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PART I—Orders and Notifications by the Governor of West Bengal, the High Court, Government Treasury, etc.

GOVERNMENT OF WEST BENGAL
Department of Food Processing Industries & Horticulture
Mayukh (Top Floor) Bidhannagar, Kolkata-700 091

NOTIFICATION

No. 1186/FPI&H/2E(H)-13/2016

Dated, Kolkata the 19th October, 2016.

Participatory Farming in Horticulture

WHEREAS the Participatory Farming shall be an arrangement by way of an agreement between the Farmers' Producers Companies (FPCs) and the Private entrepreneur/company to grow/produce fruits, vegetables etc. of the choice of the private companies who shall compulsorily buy back the entire produce at the rates as may be mutually pre-decided between them. They shall enter into a Memorandum of Understanding (MoU).

2. *The scheme may be called "Participatory Farming in Horticulture in West Bengal".*
3. It shall come into force with immediate effect.
4. In the Notification, the context otherwise requires —
 - (a) "FPI&H Department" means the Department of Food Processing Industries & Horticulture, Government of West Bengal.
 - (b) "PFH" means Participatory Farming in Horticulture.
 - (c) "FPC" means Farmers' Producers Companies.
 - (d) "VPC" means Vegetable Producers Companies.
 - (e) "MoU" means Memorandum of Understanding.
 - (f) "MIDH" means Mission for Integrated Development in Horticulture.
 - (g) "RKVY" means Rashtriya Krishi Vikash Yojana.
 - (h) "KCC" means Kishan Credit Card.
5. **Background:**
 - (a) AND WHEREAS West Bengal is one of the largest producers of fruits and vegetables in the country. The state is the highest producer of vegetables accounting for 14.15% of the national basket. The State ranks **first**

in the production of - Brinjal (21.96% of national basket), Cabbage (24.31% of national basket), Cauliflower (21.92% of national basket), Okra (13.82% of national basket) and Pineapple (18.19% of national basket). West Bengal is the only State where a wide variety of flowers are grown and it ranks first in the production of cut flowers contributing 26.74% of national bouquet. The State is also well known for its quality mangoes from the districts of Malda and Murshidabad. Laxmanbhog, Himsagar and Fazli mango varieties have been registered as Geographical Indication (G.I.) products, thereby certifying the uniqueness of their quality and taste. India's first flush of litchi production starts at Murshidabad and Malda districts which fetches a high value. But the State of West Bengal is still short in production in onion, tomato and green chilies particularly during off-season for which we have to depend on import from other States. The fruits and vegetables are mostly perishable in nature and it is very difficult to provide proper storage facilities for those items.

- (b) AND WHEREAS the soil and climatic conditions are extremely favourable for growing different types of fruits, vegetables, flowers etc. However, in West Bengal more than 90% of the farmers are small and marginal, due to which they are not able to take the full advantage of the geo-climatic situation of the state. Hence, there is huge scope for development of the Horticulture & Food Processing sectors in the State.

3. **Problems faced by the farmers in West Bengal:**

Currently the problems that the farmers face are generally:

- (a) Most of the farmers have small land holdings.
- (b) They do not have sufficient capital.
- (c) Use of new technology is not possible for individual farmers who are mainly small and marginal.
- (d) They do not have proper knowledge for use of pesticides, insecticides, fertilizers etc.
- (e) They have to depend on local market or middlemen to sell their produce which generally do not provide remunerative prices.
- (f) Individually they do not have much bargaining power.
- (g) In case of glut they are not even able to sell their crop and have to throw it away.
- (h) They do not have proper storage facility.

4. **Farmer Producer Companies (FPCs)**

The formation of Farmers Producer Companies was started in the year 2012-13 by the FPI&H Department. Here, the farmers in a particular area comes together to form a company, registered under Company Registration Act. At present under the Department of FPI&H, **18 vegetable producer Companies (VPC) are formed and 10 are under process of formation.** Besides these, there are about 52 Farmer Producer Companies (FPC) under the Department of Agriculture Marketing. Each Company has about 1000-1700 members. The formation of these Companies helps the farmers in aggregating smallholders into FPOs proven pathway to increase investment, improve bargaining power, move up value chains and improve access to technology and markets.

5. **Implementation of Participatory Farming:**

Participatory Farming shall be an arrangement by way of an agreement between the Farmers' Producers Companies (FPCs) and the private entrepreneur/ company to grow /produce fruits, vegetables etc. of the choice of the private companies who shall compulsorily buy back the entire produce at the rates as may be mutually pre-decided between them. They shall enter into a MoU(Memorandum of Understanding) containing the terms and conditions of the agreement.

