPOs formed
- Aggregation activities
- Institutional Training to CEO/BODs

Six months to one year

- Number of FFPOs formed
- Members –Min 100 members in plain areas and 35 in hilly/ NER.
- Registration FFPOs & Formulation of Business Plan

# PAYMENT CRITERIA FOR CBBOs

## Second Year

- 1<sup>st</sup> equity grant availed by the FFPO
- Statutory clearance to carry out business
- Minimum 50% of business activities as per business plan
- Number of awareness program for FFPOs
- 1<sup>st</sup> tranche of equity grant and credit guarantee availed by FFPOs

## Third Year

- Issue of share certificate to each member
- Members – 300 members in Plain areas and 100 in Hilly/NE Regions.
- Audited Financial Statements of FFPOs
- 2<sup>nd</sup> tranche of equity grant and credit guarantee availed by FFPOs

# PAYMENT CRITERIA FOR CBBOs

## Final Year

- Utilization Certificates
- 100% of business plan executed and value chain developed
- Revenue model showing financial stability in last 3 consecutive years
- Detailed Project Completion Report
- 3<sup>rd</sup> tranche of credit guarantee facility

# FUNDING: DoF Grant

Sr.No	Particular	Funds (Upper Limit)
1	FFPO Formation and Incubation Cost to CBBO	Rs. 25 Lakh/FFPO
2	FFPO Management Cost (up to 3 years) to FFPO	Rs. 18 Lakh/FFPO
3	Equity Grant Provision to FFPO	Rs. 15 Lakh/FFPO

Equity Grant Provision is a matching grant up to Rs 2000/- per member of FFPO subject to a maximum limit of Rs 15 Lakh per FFPO.

Head	Indicative Cost
Salary of CEO/Manager	Up to Rs.25000/- per month
Salary of Accountant	Up to Rs. 10000/- per month
One time registration cost	Maximum Rs. 40000/-
Office rent	Maximum Rs. 48,000 /year
Utility charges	Electricity and telephone charges upto Rs.12000/ year
One-time cost for minor equipment	Including furniture and fixture maximum up to Rs. 20,000/-
Travel and meeting cost	Up to Rs.18,000/- per year
Misc	Cleaning, stationery etc. up to Rs. 12,000/- per year

## MINIMUM QUALIFICATION OF OFFICE BEARERS OF FFPOs

- CEO / Manager should be graduate in Fisheries / Agri-Business Management or BBA or equivalent.
- Accountant with educational qualification of 10+2 with Mathematics as a compulsory subject or alternatively with Commerce or Accountancy background.
- Member of FFPOs can be considered if they meet the criteria.

# MODE OF IMPLEMENTATION

State/UT Fisheries Department

Submission of Annual Action Plan to PAC of PMMSY in NFDB

Approval from CAC of PMMSY

NCDC

Submission of Annual Action Plan to PMEU of PMMSY

Approval from CAC of PMMSY

# EQUITY GRANT TO EACH FFPO

- Matching grant upto Rs.2000/- per producer member max Rs. 15.00 lakh

Particulars	Farmers Equity	Matching Grant Provided (maximum)
Producer Member	Rs. 2000 (say)	Rs. 2000
If FFPO has 750 members, then	Rs. 15,00,000	Rs. 15,00,000

The objectives of Equity Grant are to:-

- (i) Enhance viability and sustainability of FFPOs
- (ii) Increase credit worthiness of FFPOs
- (iii) Enhance shareholding of members to increase their ownership and participation in their FFPO



# ELIGIBILITY FOR EQUITY GRANT

- FFPO Cooperative has to be a legal entity i.e. registered
- It should have raised equity from its members as laid down in its bye laws
- Minimum 50% of its shareholders are small and marginal fishers, fish farmers and other fish workers
- Maximum shareholding by any one member shall not be more than 10% of total equity of the FFPO
- Adequate representation of women farmer member(s) in Board of Directors (BOD) and Governing Body of FFPOs
- It has a business plan and budget for next 18 months that is based on a sustainable, revenue model

# REQUIREMENTS FOR EQUITY GRANT APPLICATION

Application for equity grant shall invariably include:-

- Shareholders list and share capital contribution duly certified by CA / Co-operative auditors
- Resolution of Board of Directors / Governing body to seek equity grant
- Consent of shareholders to transfer equity grant to FFPO Bank Account
- Audited financial statements of all years in case of existing FFPOs / six months bank account statements for new FFPOs (within 1 year of existence)
- Business plan and Budget for next 18 months

# DUE DILIGENCE FOR EQUITY GRANT

Due diligence by Implementing Agency shall include :-

- Governance aspects
- Business and Business plan viability
- Management Capability aspects
- Financial aspects

All documents and information to be verified by CBBOs and routed to Implementing Agency

# DRAWL OF EQUITY GRANT

- FFPOs can draw equity grant in maximum of 3 tranches (within 4 years)
- Request for second tranche to be treated as fresh application and same due diligence to be applied by Implementing Agency
- FFPO shall, within 45 days of receipt of equity grant , issue eligible additional share to its shareholders

# RECALL OF EQUITY GRANT

Equity Grant may be recalled -

- In case of failure to issue additional share to members within 45 days
- Closure / dissolution of FFPO within 5 years of the receipt of Equity Grant
- Instance of misuse / misappropriation of Equity Grant

# CREDIT GUARANTEE FACILITY (CGF)

- Primary objective of CGF is to provide Credit Guarantee Cover to Eligible Lending Institution (ELI) to enable them provide collateral free credit to FFPOs by minimizing their lending risks in respect of loans.
- DoF, GoI to foster linkages with Department of Agriculture and Farmers Welfare, NABARD and NCDC for Credit Guarantee Cover to FFPOs to the extent possible.

