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**DRAFT**

**GOA FARMER PRODUCER ORGANISATIONS (FPO) POLICY**

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# INDEX

<b>Sr. No.</b>	<b>Section Title</b>	<b>Page No.</b>
<b>1</b>	<b>Preamble</b>	<b>3</b>
<b>2</b>	<b>Definition</b>	<b>3</b>
<b>3</b>	<b>Vision</b>	<b>3</b>
<b>4</b>	<b>Mission</b>	<b>3</b>
<b>5</b>	<b>Objectives</b>	<b>4</b>
<b>6</b>	<b>Policy Targets</b>	<b>4</b>
<b>7</b>	<b>Policy Validity</b>	<b>4</b>
<b>8</b>	<b>Strategic Framework</b>	<b>4</b>
8.1	Inclusion of Small and Marginal Farmers	4
8.2	On-Farm Value Addition	5
8.3	Rural Employment through Value Chains	5
8.4	Investment in Agribusiness	5
<b>9</b>	<b>Operational Role of FPOs</b>	<b>5</b>
9.1	Role as Development Catalysts	5
9.2	Institutional Delivery of Schemes	5
9.3	Patronage and Direct Economic Benefits	6
<b>10</b>	<b>Institutional Framework for FPO Governance</b>	<b>6</b>
10.1	Registration of FPOs	6
10.2	Scheme Eligibility and Categorization	6
<b>11</b>	<b>Enabling Ecosystem for FPOs</b>	<b>7</b>
<b>11.1</b>	Market Access	<b>7</b>
<b>11.2</b>	Institutional Credit Access	<b>8</b>
<b>11.3</b>	Logistics and Post-Harvest Infrastructure	<b>9</b>

<b>11.4</b>	<b>Capacity Building, Entrepreneurship, and Institutional Development</b>	<b>10</b>
11.4.1	Entrepreneurship Promotion	10
11.4.2	FPO Incubation and Facilitation Centres	11
11.4.3	Curriculum Integration and Academic Partnerships	11
11.4.4	Training and Certification	11
11.4.5	AI and FPOs	11
<b>11.5</b>	<b>Taxation and Fiscal Incentives</b>	<b>11</b>
11.5.1	Land Allocation in Rural MIDC Areas	11
11.5.2	Legal Recognition and Regulatory Relief	12
11.5.3	Investment Facilitation	12
11.5.4	FPO Management Cost	12
<b>12</b>	<b>Collaborations and Partnerships</b>	<b>13</b>
12.1	Promoting Collaboration over Competition (Inter-FPO Ecosystem)	13
12.2	Institutional Alignment and Uniformity (FPO– Other Stakeholder Ecosystem)	13
12.3	Integration with Innovation Platforms	14
12.4	Promotion of Specialized FPOs	14
12.5	Strengthening of FPO Federations	14
<b>13</b>	<b>Policy Implementation Framework</b>	<b>14</b>
13.1	Implementation, Budgeting, and Monitoring	14
13.2	Deployment of Agri Officers as Expert Directors	15
13.3	Legal Framework and Compliance Support	15
13.4	Recognition and Incentivization	16
13.5	FPO Grievance Redressal Cell	16
<b>14</b>	<b>ESG and Sustainability Alignment</b>	<b>16</b>



## Draft Goa Farmer Producer Organisations (FPOs) Policy – 2026

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### 1. Preamble

In light of sustained efforts by the Government of India, to empower small and marginal farmers through collective action, FPOs have been formed in the State of Goa. To ensure their long-term sustainability and integration into the agricultural economy, a robust and comprehensive policy framework is essential to attract investment, facilitate value addition, and strengthen agricultural entrepreneurship.

### 2. Definition

A Farmer Producer Organization (FPO) is typically a society/company consisting of minimum 300 practicing farmers irrespective of land holding status, who are also actual producers of a specified commodity/ commodities, and is formed as a Farmers Producer Company (FPC) under the Company Act. or under Goa Cooperative Societies Act.

