



राष्ट्रीय सहकारी विकास निगम
NCDC
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Formation and Promotion of Fish Farmer Producer Organizations (FFPO)

Handbook

**For Cluster Based Business Organizations
Based on Operational Guidelines**



राष्ट्रीय सहकारी विकास निगम

National Cooperative Development Corporation
Ministry of Cooperation, Govt of India



For internal circulation only

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For Cluster Based Business Organizations
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LINAC

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List of Abbreviations

AAP	Annual Action Plan
AGM	Annual General Meeting
BBA	Bachelor of Business Administration
BoD	Board of Directors
CA	Chartered Accountant
CAC	Central Apex Committee
CBBO	Cluster Based Business Organization
CEO	Chief Executive Officer
CGF	Credit Guarantee Facility
DFO	District Fisheries Officer
DLC	District Level Committee
DACFW	Department of Agriculture, Cooperation and Farmers Welfare
DoF	Department of Fisheries
DPR	Detailed Project Report
EG	Equity Grant
ELI	Eligible Lending Institution
FFPO	Fish Farmer Producer Organization
FPO	Farmer Producer Organization
FY	Financial Year
GB	General Body
GoI	Government of India
IA	Implementing Agencies
ICAR	Indian Council of Agriculture Research
IT	Information Technology
KVK	Krishi Vigyan Kendra
LINAC	Laxmanrao Inamdar National Academy for Cooperative Research and Development
MIS	Management Information System
MoAFW	Ministry of Agriculture and Farmers Welfare
MoFAHD	Ministry of Fisheries, Animal Husbandry and Dairying
MoU	Memorandum of Understanding
NCDC	National Cooperative Development Corporation
NFDB	National Fisheries Development Board
PAC	Project Appraisal Committee
PMEU	Project Monitoring and Evaluation Unit
PMMSY	Pradhan Mantri Matsya Sampada Yojana
RTC	Regional Training Centre
SC	Scheduled Caste
SCP	Self-Contained Proposal
SCSA	State Cooperative Societies Act
SFAC	Small Farmers Agribusiness Consortium
SLAMC	State Level Approval and Monitoring Committee
ST	Scheduled Tribe
TA/DA	Travelling Allowance/Dearness Allowance
UT	Union Territory

Formation and Promotion of Fish Farmer Producer Organizations (FFPOs)

A Handbook for Cluster Based Business Organizations

This Handbook is for internal circulation only

1. Introduction

National Cooperative Development Corporation

1. The National Cooperative Development Corporation (NCDC) was set up in 1963 under an Act of Parliament with the mandate of planning, promoting and financing activities of cooperatives. Over the time, the NCDC Act amendments in 1974 and 2002 and Notifications in 2003, 2005 and 2010 have enlarged the scope of NCDC functioning and have also enabled NCDC to lend directly to cooperative societies without State Government guarantee, on certain prescribed terms and conditions. For more information log onto www.ncdc.in.
2. NCDC is an End Implementing Agency (EIA) under the Pradhan Mantri Matsya Sampada Yojana (PMMSY) of the component Scheme “Formation and Promotion of Fish Farmer Producer Organizations (FFPOs)” (hereinafter referred to as the Scheme) initiated in May 2020. The aim is to propel the Fisheries sector in India towards a Blue Revolution through its sustainable and responsible development by the formation of Fish Farmer Producer Organizations that would economically empower fisher folk, fish farmers and fish workers with intent to enhance their bargaining power and double their incomes.
3. Under the Scheme, NCDC is an Implementing Agency (IA) for FFPO, which are formed and promoted ONLY AS COOPERATIVES. NCDC is also an implementing Agency under the Ministry of Agriculture and Farmers Welfare FPO Scheme.
4. This Handbook by NCDC is intended for internal circulation (without any liability whatsoever to NCDC), among the NCDC network of Organizations such as its Regional Offices (RO), its training network including Laxmanrao Inamdar National Academy for Cooperative Research & Development (LINAC) & Regional Training Centres (RTC), its identified and commissioned Cluster Based Business Organizations (CBBO), Fish Farmer Producer Organizations (FFPO) and NCDC MoU Organizations (Universities/ Institutes / ICAR etc.). In case of any difficulty in interpreting the contents of the Handbook, the provisions of the Guidelines on Formation and Promotion of FFPO, issued by the Department of Fisheries (DoF), Ministry of Fisheries, Animal Husbandry & Dairying (MoFAHD), GoI, shall prevail.
5. The Fisheries Division in NCDC head office has been assigned the task of coordinating with CBBO either directly or through the relevant Regional Offices of NCDC.

The Scheme

6. The Scheme aims to achieve inclusive and sustainable transformation of the Fisheries sector through the creation of a holistic and supportive ecosystem for the formation of 500 FFPO, 300 of which would be formed under PMMSY and 200 FFPO would be set up through convergence with the Department of Agriculture, Cooperation and Farmers Welfare (DACFW) ongoing FPO Scheme. Providing for their nurturing, hand-holding and capacity building over a five year period from their inception, this Scheme aims to facilitate the development of vibrant and sustainable income oriented fish farming (FFPOs as self-sustaining business enterprises) that would lead to the overall socio-economic development and wellbeing of fishing communities.
8. The DoF will further strive to enhance this number to 720 FFPO, in convergence with DACFW and other state and central schemes.