# TRAINING AND CAPACITY BUILDING OF FFPOs

- Laxmanrao Inamdar National Academy for Cooperative Research & Development (LINAC), Gurugram and its Regional Training Centres (RTCs) across the country under NCDC is designated as a Nodal Training Institution at central level.
- NFDB will be overall Nodal Agency for coordination at national level for capacity building, training and skill development of FFPOs.
- Nodal Training Institution may work in coordination with other reputed training organizations like NIRD, MANAGE, Agriculture / Fisheries Universities, ICAR Institutions, KVKs etc for extending training to FFPO stakeholder.

# MONITORING & EVALUATION



Project Monitoring Unit (PMU) in NFDB

State Level Approval and Monitoring Committee (SLAMC)

District Level Committee (DLC)

Third Party Evaluation of the Scheme

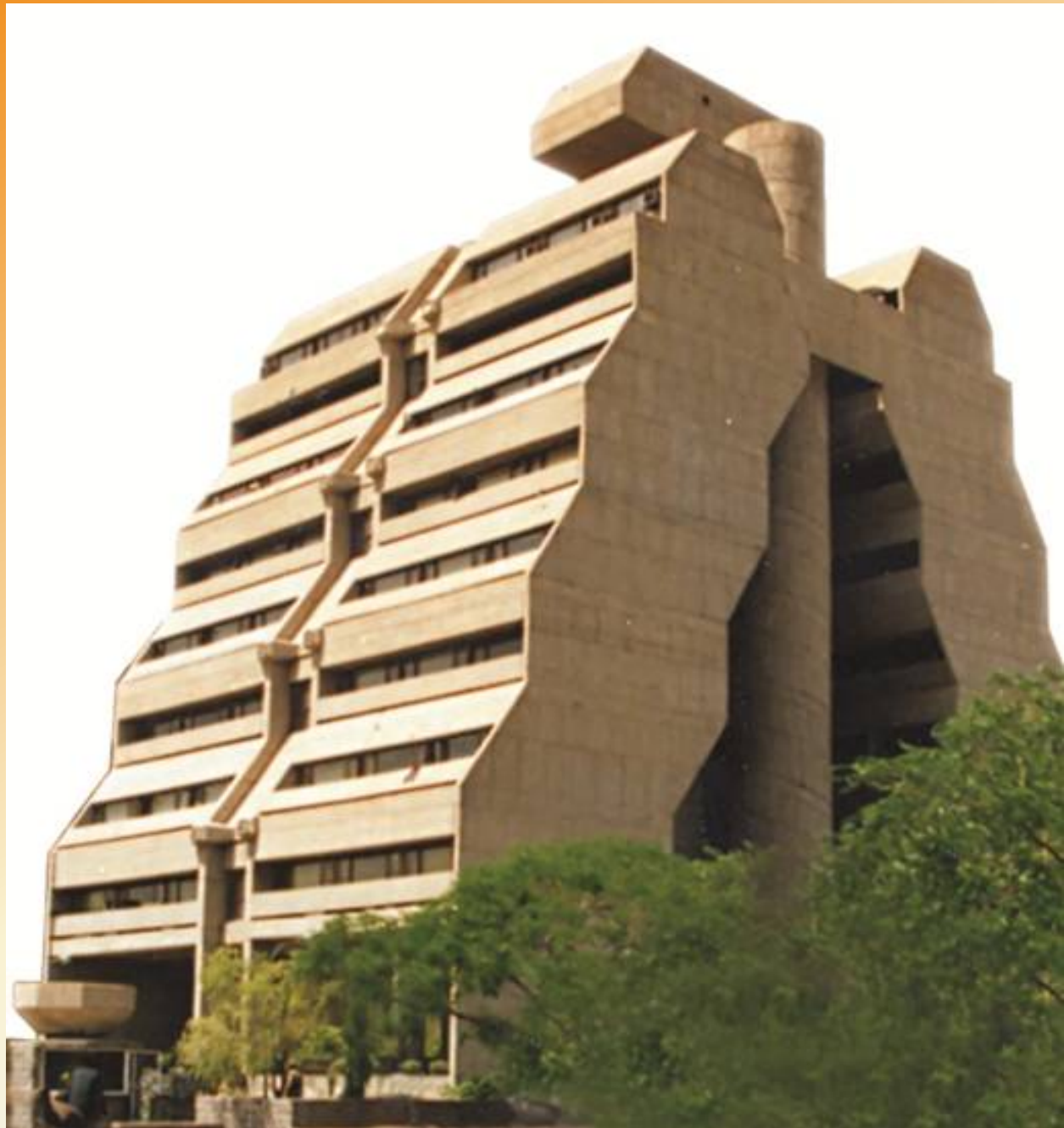


## MIS & INTEGRATED PORTAL

- Linking of FFPOs formed under PMMSY with SFAC Integrated Portal for DA&FW 10,000 FPO Scheme.
- MIS for FFPOs as part of PMMSY Dashboard
- IAs to make efforts to integrate data for FFPOs

# CONVERGENCE

- Convergence with on-going schemes of GoI such as Rashtriya Krishi Vikas Yojana (RKVY), Pradhan Mantri Kisan Sampada Yojana (PM-SAMPADA), Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM), PM-FME (Food Micro-Enterprises Scheme) of MoFPI, Fisheries and Aquaculture Infrastructure Development Fund (FIDF) etc.
- State / UT can additionally supplement activities of FFPOs from their funds.
- Selling produce of FFPOs through National Agriculture Market (e-NAM).



End of presentation

## **National Cooperative Development Corporation**

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