FPOs have generally been recognised as the most appropriate institutional form around which the Government can mobilise farmers and build their capacity to collectively leverage their production and marketing strength. These organizations are created at the cluster, block, district or State level depending upon the needs of the producers considering the demand potential to adopt value chain approach to enhance farmers'/producers' economic and social benefits.

### 3. Vision

To organize small and marginal farmers into value chains and ensure sustainable and inclusive agricultural development by enabling competitive market access through Farmer Producer Organizations.

### 4. Mission

To create a favorable agribusiness ecosystem that promotes the production system for **Swayampurna Goa, Viksit Goa employment** generation and investment through FPOs, backed by infrastructure development, promotional schemes, and simplified regulatory processes.

## **5. Objectives- Policy aims to achieve following objectives**

- a. Position Goa as a national leader among Small States in agribusiness through FPO-driven investments.
- b. Increase farm incomes by strengthening value chains and improving market access.
- c. Promote rural employment/ livelihood through value chain. Strengthening activities and agro-industrial development.
- d. Strengthening FPO/ FPCs so as to make them self- sustainable.

## **6. Policy Targets**

- a. Integrate 80% of farmers into FPOs with special focus on small and marginal farmers through a 100% digital registration process. Efforts shall be made to register a minimum of 30% members who are women farmers in the FPO. In order to encourage the youth at least 1/3<sup>rd</sup> members may be youth in the age group of 18-40 years.
- b. Ensure that a minimum of 50% of farm produce undergoes primary or secondary value addition at the FPO / farm gate level.
- c. Mobilize **investments** in agribusiness through public–private partnerships and institutional support to FPO's and FPC's
- a. Generate rural employment/ livelihood opportunities across skilled, semi-skilled, and unskilled segments through value chain activities, marketing and agri-based enterprises.

## **7. Policy Validity – The policy shall be in force until 31st March 2031 (may be extended based on the requirements) the policy may be reviewed time to time based on specific requirements and need based approach**

## **8. Strategic Framework**

### **8.1. Inclusion of Small and Marginal Farmers**

- Members of SHGs/PACs shall be promoted to become part of FPOs/FPCs through contribution of applicable equity.
- SHGs and PACs shall be accorded nominal membership status in FPOs/FPCs for undertaking entrepreneurship and business-related activities such as procurement, aggregation, value addition, and marketing.
- Organize farmers into clusters and commodity-centric producer groups.

## **8.2. On-Farm Value Addition.**

- Develop primary and secondary processing infrastructure at the FPO level.
- Decentralize market systems and recognize FPO premises as official agri-marketplaces.

## **8.3. Rural Employment through Value Chains.**

- Employment creation via cleaning, grading, packaging, logistics, and handling services.
- Build skilled manpower through training and certification.
- Promote agri-startups to incubate and attract educated youth into FPO management.

## **8.4. Investment in Agribusiness.**

- Enable convergence of Central and State schemes to drive public investment in FPOs and involve FPO and FPC in the scheme delivery of Govt schemes for farmers.
- Promote Joint Ventures (PPP mode ) to attract private investors (non-farmer shareholders).
- Encourage direct equity contribution from farmers.
- To promote FPO/ FPC as agri service providers in their respective jurisdictions.
- Enable value chain financing through banks and financial institutions.

## **9. Operational Role of FPOs**

### **9.1. Role of FPOs as Development Catalysts**

- Empowerment of FPOs to act as input suppliers, custom hiring centers, market linkage entities, and service providers for member/ non-members farmers. FPOs/FPCs shall be encouraged to accord priority to establishing these services within their respective local areas of jurisdiction.
- A special fund shall be created to encourage FPO/ FPC to innovate and adopt latest farming techniques or crops diversification/ trials.
- Integration of FPOs into climate-smart agriculture, natural farming, and agro-ecological transition programs.

### **9.2. Institutional Delivery of Schemes**

- Encouraging implementation of agricultural support schemes—including distribution of seeds, fertilizers, and procurement operations, Farm mechanization or any other schemes—through registered FPOs,
- Promotion of FPOs as accountable community-based institutions for last-mile

delivery of government intervention.

