**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.

1. **BENEFITS POSSIBLE FOR FARMER PRODUCER COMPANIES -** Grant @35% with credit linkage
2. **ELIGIBILITY FOR APPLYING FOR CREDIT LINKED SUBSIDY FOR AN FPC**
3. Co-operatives should preferably be engaged in processing of ODOP produce;
4. It should have minimum turnover of Rs.1 crore;
5. The cost of the project proposed should not be larger than the present turnover;
6. The members should have sufficient knowledge and experience in dealing with the product for a minimum period of 3 years.
7. 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.
8. **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.

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| **Approval Checklist for FPC/FPCs** | | | |
|  | 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 wtg. |
| Knowledge | Experience of board of directors in the same field will be given more wtg. |
| 4 | Social Impact | Number of people getting employed or gaining additional income from the project |  |
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1. **Activities possible for gaining Credit linked subsidy for the FPCs (where capital investment is required)**

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| **Particulars** | **Process** | **Kinds of Capital Investments possible** |
| Primary Processing | **Farm level** - Sorting, grading, cleaning  **Preparatory activities** - 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, freezing, addition of additives, smoking, pasteurization etc | Cooking kettle, Oven, planetary mixer, fermentator, retort chamber, hot air driers, blast freezers, 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 |
|  |  | **Ancillary equipments -** 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