About FFPO

8. In accordance with the legislation enacted after its passing by the Parliament (e.g. Sec 2(d) of The Farmers' Produce TCFC Act 2020) Fish Farmer Producer Organization (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,
 - (i) Registered under any law for the time being in force; or
 - (ii) Promoted under a scheme or programme supported by the central or state government.
9. The rationale for setting up Fish Farmer Producer Organizations is based on the premise that collectivization of fish farmer producers, a majority of whom are small and marginal, has a direct effect on increasing fish farmer incomes, through key interventions for:
 - securing production by increasing productivity and reducing costs
 - access to quality seed and feed
 - adding value to production through reducing transaction costs, increased investment and economies of scale by up scaling production, trade and bulk selling of the Fish produce or its further processing into downstream products, enabling access to technology, enabling diversification of produce etc.
 - cutting down intermediaries and above all,

- increasing market access and power through grossing individual marketing power and integration with supply chains as value chain partners, such as to maximise the monetisation of their output and capture enhanced value on the production.
- Further, it is in their democratic functioning based on Cooperative Principles that FFPO most definitely have an advantage and are seen as the way for taking small and marginal fish farmers forward through offering them better and more dignified livelihood options and living.
- Under the Scheme, so far as it relates to NCDC role as IA and its linked CBBO, FFPO refers to registered cooperatives of fishers or fish farmer producers, or fisheries stakeholders such as Fish workers and Fish Vendors, Fisheries Entrepreneurs or any associated person(s) as decided by DoF, who are shareholders in the FFPO, and are variously registered as cooperatives under the State Cooperative Societies Acts including the Mutually Aided or Self Reliant Cooperative Societies Acts or by whatever name called, or the Multipurpose Cooperative Societies Act.
- It is desirable that FFPO are insulated from State interference in their election process and day to day management through suitable provision in their Memorandum of Association and bye-laws with a view to encourage their healthy growth and development.
- FFPO may provide and undertake major services and activities across the fisheries value chain.

The Role of NCDC in promoting FFPO

10. NCDC as a development financing institution for cooperatives plays the role of IA under the Scheme. NCDC will promote FFPO through its Cluster Based Business Organizations (CBBOs), empanelled on the basis of selection criteria finalised by the DoF, which would function at the allocated state/district/block levels and be responsible for the formation and promotion of FFPO.
11. CBBO will be appointed by NCDC for carrying out various designated functions as per the Guidelines of the Scheme (Annex. 1), which can also be downloaded from the website of the DoF, Gol (www.dof.gov.in) and any function assigned to it by NCDC in the interest of the formation and promotion of FFPO.

What the Handbook aims to do

12. This Handbook aims to walk the NCDC linked CBBOs, and other fisheries related stakeholders, through the process of formation, promotion, operations and management of FFPO in the Fisheries Business Cluster Areas, through the entire layout of the Scheme and facilitate an understanding of the Scheme and the roles and responsibilities of the various agencies involved in the implementation of the Scheme.

13. NCDC's mandate is confined to FFPOs registered as cooperatives. This Handbook is accordingly written as a road map for setting up of a FFPO as cooperative and spells out simple steps to be taken by the CBBO, in particular as envisaged by the Guidelines of the Scheme, a copy of which may be seen at Annex.
14. The Handbook summarises the essence of the Scheme as laid down in its Guidelines for ease of understanding the direction and the execution of interventions by the CBBO and FFPO.
15. Where required, the appended Guidelines must be referred to. Attention has also been drawn to the relevant provisions of the Guidelines, by specifying it at junctures in this document.



2. Promotion of FFPO by NCDC - The Institutional Framework

1. To ensure adequate attention to various determinants of success of the Scheme, the planned architecture of Agencies to oversee, monitor and evaluate the Scheme is outlined here.
2. The formation and promotion of FFPO will be based on Fisheries Business Cluster Area approach with clusters in Aspirational Districts, 112 high fisheries potential districts and tribal districts being given priority for formation.
3. A Fisheries Business Cluster Area is a geographical area wherein a fisheries related business can be started for leveraging economies of scale in the entire fisheries value chain in a sustainable manner.

The Institutions

4. Starting from the base level, closest in physical proximity to the locale and therefore likely to be most accessed, the agencies involved at various stages of the institutional framework are:

Cluster Based Business Organizations (CBBO)

5. CBBO are professional Organizations that are engaged by NCDC to function at ground level for the formation and nurturing of FFPO.
6. CBBO will be empanelled on the basis of stringent qualifications laid down by DoF, GoI and demonstrated technical strength, professional experience and exposure for the job of formation of FFPO in the fisheries and allied sector.
7. They must have five specialists in the areas of
 - Fisheries Business Operations
 - Fisheries Post-Harvest Management
 - Social Mobilisation,
 - Law and Accounts and
 - Fisheries/Agri-Marketing with IT/MIS skills
8. CBBO have a critical role in the entire process, and the veritable success of the Scheme in terms of outcomes would be largely dependent on their professional and effective performance. They would perform all the functions related to the formation, incubation, and development of, among others, but not limited to,
 - Cluster Identification (CBBO may coordinate with the FPO clusters),
 - Baseline Survey,
 - Community Mobilisation,