### **9.3. Patronage and Direct Economic Benefits**

- Distribution of profits to member farmers through patronage bonuses.
- Enhanced price realization for produce through aggregation and collective bargaining.
- Access to agricultural inputs at subsidized, bulk procurement, or wholesale rates.
- Utilization of shared infrastructure such as storage, logistics, and processing facilities.

## **10. Institutional Framework for FPO Governance.**

### **10.1. Registration of FPOs.**

#### **a) State FPO Repository and Governance Portal.**

A Unified FPO Registration for State FPO Repository and Governance Portal shall be developed and maintained by ATMA in coordination with NABARD and other Implementing Agencies (IAs). This platform will serve as a centralized system for:

- i. Registration and validation of FPOs.
- ii. Integration of shareholder data.
- iii. Provision of access to relevant schemes, licensing entitlements, and compliance services.

#### **b) Farmer Identification and Linkages.**

The shareholders of registered FPOs shall be uniquely identified and linked through their Krishi Cards (Farmer ID) Aadhaar numbers, PM-KISAN IDs, and other eligible government scheme identifiers. This linkage will ensure transparency, facilitate targeted benefits, and ensure compatibility with Direct Benefit Transfer (DBT) systems.

### **10.2. Scheme Eligibility and Categorization.**

FPOs shall be classified in three categories namely emerging, growth and mature based on turnover, member participation and profitability as per table below

<b>Category</b>	<b>Turnover (Annual)</b>	<b>Member Participation</b>	<b>Profitability &amp; Compliance</b>
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Emerging FPO	Up to ₹25 Lakhs	100 to 300 active members	Focusing on mobilization; basic bookkeeping and statutory filings in progress.
Growth FPO	₹25 Lakhs to ₹1 Crore	301 to 700 active members	Consistent operations for 2+ years; positive EBITDA; regular audits and AGM compliance.
Mature FPO	Above ₹1 Crore	Over 700 active members	Sustained net profit for 3 years; established brand/market linkages; high equity-to-debt ratio.

Note: To be classified under any of the above categories, an FPO must fulfill at least two out of the three criteria specified in the respective row.

- a) Production-Oriented Schemes – covering input aggregation, seed multiplication (Seed Production), and custom hiring services. Farm Mechanisation, harvesting etc.
- b) Primary and Secondary Processing Schemes – supporting post-harvest handling, value addition, and packaging.
- c) Marketing Schemes – including branding, market linkage, logistics support, and participation in trade platforms.

## **11. Enabling Ecosystem for FPOs.**

### **11.1. Market Access- the FPO's shall be provided with procurement preference for Govt Institutions, schools, hostels, hospitals, welfare schemes etc.**

#### **a) Domestic Trade.**

- Allocation of FPO-exclusive premises at subsidised rates within market yards belonging to GAPLMB and other government institutions like Panchayats.
- Promotion of institutional buyer linkages and procurement agreements with Government departments, State Nodal Agencies and Central Nodal Agency

Promote Assured price procurement via FPOs and encourage commercial partnerships between FPOs and corporate buyers.

**b) International Trade.**

- Provision of subsidies for international freight, insurance, and export documentation support for eligible FPOs.
- Facilitation of participation of FPOs in international trade fairs, B2B events, and digital trade platforms.
- Facilitating dedicated sale counters at the public spots like Airports/ Railway stations/ Bus stations etc.

**a) Simplified Licensing and Market Access**

- Develop a common Goa FPO Brand with traceability, QR code systems, GI promotion and export facilitation.
- Institutional facilitation for obtaining waivers and exemptions from market cess and entry restrictions.
- Dedicated support cells to help FPOs with regulatory approvals/ research/ business strategies .

**b) Customised Marketing Interventions**

All marketing-related schemes and interventions, both government-initiated and private-sector supported, shall be designed to specifically address the needs of:

- FPOs managing GI-tagged or high-value niche crops,
- Natural farming / Organic produce FPOs,

These schemes shall include branding, buyer-seller platforms, trade facilitation, and digital outreach.