6. **Agreement and the proposed terms and conditions:**

The Farmers Producers Companies can enter into an agreement with Private Entrepreneur / Company for producing fruits and vegetables as may be required by the Private Entrepreneur.

The terms and conditions in the agreement shall include among other things:

- (a) The ownership of the land shall directly or indirectly remain with the farmers only and that it shall not even be leased out to the private entrepreneurs/entities.
- (b) Private entrepreneurs/companies may supply inputs like seeds of desired crop(s), pesticides, etc. along with the Standard Agricultural Practices including technological support. The price of the inputs shall be adjusted in the buy back price.

- (c) Member farmers of Farmers Producers Companies will undertake cultivation of those crops on their land as required by the private entrepreneurs/ companies.
- (d) The Farmers Producers Company shall produce the crop as agreed with their private Entrepreneurs and sell the Crop only to the said Company at the price mutually fixed between them. The private Entrepreneur shall compulsorily have to buy back/ purchase the complete crop at the price mutually pre-decided between them after adjusting the cost of the inputs etc. supplied to the farmers by the private companies.

7. **Role of State Government:**

- (a) The Government shall issue advertisement inviting the Private companies to enter into MoU (Memorandum of Understanding).
- (b) The draft MoU may be prepared by the Department of FPI & Horticulture subject to changes by the two parties.
- (c) Agreement /MOU will be signed between the two parties and Department of FPI& Horticulture may be a witness.
- (d) The Government shall organize meetings /seminars etc. with FPCs and Private Companies to attract them toward such agreement.
- (e) Government shall conduct training for the farmers, if necessary.
- (f) State Government may give preference to FPCs under various schemes under implementation.
- (g) In case of any dispute, the State Government will first try to settle the dispute.

8. **Dovetailing with Govt. schemes:**

- (a) The member farmers of Farmers Producers Companies shall be eligible to get benefits under various Govt. schemes such as "Mission for Integrated Development in Horticulture" (MIDH), "Rastriya Krishi Vikash Yojana" (RKVY) or any other schemes of the Department of FPI & Horticulture.
- (b) Crop will be covered under the Restructured Weather Based Crop Insurance as notified by the Government of West Bengal. Private entrepreneurs/ companies will be requested to share a part of the premium with farmers on mutually agreed terms.
- (c) Farmers will be eligible to get crop loan as per the provision of Kishan Credit Card (KCC).

9. **Impact:**

Advantages of Participatory Farming to the Farmer:

- (a) The productivity of crops will be improved by quality inputs like seeds, fertilizers, pesticides, etc. being provided by private entrepreneurs/ companies.
- (b) Farmers will get assured 100% buy-back of their produce and remunerative price without taking market risk.
- (c) This will help remove chain of middlemen between the actual producer and the actual user/consumer which will help fetch better price for the farmers.
- (d) Modern technologies for crop growing will help farmers for better returns.
- (e) Technologies like good agricultural practices, organic farming, precision farming, Global GAP requirement will help farmer to produce crops meeting international demand and thereby assuring good returns.
- (f) The technical skill of farmer will certainly be improved by cultivating crops with improved technologies.
- (g) Farmers land will be used more efficiently throughout the year by season and off-season cultivations as required by the private entrepreneurs.
- (h) Overall Crop Planning will evolve and there will be a paradigm shift towards improved production per unit area.
- (i) Distress Sale of produce will be avoided.
- (j) As inputs and other requirements are fulfilled by the private entrepreneurs / companies, farmers would be able to save for investments in cultivation, enabling them avoid taking crop loan.

10. Advantages of Participatory Farming to the Private Entrepreneur/ Companies

- (a) Private Entrepreneurs/companies will have assured supply of raw materials at fixed prices.
- (b) Companies who are processor, exporter or retailer can procure the produce and market directly by putting the product in supply chain.
- (c) As the inputs are supplied by the private entrepreneurs / companies, therefore, quality and uniformity (as specified in brand, if any) of produce will be maintained.
- (d) High value vegetable crops such as broccoli, capsicum of different colour, red cabbage, gherkins etc. can also be available at cheaper prices which by now used to be imported from overseas incurring huge costs.

11. Advantages to the General Public:

- (a) Consumers are expected to get produce throughout the year at reasonable price.
- (b) Quality of produce will have a specific standard devoid of hazardous chemicals and impurities.
- (c) Chemical additives, ripening agents, preservatives, etc. will be applied as per the Food Safety Standards and can effectively be monitored by private entrepreneurs/ companies.
- (d) This will help to boost organic farming in the State.

By order of the Governor,

B. P. GOPALIKA,

Principal Secretary to the Government of West Bengal.