- Registration of FFPO as cooperative,
 - Training and capacity building of FFPO BoD and its member Fish Farmers,
 - Business Planning for FFPO and Value Chain analysis,
 - Execution of the Business Plans including facilitating infrastructure for common pool production, marketing and processing, federating if indicated for business growth,
 - Mobilisation of Capital and credit partners
 - Regular interface with other institutions including research institutions,
 - Instituting traceability, certification and standards, international compliance and global market connectivity
 - Dissemination of information to farmers, including market updates and advisories
 - Incubation and Handholding including land acquisition ,
 - Reporting and data collection, and rating,
 - Assisting in Financial Management and Accounting.
9. CBBO are to train FFPO Board of Directors (BoD) on their roles, Responsibilities and Management of FFPO as business managers and also regards to capital/equity mobilisation. They would also train FFPO members in subject matters covering topics ranging from organisational development/ management / behaviour, fishing techniques and technology, value addition, processing, marketing, trading, export, supply chain, grading, branding, packaging, accounting, auditing, compliance requirements, incubation, Information and Communications Technology (ICT) & MIS as may be relevant for promotion of FFPO, including case studies in best practices, if any. Specifics of the functioning of CBBO are further elaborated in Chapter 3.

National Fisheries Development Board (NFDB)

10. NFDB is one of the Implementing Agencies (IA) for the promotion and formation of FFPO and also overall coordinating Nodal agency at the national level for capacity building, training and skill development for FFPO. Where required NFDB, in partnership with Nodal Training Institutes, in NCDC case LINAC, will develop Training modules and calendars, video based demonstrative e-learning modules in different local languages etc.
11. Under PMMSY, a Project Monitoring Unit (PMU) is functioning in NFDB, comprising of domain experts and headed by the Chief Executive, National Fisheries Development Board (NFDB) to among others, undertake periodic review, monitoring and supervision of FFPO.

Project Monitoring and Evaluation Unit (PMEU)

12. A Project Monitoring and Evaluation Unit (PMEU) comprising of domain experts and headed by the Joint Secretary, Department of Fisheries has been constituted in DoF to monitor and evaluate the implementation of the Scheme periodically.

13. PMEU will scrutinize the Annual Action Plans (AAP)/self-contained Proposals (SCP) submitted to it by NCDC and some other implementing agencies and will place these for the consideration of the Central Apex Committee (CAC).
14. The Central Apex Committee may entrust any other responsibilities to PMEU.



Central Apex Committee (CAC)

15. A Central Apex Committee (CAC) under the Chairpersonship of Secretary, Department of Fisheries (DoF), Government of India (GoI) with members drawn from relevant line Ministries/Departments/Organizations of GoI including DoF, has been constituted to steer the overall implementation of the Scheme including its monitoring and review.
16. CAC will consider NCDC's Annual Action Plan /Self Contained Plans, duly recommended by the PMEU, and recommend them to the DoF for approving and releasing Funds to NCDC.

Implementing Agencies (IA)

17. NCDC as one of the IA has the responsibility of forming and promoting FFPO as approved by DoF. NCDC works with its engaged CBBO at various stages of formation and promotion.
18. Responsibilities of NCDC as IA include, but are not limited to:
 - Finalisation of Fisheries Business Cluster Areas, based on inputs from CBBO and in consultation with DLC.
 - Formation of FFPO through CBBO.
 - Close coordination with CBBO and their effective monitoring.

- Coordinating with SFAC for linking FFPO formed under the Scheme with the Integrated Portal set up under DACFW 10,000 FPO Scheme and MIS related operations. Specific details of the coverage by the Integrated Portal may be seen at Para 21.2 of the Scheme, which is appended. Independent software, if developed by NCDC must be inter-operable with the Integrated Portal.
- Formulation of rating tools for FFPOs and CBBOs.
- Preparation of Annual Action Plan/ Self Contained Plans.
- Coordination with Value Chain Organizations and Supply Chain partners.
- Converge the fund available with various ongoing Gol Schemes and State schemes, and to develop the FFPOs as sustainable and economically viable businesses.

Laxmanrao Inamdar National Academy for Cooperative Research and Development (LINAC)

19. LINAC, promoted by NCDC, along with its 18 Regional Training Centres (RTC) is designated as Nodal Training Institution at central level, for FFPO registered under various Cooperative Societies Acts. CBBO have to conduct training programs for the FFPO and LINAC activities may be taken up if they are specifically approved and funded under the Scheme.
20. NCDC/LINAC, based on its experience since early 1970s in the development of fisheries sector, has come up with Customized Training Modules for Thirty Two (32) areas for FFPO. This has been submitted in a Self-Contained Proposal covering the training plan and related expenses, which will be finally approved by DoF.
21. The understanding of CBBO on the intricacies of business planning and concepts involved is crucial for the success of FFPO. CBBO must have or engage the five experts specified for them. CBBO would be engaged in training FFPO members in wide ranging subjects covering vertical and horizontal aspects of fisheries value chain, management aspects including accounting, value addition, processing, marketing aspects, transfer of technology and innovation.
22. LINAC may work in partnership with other reputed national and regional training institutions. Training should preferably be conducted by CBBO at or near the location and twice a year for BoD, CEO of the FFPO. Specialised training, if unavailable at or near the location, based on an assessment of the need and confirmed by LINAC, may be conducted at the institutes recommended by LINAC.
23. LINAC will evaluate the effectiveness of training and provide an annual summary of the training provided and its effectiveness.



