

## **Financial Assistance for establishment of Procurement Centres by FPOs**

Aggregation and direct marketing of produce by FPOs will be an effective step forward in the organizing a marketable surplus, elimination of intermediaries, increased bargaining power of farmers, reduction of marketing costs and ultimately better remunerative prices. Aggregation of by-products will also be an added advantage which will encourage entrepreneurs. The FPOs could thus be developed as a **“One Stop Shop”** for availability of raw materials like mature coconut, tender coconut, coconut husk, coconut shell and other by-products of coconut. Being a farmer’s collective, the increased returns envisaged will go directly to the beneficiary farmers.

The scheme is proposed to encourage and empower the FPOs and provide them support to initiate procurement centres for aggregation and marketing of coconut leading finally to change the farmer from a price taker to a price fixer.

### **a. Eligibility for financial assistance for establishment of procurement centres by FPOs :**

1. The FPO should be at least one year old.
2. The FPO should be registered with the Board
3. The FPO should have filed their returns for the previous financial year
4. The FPO should have undertaken at least three of the following group activities like coconut procurement and supply, coconut husk procurement and supply, copra production, organic manure/fertilizer arrangements for member farmers, seedling production, initiation of retail outlets or coconut kiosks etc

### **b. Procedure for submission of proposal for assistance :**

1. The proposal for initiation of procurement centres in the prescribed format (annexure-1) should be submitted 30 days before the planned date of initiation of procurement.
2. The FPO should attach copies of documents - registration with CDB, copy of returns filed, details of group activities undertaken with volumes and values etc.
3. Assistance would be provided for the establishment of necessary infrastructure for procurement as reimbursement only

### **c. Financial assistance proposed under the scheme :**

CDB will extend assistance as reimbursement of expenses for the establishment of infrastructure for undertaking procurement of produce.

<b>Infrastructure supported</b>	<b>Assistance proposed</b>
<ol style="list-style-type: none"> <li>1. Construction of semi permanent/permanent shed/godown space for temporary storage of produce (attach lease agreement of land)</li> <li>2. Platform balances</li> <li>3. Minimum Office furniture of one office table and two chairs</li> <li>4. Books of accounts – cash book, purchase and sales register, Farmer ledger and trader ledger</li> <li>5. De-husking machines</li> <li>6. Iron mesh baskets</li> <li>7. Trolleys for carrying coconuts</li> <li>8. Other post harvest handling equipments for coconut</li> </ol>	<p>Reimbursement of 50% of the expenditure incurred subject to a maximum of Rs. 1.5 lakhs only</p>

The attested copy of the title deed of the land should be submitted along with the proposal if the land is owned by the FPO. In case of leased land, the attested copy of the lease agreement between the FPO and the owner of the land should be submitted. The lease agreement should include the clause: "The FPO is permitted to undertake construction of semi permanent/permanent shed/godown space in the leased premise for procurement and marketing of coconut/ shell/ husk/any other by-product of coconut". The lease period of land should be for a minimum of five years"

**d. Procedure for submission of claim :**

1. After establishment of the procurement centre and initiation of procurement, the claim for reimbursement of expenses should be submitted within 30 days.
2. All supporting documents of items of expenditure should be certified by the Chairman/President of the FPO and submitted.

**APPLICATION FOR ESTABLISHING PROCUREMENT CENTRE BY CPS/CPF/CPC**1) **Name of CPS/CPF/CPC:**.....2) **Registration No. & Date of CPS/CPF/CPC:**.....3) **Date of renewal of CPS/CPF/CPC (if applicable):**.....4) **Details of contact person:**

a. Name &amp; Address:.....

.....

c. Phone number:..... d:Email:.....

**5. Production & Procurement details**

a. No. of farmer members ..... b. No. of yielding palms :.....

c. Estimated annual production (in Nos.) :.....

d. Envisaged quantity to be procured per week from members (in Nos.): .....

e. Mode of disposal of procured coconuts:.....

f. Infrastructure already in place for primary processing:.....

(dehusking/ defibring / copra dryer/others(specify)

**6) Details of the proposed Procurement Centre**

i. Proposed location of Procurement Centre: (location map may be attached)

.....

ii. Nature of ownership of the land:

a. Own:.....(mention Yes/No)

b. If leased, mention lease period:.....years; Date of expiry of lease period:.....

c. If rented, mention monthly/yearly rent: Rs.

d. Extent of land:.....(cents)

iii. Plinth area of Procurement Centre: .....sq ft.

iv. Nature of structure: (Permanent/Semi-permanent)

v. Details of existing infrastructure facility at the proposed location:

Sl.No.	Particulars
1	

2	
3	
4	
5	

vi. Details of infrastructure facility proposed for the Procurement Centre:

Sl.No.	Particulars	Estimated Expenditure(in Rs.)
1		
2		
3		
4		
5		
	Total	

**7) Means of finance for the Procurement Centre**

Particulars	Amount(in Rs.)
Own fund	
Loan	
Other sources(specify)	
Total	

8). Details activities proposed to be undertaken after setting up of the Procurement Centre.

- (a)
- (b)
- (c)

Declaration:

I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief.

Signature

Date:.....

Name:.....

Place:.....

Designation:.....

*Seal of FPO*

*Documents to be accompanied with the duly filled in application*

- 1. Copy of the land/lease document(if land is leased, lease period should be not less than 5 years. In the case of leased land, consent of the lessor to construct the structure is to be submitted)*
- 2. Plan & estimate of the structure*
- 3. Permit for the building from the concerned authority.*
- 4. Quotation of the equipments/furniture proposed to be procured.*