**c) Digital Agri-Marketing**

- Enable FPOs to participate in e-trading platforms including spot and futures markets using ICT tools. efforts shall be made to market products of FPO's through online trading platforms / emarket platforms / e-commerce and by creating a facilitation mechanism through ONDC and/ or any other online marketing platforms developed by state government.

- i. FPO shall be compliant with necessary documents to registrar of companies.

## **11.2. Institutional Credit Access.**

### **a) Working Capital and Value Chain Finance.**

- Introduction of a State Interest Subvention Scheme for working capital loans and trade finance availed by FPOs.

### **b) Collateral & Guarantee Mechanisms.**

- Extension of coverage under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) for FPOs seeking collateral-free loans.
- Establishment of a State Credit Guarantee Corpus to facilitate access to term loans for infrastructure and business development.

### **c) Infrastructure Credit**

- Creation of a Dedicated Infrastructure Development Fund (IDF) to support the establishment of warehouses, cold chains, processing units, and grading infrastructure by FPOs by providing financial assistance in form of grants etc.
- Facilitation of convergence with NABARD, SFAC, SIDBI, and other national financial institutions.

### **d) Digital Lending Ecosystem**

- Integration of FPOs with approved digital lending portals to enable streamlined e-KYC, CIBIL- based risk profiling, and paperless processing of credit applications.

### **e) Financial Access and Subsidy Mechanisms**

- Provide low-interest business loans to FPOs through the corpus to be set up by the government.
- 50% subsidy on warehousing and cold storage rent in state-owned facilities.
- Loan support under pledge financing schemes may be provided.

### **f) Capital Support and Infrastructure Grants.**

- Provision of capital grants and support for start-up/ Private Players and expansion of FPOs/FPCs, particularly for infrastructure such as storage, processing, and logistics, through a PPP model aligned with GoI schemes

### **g) FPO as bank Mitras- FPO will act as KCC Mitra- FPOs will facilitate Crop loan to their member farmers**

### **11.3 Logistics and Post-Harvest Infrastructure**

- Storage Infrastructure Grids - Build a network (“grid”) of warehouses, silos, and cold storage to manage market volatility and storage-based decision-making.
- Shared post-harvest assets such as mobile grading units, storage facilities, and processing infrastructure to be made accessible to registered FPOs.
- Electricity subsidies and fast-track land allotment processes for infrastructure developed by FPOs.
- Freight subsidy schemes for interstate transport as well as export for agriculture produce and process items with special focus on GI products
- Primary Processing Infrastructure - Establish crop-specific primary processing units (e.g., sorting, grading, cleaning). For perishables, develop packhouses and other basic facilities through FPO/ FPC.

### **11.4 Capacity Building, Entrepreneurship, and Institutional Development**

**Capacity Building- FPOs shall endeavour to Create a professional PO CEO and Accountant cadre. Maintain an empanelled pool of CEOs, accountants, CA/CS professionals and marketing experts..**

#### **11.4.1. Entrepreneurship Promotion.**

The policy shall promote the engagement of young agri-entrepreneurs, agriculture graduates, and rural youth as professional promoters, managers, and service providers for FPOs. Special incentives and incubation support shall be provided to enable them to lead and manage FPOs sustainably.

The management trainees and graduates will be encouraged to do their internships with FPO/ FPC for which a special scheme may be formulated for providing support for this internships.

**Skill and Entrepreneurship Development.**

- Prioritise inclusion of FPO/FPC representatives in State-supported skill and entrepreneurship development programs (EDP, ESDP, MDP) to build management and operational capacities.

#### **11.4.2. FPO Incubation and Facilitation Centres.**

Dedicated FPO Incubators and Business Facilitation Centres shall be established at State levels in association with Public private partnership to provide end-to-end mentoring, technical handholding business development services, and incubation support to emerging and existing FPOs.

#### **11.4.3 Curriculum Integration and Academic Partnerships.**

Curricula related to FPO governance, cooperative business models, agri-business management, and digital agriculture shall be integrated into the programs of State Agricultural Universities, Goa Agriculture College, CCARI-ICAR, Krishi Vigyan Kendras (KVKs), diploma institutes, and training centers. Agri Graduates shall be involved with FPOs as Intern during their academic parts.