SFAC

24. SFAC will function to support the IT component of the Scheme, in particular, the MIS requirement and the Integrated Portal for this Scheme, already in place with the required expertise under the DACFW Scheme.
25. Its services under the DACFW Scheme, which can be accessed under the Fisheries FFPO Scheme, in close coordination with SFAC, include various activities including functioning as National Data Repository.
26. The SFAC will have an important role to play in the Scheme for FFPO, both as an independent implementing agency but also in as much as the Scheme design includes 200 or more FFPO to be formed, handheld and promoted under convergence with the DACFW Scheme. Since it already has the requisite insights and experience of setting up MIS systems and Integrated Portal for these FFPO, it will also be a major Agency for the Scheme.

Convergence

27. For convergence of the Scheme with the DACFW Scheme of the formation and promotion of 10,000 FPO, close coordination will be needed between the agencies involved in the DoF Scheme and the DACFW Scheme.
28. Similarly, close coordination with State level Agencies for conversion under ongoing State schemes would be needed.

3. Process Flow and Interventions – Role of CBBO

1. CBBO is an important Organization for grass root level action for FFPO formation and support business operations. Their role in the entire process flow and interventions cannot be over emphasized, and it is an important determinant for achieving outcomes which conform to the goals of the Scheme. This Handbook is primarily addressed to CBBO for bringing about clarity in their functions and delivery of output as planned.
2. The process of allocation of Fisheries Business Cluster Areas by NCDC to CBBO is based on original approval and allocation by DoF to NCDC, basis submitted Action Plans/ Self Contained Proposals.
3. The Scheme provides for interested State and Central Government Agriculture Universities and KVKs promoting FFPOs to be empanelled, among other professional Organizations as a CBBO, subject to the recommendation of CAC on nomination basis. Various organizations including Institutes, Universities, IIT, ICAR–ATARI–Krishi Vigyan Kendra’s (KVK) and ICAR Institutes have been assigned the role of CBBO under the DACFW Scheme by NCDC.
4. The role as CBBO by ICAR–ATARI–Krishi Vigyan Kendras (KVKs) and ICAR Institutes would be coordinated by NCDC either directly or through the ICAR headquarters. For other CBBOs types, NCDC would directly coordinate with them.

Formation and Promotion of FFPO by CBBO

5. The formation and promotion of FFPO will involve the following stages and activities.

Cluster identification

6. CBBO would form FFPO in Fisheries Business Cluster Areas. A Fisheries Business Cluster Area is a geographical area wherein a fisheries related business can be started for leveraging economies of scale in
7. the entire fisheries value chain in a sustainable manner.

Clusters in Aspirational Districts, 112 identified High Fisheries Potential Districts and Tribal Districts would be given priority for FFPO formation.

Preparatory steps for formation of FFPO

8. Once the Fisheries Business Cluster Area has been identified, the following broad, sometimes interchangeable, steps need to be taken by CBBO, prior to establishment of FFPO



Feasibility

9. For clarity on objectives and potential of business, CBBO will need to carry out a feasibility study in the potential clusters, which will include, at different stages of exercise:

a. Baseline Survey

The Survey would be the first step and would focus, among other parameters, on

- Marketable produce surplus available for further downstream activities,
- Potential scope of existing and new activity and existing gap,
- Interventions required in the fisheries business value chain in terms of infrastructure, services etc.,
- Socio economic environment of the area,
- Potential small, marginal and landless members for minimum fisheries business geographical area intervention.
- An examination of the role, membership and organisation structures of successful cooperative societies in the area to give an idea about the present mobilisation level of farmers, women, youth etc in sustainable business activities.

b. Value Chain Study and Quick Estimates of Capital Requirement

The next step would involve the mobilisation of potential fish farmer as FFPO members and sharing with them the business ideas identified, short- & long-term viability, market opportunity, size of business, the possible risks, and the benefits to members.

Community mobilisation to form Fish Farmers Interest groups (FFIG), if necessary, which will eventually be aggregated into a FFPO, would be organised by CBBO through initial meetings with fish farmers in the Fisheries Business Cluster to explain to them the benefits that would accrue from FFPO formation with their participation. Several such meetings to enthuse and attract Fish farmers to willingly participate in the business opportunity may be needed initially.

Based on mobilisation level of farmers, women, youth etc. in sustainable business activities, in the form of primary cooperatives such as existing Fisheries Cooperatives / Progressive Fish Farmers Groups, potential groups can be considered to be facilitated to form new FFPO as sustainable cooperatives. Existing Fisheries Primary Cooperatives may avail relevant benefits under this scheme.

Focus Group Discussions (FGD) with homogenous groups of fish farmers including women, Tools such as Participatory Rural Appraisal (PRA) / Participatory Learning for Action (PLA) with farmers, women and other potential members would be undertaken by CBBO. FGD and PRA/ PLA are important tools for convincing target groups namely, fish farmers, women and other potential members and incorporating their understanding and needs in the design of the activity.

