

## GENERAL GUIDELINES FOR FARMER PRODUCER COMPANIES

The Scheme would support clusters and groups such as FPCs along their entire value chain for all kinds of post-harvest activities as well as value adding activities like sorting, grading, storage, common processing, assaying, packaging, marketing, processing of Agri-produce, and testing laboratories.

a. **BENEFITS POSSIBLE FOR FARMER PRODUCER COMPANIES** - Grant @35% with credit linkage

b. **ELIGIBILITY FOR APPLYING FOR CREDIT LINKED SUBSIDY FOR AN FPC**

1. Co-operatives should preferably be engaged in processing of ODOP produce;
2. It should have minimum turnover of Rs.1 crore;
3. The cost of the project proposed should not be larger than the present turnover;
4. The members should have sufficient knowledge and experience in dealing with the product for a minimum period of 3 years.
5. The FPC should have sufficient internal resources or sanction from the State Government to meet 10% of the project cost and margin money for working capital.

c. **GUIDELINES FOR EVALUATING THE APPLICATION**

### Guidelines for Subjective Evaluation

1. **Proposed Processing** – The processing proposed by the FPC should be organically linked to the livelihood of the members. The proposed project should be a natural extension of what the farmers/producers are already doing. Thus essentially the members of the FPCs should be producers and the proposed initiative should help them in processing, marketing their produce.
2. **Capital Investment** – Project should have justification for capital expenditure. The proposal should be clear about how capital investment will help the members. For e.g It may help them in fetching a better price from the market through further value addition, quality assurance, better packaging through larger machinery etc.

### Size and Type of Applicant

1. Past experience of the applicant enterprise should be relevant.
2. Innovative and value addition promoting applications to be preferred.

## Guidelines for Financial Evaluation

**Past Track Record of the FPC** - Profitability of the enterprise should be checked based on their financial statements. Already profitable businesses to be given priority. Also the projected growth should be realistic.

<b>Approval Checklist for FPC/FPCs</b>			
	CATEGORY	INDICATOR	
1	Financial & Business Efficiency (Historical)	Total Annual Sales	More than 1 Cr
		Gross Profit Margins	More than 1%
		Net Profit Margins	More than 1%
		Break even Analysis	Positive
		Sources of Finance	Higher % of own Contribution – Higher Wtg.
		Loan Repayment	Firm with good repayment history to be given wgt.
		Banking	Healthy business credit matching with sales to be given wgt.
2	Vintage/Stability	Having own Business Premise	
		Vintage	3 years+
		Compliance with laws of the land	
3	Management	Board of Directors	Experience more than 3 yrs and with the current FPC to be given high wgt.
		Knowledge	Experience of board of directors in the same field will be given more wgt.
4	Social Impact	Number of people getting employed or gaining additional income from the project	

**d. Activities possible for gaining Credit linked subsidy for the FPCs (where capital investment is required)**

Particulars	Process	Kinds of Capital Investments possible
Primary Processing	<b>Farm level</b> - Sorting, grading, cleaning <b>Preparatory activities</b> - chopping, dicing, blanching, grinding etc.	Gravity separator, vibrating sieve, magnetic separator, blanchers, pulverizers, crushers, dicers and slicers, cyclone separators etc.
Secondary Processing	Cooking, baking, blending, fermentation, canning, bottling, drying, brining, retorting,	Cooking kettle, Oven, planetary mixer, fermentator, retort chamber, hot air driers, blast freezers,

Particulars	Process	Kinds of Capital Investments possible
	freezing, addition of additives, smoking, pasteurization etc	pasteurizers, homogenizers, centrifuge etc.
Packaging and labeling	Primary, secondary and tertiary packaging, modified atmospheric packaging, intelligent packaging etc.	Packaging machines, form-fill-seal machine etc.
Standardisation and Quality Assurance	Quality testing, Moisture Content, Fat, SNF, Acidity, Protein, Adulteration, platform testing, Online Process Testing, Microbial testing	Bench-top Muffle furnace, Moisture balance, water activity meter, pH meter, hunter colorimeter, Soxhlet apparatus, test tube and other glass wares, Laminar chamber, refractometer etc
Storage facilities	Storage, Cold Storage, Ambient Storage, Controlled Atmosphere, Modified Atmosphere	Anti-lock room, cold storage, CA, ULO Technology, Chillers, humidity room, Modified atmosphere rooms, Refrigerators etc
		<b>Ancillary equipments</b> - Buckets, drums, taps, Packaging material, trolleys, conveyor belts and transportation line, stacking pallets, crates etc

**Other Plant and Machinery can include**

1. Furniture and fixtures
2. Computer and office equipment
3. Work shed