#### **11.4.4 Training and Certification**

Structured training and periodic certification programs shall be institutionalized for Board of Directors, Chief Executive Officers (CEOs), and operational staff of FPOs. These shall include modules on financial literacy, business planning, statutory compliance, cooperative law, digital operations, and value chain management.

#### **11.4.5. AI and FPOs**

The State shall support the deployment of Artificial Intelligence-based advisory systems for FPOs: Real-time weather alerts, Crop planning and nutrient scheduling, Pest and disease forecasting, and Disaster risk mitigation etc.

### **11.5 Taxation and Fiscal Incentives**

- FPO as Agriculturist - FPO which is engaged in aggregation of member farmers' produce including livestock shall be treated as Agriculturist and shall be eligible for availing exemptions like farmers.
- Ensure eligibility for power subsidy, capital and interest subsidy, and stamp duty waivers under industrial promotion schemes.
- Government may grant land parcels or premises at subsidised rates in order to further the objective of this policy

#### **11.5.1 Land Allocation in Industrial Development Corporations ( IDC)**

The State shall reserve land within IDC zones for the development of:

- FPO-led value addition and food processing units,
- Agri-logistics centers and post-harvest facilities,
- Plug and Play infrastructure by IDC.
- Cluster-based processing hubs tailored to regional commodities.
- Exports of agri and finished products

This shall be supported by appropriate land use policy amendments and simplified allotment procedures. FPOs shall be given land on nominal rates on hire/lease.

Provide dedicated market space in urban and semi-urban areas for wholesale sales.

### 11.5.2 Legal Recognition and Regulatory Relief

- Introduction of **one-time amnesty schemes** for revival and compliance regularization of dormant, inactive, or non-compliant FPOs.
- Granting legal status and treatment **at par with cooperative societies** for purposes of taxation, audits, and statutory compliance.

### 11.5.3 Investment Facilitation

Establish an Investment Promotion and Support Cell to assist investors with FPC-related projects, including FDI facilitation, advisory, and information services

### 11.5.4 FPO Management Cost-

**1. Corpus Fund** – A FPO Fund with an initial corpus of Rs. 1 Crore per year shall be set up with the Department of Agriculture to Support, FPO ecosystem. The maximum timeline for the support to FPO will be five years after completion of support from 10000 FPO scheme.

Sr. No.	Particulars	Proposed Support from State Government / Month
1	Salary of CEO	40,000
2	Salary of Accountant	25,000
3	Office Rent	10,000
4	Utility	2,000
5	Travel and meeting cost	3,000

6	Miscellaneous (Stationery, cleaning)	2000
7	Accounting software	5000
8	Professional Support (CA/CS)	13000
	<b>TOTAL</b>	<b>100000</b>

1. Equity Grant and Credit Guarantee Support – Successful FPOs will be eligible for the Equity and Credit Guarantee Support.

## 12. Collaborations And Partnerships.

### 12.1 Promoting Collaboration over Competition (Inter FPO Ecosystem)

To foster synergy and avoid duplication of efforts, FPOs shall be incentivized to engage in collaborative models, including:

- Establishment of inter-FPO trade networks and formation of state level federation.
- Co-branding under a common umbrella label (e.g., commodity specific/ Region specific e.g. Cashew Fenny, Goan Cashew etc.)
- Shared access to market intelligence, warehousing, and processing infrastructure,
- Pooling of inputs and collective output marketing through transparent platforms.
- FPOs could connect with CSR funds to seek direct support for their activities.

### 12.2 Institutional Alignment and Uniformity (FPO- Other Stakeholder Ecosystem)

- Harmonization of operational frameworks between FPOs promoted under different agencies of Government, and private promoters.
- Appointment of Agriculture Department as **State-Level Nodal Department** to ensure coordination, convergence, and standardization

across all FPO types and models.

### **12.3. Integration with Innovation Platforms**

FPOs shall be linked with state and national-level innovation platforms and similar agri-tech ecosystems to:

- Access research outputs and prototypes,
- Gain market and crop intelligence,
- Develop innovative value-addition models and business plans. Such linkages will bridge the gap between lab-to-land and foster technology adoption at scale.