Size of FFPO

10. As one of the steps for FFPO formation, which inter alia means its registration as a Cooperative Society, the CBBO would ensure a minimum fish farmer member size of 100 fish farmers in the Plains areas and 35 fish farmers in North Eastern and hilly areas for it to be eligible under the Scheme.
11. The aim however should be to register FFPO as cooperatives with a much higher membership than these minimum numbers. The suggested numbers are 300 in the plains areas and 100 in Hilly and North Eastern Region within 2 years, and aiming for a membership of 500 fish farmers in the plains and 200 in the Hilly and North East eventually, to ensure economic sustainability and profitability in the long run. The increase in numbers of members over time, will also serve as an indicator of success in developing an FFPO as a business enterprise, which will then attract more members to it.
These numbers would be promoted and fostered with convergence of the Scheme and the DACFW Scheme as well as other Central and State Schemes. This would help integrate the number of FIG to be formed in a single Fisheries Business Cluster Area.

FFPO and Fish Farmer Interest Groups

10. It is advisable for CBBO to study the existing mobilisation of farmers, women, youth etc. in the form of successful fisheries cooperatives. The members of such successful entities are generally business oriented and could be a potential target for mobilising into cooperatives for organised marketing and value chain enhancement (as distinct from inputs supply or production activities).
13. The formation of FFPO is typically expected to involve a two step process; the first is to form several Fish farmer groups and the next to integrate the groups into a FFPO. However, in some cases there may be opportunity to directly mobilise members to form a FFPO as a cooperative.
14. Fish farmer groups are normally mobilised with 10–20 members from the area, both men and women, to form in this case Fish Farmer Interest Groups (FFIG), Fish Farmers Self Help Groups (FFSHG), Fish Farmer Clubs (FFC), Fish Farmers Joint Liability Groups (FFJLG), etc.
15. Experts have suggested that there are broadly five stages involved in organising of such groups, namely,
 - **Forming:** When the group members enrol themselves and conduct 1–2 initial meetings
 - **Storming:** When the group members start discussing and reacting to issues / conflicts
 - **Norming:** When the groups start framing norms to run it successfully
 - **Developing:** Provide capacity building to the group members on different areas

- **Performing:** When the group starts performing by involving in planning, converging with developmental programmes, management of inputs and output, value addition, packaging, grading, transportation, marketing etc.



16. FFIG, FFSHG, FFC, FFJLG, or by whatever name called, with around 10 to 25 members, are then to voluntarily come together to combine efforts and save small sums of money on a regular basis. They pool their resources to provide financial security, taking loans from their collective savings in times of emergency or financial scarcity, important life events to purchase assets and for common business purposes.
17. The group members use collective wisdom and peer pressure to ensure proper end-use of credit and timely repayment. Such groups with shared activities can be developed into a FFPO.
18. Cooperatives formed and promoted by CBBO can readily approach NCDC for loans for their business activities, for which applications can also be accessed on NCDC website (www.ncdc.in).
19. As an exclusive development finance institution for cooperatives, NCDC regularly extends credit linkage (NCDC loans as per NCDC schemes) to various viable cooperatives to carry out sustainable business activities, based on their business plans. Credit from NCDC is easily converged with other government financial and non-financial support.

Transforming Fish Farmer Groups into FFPO

20. Small fish farmer groups have the primary objective to benefit from:
 - Mobilisation of deposits.
 - Increase and diversification of credit flow.
 - Opening of new business avenues.
 - Reduction in transaction costs of Financial Institutions (FI) and Banks.
 - Increase in recoveries of FI and decline in Non-performing assets.
 - Social economic development of the area in which they function.
 - Enhancement of bargaining and marketing power as a Group.
 - Community and social development measures undertaken by the Groups.
21. These Groups should be encouraged and helped to start functioning by CBBOs, and facilitated to link their savings to the Fisheries Business Cluster related activity.

22. FFIGs can also be formed from existing members of primary cooperative societies / KVK linked progressive farmers etc.
23. About 10-20 or more such FFIG from a Fisheries Business Cluster Area or a Village Cluster of neighbouring villages could then be aggregated to form an FFPO in the Plains, thereby adding weightage to the initial objectives of FFIG. In the North Eastern Region, 4-5 such groups can be aggregated to form an eligible cooperative.
24. Notwithstanding the average membership size earlier mentioned for eligibility under the Scheme, the CBBO would target for an eventually enhanced average membership size - beyond 500 members in the Plains areas and 200 members in Hilly and North Eastern regions.
25. While forming the FFPO as a registered cooperative society, CBBO should take special care to include small, marginal and women farmers /women SHG, SC / ST farmers and other economically weaker categories, etc., as members to make FFPO more effective and inclusive. It may also be emphasised here, that for accessing the Equity Grant component of the Scheme it is stipulated that, a minimum 50% of shareholders of FFPO are small, marginal fish farmers, and women's participation is also given preference.
26. CBBO has to conduct analysis of the baseline survey, which would profile, among other things, the potential Fish farmer members and map their location, existing earning status, as also identify the existence of potential competition.



27. Based on the diagnostic analysis of the baseline survey, CBBO would develop Business Plans, keeping in view the economic parameters of the Fisheries Business Cluster Area, most importantly, the surplus availability for aggregation for consolidated marketing and further value addition in the chain. The Business Plan would establish the case for an FFPO as an economically sustainable business entity.

28. FFPO once well established and stable may penetrate multiple markets at the district, state and national level for aggregated and bulk selling, value addition through processing or branding and for scaling up business opportunities. They may also federate at the district and state levels, based on their need of business aggregation and scaling up into the value chain and also at national level to promote fisheries business in India and abroad.

At this stage, the on ground, detailed Value Chain Assessment would be needed to determine the activities that would be partnered or taken up by the FFPO at different levels of the supply chain, based on the resources and potential of the area. NCDC would provide guidance and inputs in this regard. This would require an assessment of the production area, the type and number of producers and marketable surplus, the market demand and marketing range.

CBBO would regularly interface with Government Departments (particularly Cooperation / Fisheries / MSME Departments, local Registrar of Cooperatives), Financial Institutions (includes NCDC), Training and Research Institutions (includes RTC of LINAC) in the interest of business promotion and growth.

Registration of FFPO

31. NCDC Sahakar Cooptube channel (<https://youtube.com/c/SahakarCooptubeNCDCIndia> - on YouTube), has guidance videos on “How to form a fisheries cooperative society” in Hindi language. These short videos may be made use of by CBBOs in their mobilisation of FFPO.
32. The process of registration of FFPO as cooperative society is quite simple. FFPO is to be registered with the local Registrar of Cooperative Societies (RCS). Usually local officers of the Fisheries Department in States are delegated these powers of RCS and register Fisheries cooperatives. In case of any difficulty, CBBO must approach senior functionaries of the Cooperative Department. The Regional Director, NCDC would be able to facilitate the process, if approached by CBBO.
33. Once a sufficient number of members, who are able and willing to participate in formation of FFPO, have been identified, the CBBO would take steps for registering the FFPO under the relevant State Cooperative Societies Act.
34. The following steps are to be broadly followed for the registration:
 - In the initial stage, 10-15 as specified in the relevant State Cooperative Societies Acts (SCSA) desirous of forming a Cooperative are required for registering the FFPO as a cooperative.
 - A Provisional Committee of Promoters would need to be formed and would elect a Chief Promoter, from among them.
 - The Name of the FFPO would first be decided by the member promoters.
 - Entrance fees and share capital have to be collected from the prospective members.
 - A bank account has to be opened in the name of the proposed society as per the directions of RCS. The entrance fees and share money has to be deposited in the bank account and the certificate from the bank to this effect has to be obtained.

- The Registration Fees have to be deposited in the prescribed forum (Treasury / Bank) and receipted challan thereof obtained. The Scheme provides grant in the form of one-time registration fee up to Rs 40,000/-. If there is a time gap between the receipts of this fee, a temporary loan may be taken from the equity, which can be repaid on receiving the amount from the Scheme.
- Bye-laws of the FFPO would need to be drawn up and submitted to the local Registrar of Cooperatives along with a sustainable and viable Business Plan.
- The draft bylaws of the Cooperative may also be discussed with the members and the Board of Directors.
- The bylaws of the cooperative society should specify among others, the value of shares and authorized capital.
- The application for registration of the society should be submitted to the local Registrar of Cooperative Societies along with the Act specific documents which normally include:
 - o Form No. A in quadruplicate signed by 90% of the promoter members.
 - o List of promoter members.
 - o Bank Certificate.
 - o Detailed documentation of the working of the society.
 - o 4 copies of proposed bylaws of the society.
 - o Proof of payment of registration charges.
 - o Other documents like affidavits, indemnity bonds, etc.

35. Once these documents are in place, a formal General Body meeting may be called for approval regarding the bylaws.

Training and Capacity Building

36. Training, awareness and capacity development of Fish farmer members of FFPO and of the Board of Directors (BoD) is important for them to understand the functioning of the FFPO and their participation in its business and other activities.

37. CBBO should

- Conduct in house training for BoD on
 - o Their roles, responsibilities, the management of the FFPO and the need for adequate share capital/ equity/ long term capital mobilisation.
 - o The rules and regulations of the cooperative, statutory requirements by the Registrar of Cooperatives.
 - o Business Plan of the Cooperative.
 - o Various Government schemes for convergence.
 - o Participative Leadership and Inclusion.
 - o Basic accounting and record keeping

- Ensure that farmers comprehend the importance of increasing the share capital of the FFPO to financially leverage the same to enable up scaling their business. A good equity base helps in bringing quick resolution of the required institutional credit and also in keeping the interest of members in the enterprise alive because of their equity investment.
- Farmer members should also be made aware of the need for them to own the FFPO. The sense of ownership will result in increased interest by them to partake in the affairs of the FFPO to heighten its prospects of success as a business organisation. This in turn would result in increased incomes and externalities of development for the area of operation of the FFPO.

- CBBO should continue to have frequent meetings with members of FFPO. In addition to business related interactions, these meetings should focus upon the importance of social cohesiveness among members and the need to actively participate in various activities of FFPO.



- Identify training needs of members, develop training modules and conduct basic in-house training.

- Exposure visits to nearby successful cooperatives have a tremendous demonstration effect on increase in learning and should be arranged if feasible.

- Training needs that cannot be fulfilled in-house due to the specialised nature of such training may be identified and communicated to NCDC.
- Coordinate with LINAC (linac@ncdc.in) regarding training of members (CBBO may share success stories of FFPO, Fisheries Cooperatives, Entrepreneurs, Fishermen, etc. so that these may be showcased during training).