### **12.4. Promotion of Specialized FPOs**

The State may encourage FPOs with focused mandates, including:

- FPOs for GI-tagged commodities (Cashew Feni, Goan Cashew, Harmal Khola Chilli etc.) to maintain quality, traceability, and branding.
- Organic Produce FPOs to ensure certification compliance, organic input management, and access to premium markets.

### **12.5. Strengthening of FPO Federations.**

- i. Eventually there shall be a three-tier structure in the State namely, Primary FPO, District Federation and State Federation with defined roles and funding support. Federations of FPOs at the district and state level shall be formalized and strengthened to serve as apex bodies for: Collective marketing and contract negotiation, Aggregated input procurement and logistics, Knowledge exchange, advocacy and shared services (e.g. Audit, legal HR).

## **13. Policy Implementation Framework**

### **13.1. Implementation, Budgeting, and Monitoring**

- Formation of the **Goa State FPO Mission Cell** under the Department of Agriculture with convergence across Agriculture, Animal Husbandry, Fisheries, Cooperation, Industries and Rural Development to oversee implementation of the policy.
- Launch of a **State FPO Grievance Redressal Portal** for tracking and resolution of scheme-related, financial, and governance issues.

- Constitution of **Block Monitoring Committees** for coordination, technical support, and data reporting. The Committee shall obtain and review the quarterly progress reports of FPOs and FPCs within their respective blocks.
- Provision of a **dedicated budget head** for FPO promotion and development under the State Agricultural Plan including marketing and research.
- Annual third-party evaluations and periodic audits to assess policy impact, fund utilization, and FPO performance and institute state level awards for the best performing FPO's and farmers members
- Dashboard-based performance reporting and scheme utilization monitoring.

### 13.2. Deployment of Agri officers as Expert Directors (Limited-Term Engagement)

- To enhance governance and operational efficiency, FPOs may engage Agri officers (Zonal Agriculture officers) as Expert Directors or Sectoral Advisors on a fixed-term basis. These departmental professionals shall provide strategic guidance in agri-business planning, financial management, market linkages, and value chain development. The engagement shall primarily focus on the capacity building of the Board of Directors and the core management team, ensuring sustainability beyond the advisory period.

### 13.3. Legal Framework and Compliance Support

- Guidelines for governance, mergers, restructuring, and dissolution of FPOs in alignment with the Companies Act and relevant cooperative laws.
- Establishment of a **Legal Support Unit** under the State FPO Mission to assist FPOs in contracts, dispute resolution, and legal compliance. Empanelment of CAs/CS
- Mandatory governance training programs for all elected FPO board members and promoters.

### 13.4. Recognition and Incentivization.

- Introduction of **State level Awards** to recognize high-performing FPOs across key parameters such as turnover, governance, and farmer impact.
- Incentives to promote digital record-keeping, transparency in operations, and sound corporate governance.

- Recognition of FPOs as **preferred implementation partners and suppliers** under government procurement and input distribution schemes
- Establishment of **FPO Facilitation Cells** to coordinate handholding, capacity- building, and redressal activities.

#### **14. ESG and Sustainability Alignment.**

- The functioning and outputs of FPOs shall be aligned with Environmental, Social, and Governance (ESG) frameworks and Sustainable Development Goals (SDGs). Key priorities will include:
- Adoption of climate-resilient (e.g. Carbon Credit) and resource-efficient practices.
- Promotion of inclusive and gender-equitable governance structures (Women FPOs).
- Encouragement of responsible production and environmental stewardship.

15. The FPO/FPC will have to judiciously use the funds allotted to them as per the scheme guidelines and audited statements / UC shall be mandatorily submitted within the prescribed time frame the FPO shall adhere to all norms or corporate governance and companies act.

The govt may amend/modify any provision or clause of this policy after reviewing working of the same and may formulate additional schemes in order to give effect to the policy during implementation. The Govt shall reserve the right to interpret any clause in the policy for the sake of clarity.