Professional Staff Selection

38. CBBO will assist the FFPO Executive Body in the appointment of its CEO and Accountant, whose salaries are supported under the Scheme under the Head FFPO Management Cost for a period of 3 years. The qualifications of these professionals are laid down in Para 15.5 of the Guidelines.
39. Professional management of any business is key to its success and so also for a FFPO. Recognising this, the Scheme has made provision for this component. It is important that the conditions as laid down are rigorously followed, for the FFPO to be guided by a professional management team.

FFPO Management Cost

40. The Scheme provides for Management cost up to a maximum of Rs.18.00 lakh per FFPO or actual, whichever is less, and to be provided for a period of 3 years from its formation. From the fourth year, the FFPO has to be economically sustainable to meet its management costs from own business activities.
41. The indicative financial support to FFPO broadly covers:
 - Salary of its CEO / Manager (maximum up to Rs.25000/ month) and Accountant (maximum up to Rs. 10000/ month);
 - One time registration cost (up to maximum Rs. 40000/- or actual whichever is lower);
 - Office rent (maximum up to Rs. 48,000/year);
Utility charges (electricity and telephone charges of office of FFPO maximum up to Rs. 12000/ year);
 - One time cost for minor equipment (including furniture and fixtures maximum up to Rs. 20,000/);
 - Travel and meeting cost (maximum up to Rs.18,000/year); and
 - Miscellaneous (cleaning, stationery etc. maximum up to Rs. 12,000/year).
42. Any expenditure on operations, management, working capital requirement and infrastructure development, etc., over and above this, will be met by the FFPO from own resources; its financial strength can be leveraged to avail appropriate business loans.

Accessing Equity Grant (EG)

43. It is important that the conditions for receiving EG are taken note of by the CBBO during the formation of FFPO.

44. EG is a matching grant up to Rs. 2000/- per fish farmer member, subject to a maximum limit of Rs.15 lakh per FFPO. 750 members in a FFPO can hence be covered under this provision.
45. With the accumulation of sufficient equity from members, CBBO may assist the FFPO in availing matching equity grant from under the Scheme through NCDC.
46. EG is aimed at strengthening the financial base of the FFPO, enabling it to get credit from financial institutions such as NCDC for its project, and also for meeting working capital requirements.
47. Eligibility Criteria for a FFPO to avail EG are available at Clause 16.4 of Guidelines of the Scheme. The important conditions are:
 - Minimum 50% of its shareholders are small and marginal and fishers, fish farmers and other fish workers (i.e. engaged in small scale fisheries who offer their products on local markets or consume their catch themselves). Women participation as its shareholders is to be given preference.
 - Maximum shareholding by any one member shall not be more than 10% of total equity of the FFPO.
 - A fisher or a fish farmer can be member in more than one FFPO with different fisheries business clusters but he/she will be eligible only once (for any one FFPO that he/she is a member of) for the matching equity grant up to his/her share
 - In the Board of Directors (BoD) and Governing Body (GB), as the case may be, there shall be adequate representation of women member(s) and there should be minimum one woman member.
 - There is in place a duly constituted Management Committee responsible for the FFPO business
 - FFPO must have a sustainable Business Plan and Budget for the forthcoming 18 months.
 - CBBO should advise the FFPO on the procedure for obtaining EG.
 - FFPO will be allowed to draw equity grant in a maximum of three tranches within a period of 4 years of its first application and within the handholding period of CBBO.

Business Planning

48. Preparation of comprehensive and realistic Business Plan of the FFPO is important.
49. CBBO should focus on the designing and preparation of the Business Plan, and its execution. Based on the Diagnostic Study carried out by the CBBO, the FFPO can be designed to-
 - Increase its value enhancement in the value chain, not restricting its activities only to producing.
 - Provide a wide range of economic services to members, such as input supply, logistics (aggregation, storage & transport) facilities, collective marketing opportunities and linkages, credit access, equipment and fisheries advisory services.

- Facilitate common pool production and marketing and processing infrastructure for the same to enable long term viability.
- Facilitating traceability, standards and certification, international compliance and global market connectivity.
- Services that enable fishers and fish farmers to increase productivity, reduce risk, manage their products and increase income.
- Play a key role to play in representing their members' interests in the negotiation of contracts with buyers. By aggregation, they gain bargaining power.



- Business Plan should be based on a realistic assessment of resources of the members and capabilities. To overcome the initial problems with raising funds, including funds from Financial Institutions and also to get a feel of the business operations and business potential realisation, it may be advisable that in the initial period, FFPO start with business operations that require minimal working capital. For instance, a buy-back guarantee can be negotiated with prospective input sellers or buyers.
 - Those business opportunities, which are relatively risk free and also easy to manage, should be identified by CBBO and the BOD and members apprised.
 - Once the business has been identified, the CBBO needs to prepare the marketing plan and the financial plan as also work out a SWOT analysis.
 - Value Chain Analysis and detailed Assessment of Capital required, both Working Capital and Long term may be assessed.
- Upon registration, the CBBO will facilitate the activities of the FFPO as spelt out in its Business Plan The incubation period is important and the CBBO should focus on helping with various incubation services.
 - CBBO will assist in input and output management, adoption of proper and good practices through knowledge sharing, and demand-led aggregation of produce, quality management, assaying, processing, packaging, supply chain development with marketing and market linkages as necessary with buyers/processors/exporters, trading, export, etc., to ensure long term sustainability.



Branding and Export by FFPO

- CBBO will assist in branding and export of products, and other demand led & value added production, once the FFPO reaches the requisite scale of production or business activity. This may need appropriate federating and CBBO will facilitate this exercise at the appropriate level.
- CBBO may coordinate with IA to access the facilities of Cooperative Sector Exports Promotion Council (COOPEXCIL) set up under the stewardship of NCDC.

Credit Guarantee Cover

- The primary objective of Credit Guarantee Facility (CGF) is providing Credit Guarantee Cover to Eligible Lending Institutions (ELI) to enable them to provide collateral free credit to FFPOs by minimizing their lending risk in respect of loans.
- The Department of Fisheries in consultation with Department of Agriculture and Farmers Welfare, will explore the possibility of extending aforesaid the credit guarantee facilities to the FFPO formed under PMMSY to the extent possible.

Other Responsibilities of CBBO

50. The CBBO will

- assist in the review and monitoring by the field team,
- Communicate and disseminate information and marketing advisory for fishers and fish farmers.
- The CBBO will also ensure that programme targets are met and comply with the Management Information System (MIS) reports as specified.
- Based on the rating system made available to the CBBO, it would evaluate each FFPO.
- CBBO will assist in all matters relating to proper financial management, utilisation of funds, accounting and timely submission of returns and certificates as specified by the NCDC.
- CBBO will carry out any other activity as assigned to it from time to time.

CBBO Cost of Management of Formation and Incubation of FFPO

51. For its services, CBBO will be paid an amount of Rs.25 lakh per FFPO towards the cost incurred for formation and incubation of FFPO. This covers all activities of CBBO spelt out in the Scheme and this Handbook including undertaking Baseline Survey, mobilisation of fish farmers, organising awareness programmes, conducting exposure visits and other overheads, which include the cost of CBBO.

52. This also includes the provision for integrating the data of FFPO with the SFAC Integrated Portal for the DACFW Scheme as earlier specified.

53. Payment to CBBO will be made by IA based on Clause 10.5 of the Scheme Guidelines.

4. The Management System: Supervision, Coordination and Monitoring

Structure of Supervision, Hierarchy and Formal Meetings

1. The entire network of agencies starting with the DLC, SLAMC, NFDB, PMEU, PMU, CAC, NCDC would be involved in the supervision and monitoring of the Scheme and its implementation through the CBBO.
2. Regional Office, NCDC will be most immediately available and accessible to closely monitor and review the progress of development and functioning by holding regular meetings with CBBOs. It will act to resolve various constraints and report any unresolved constraints to the Head Office, NCDC for further taking up the matter with PMEU, DoF for appropriate action.
3. SLAMC and DLC will also regularly review and monitor the progress of FFPO. It will play a coordinating role in synergising the efforts of various state schemes and the convergence of the Scheme with other Schemes.
4. PMU would additionally, closely and periodically review, monitor and supervise the implementation of the Scheme at the national level along with the IA.
5. NCDC has a major role in close and cohesive working, supervision and monitoring of CBBO performance. It will also monitor CBBO to see that regular data entry on the Integrated Portal is carried out by CBBO.

Reporting: Frequency and Components



6. The system that prevails in the DACFW Scheme for data, reporting and MIS, which is undertaken by the IT Team of SFAC, will also serve the requirements of these components under the Scheme.
7. SFAC is designed to bring in specific capabilities in the system, which will be on offer to the Scheme.

8. It will:

- Function as a National Level Data Repository and will maintain an integrated Portal and serve as a National Platform for FFPO.
- Provide management information.
- Design key performance indicators (KPI) based monitoring of CBBO and would keep the agencies in the supervision chain informed on all aspects of the formation and progress of FFPO on a monthly basis.
- Develop an integrated MIS portal to monitor and to highlight the problems encountered at any stage of formation and promotion.
- Specially ensure adequate support delivery in the North East and Hilly Regions.
- SFAC will develop and maintain dedicated portal for the entire data requirement under the Scheme. CBBO in consultation with NCDC will upload the relevant data in MIS Portal.

Convergence

9. For the convergence part of the Scheme with the DACFW Scheme, the above Agencies would need to work in close coordination with the Agencies of the DACFW Scheme at the appropriate levels.



5. Evaluation of the Scheme

1. The performance of the Scheme with reference to its envisaged objectives will be evaluated at two stages – Mid Term Evaluation in the fourth year of implementation and End Term Evaluation.
2. Evaluation will be based on:
 - No. of FFPO formed and registered
 - No of Fishers, Fish farmers mobilised – category wise
 - Equity Grant provided
 - Number of FFPOs covered
 - Credit Guarantee provided including volume of Working Capital Loan
 - No. of Training Programmes and Persons Trained
 - Business Turnover of the FFPO
3. Evaluation may be done through Third Party Agencies either as part of an overall Evaluation of PMMSY or as a standalone sub component by the DoF, Gol.



For any query, please contact by email (FFPO@NCDC.IN) addressed to the Chief Director, Fisheries Division, NCDC, 4 Siri Institutional Area, Hauz Khas, New Delhi 110016 or the relevant Regional Director of NCDC for your State / UT. Contact details of the 18 Regional Offices of NCDC and of LINAC are on www.ncdc.in



The first meeting of Ministry of Cooperation taken by the first Minister for Cooperation of India **Shri Amit Shah Ji** on 9 July 2021



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