BANKERS INSTITUTE OF RURAL DEVELOPMENT, Lucknow

(Designated Nodal Training Institution at Central Level by
GoI under CSS on Formation and Promotion of 10000 FPOs)

MASTER TRAINING PROGRAM DESIGN

FOR

CAPACITY BUILDING OF CHIEF EXECUTIVE OFFICERS (CEOs) OF FPOs

UNDER

CENTRAL SECTOR SCHEME ON FORMATION & PROMOTION OF 10000 FPOs

Implemented by

Master Training Program Design for Capacity Building of Chief Executive Officers (CEOs) of FPOs under Central Sector Scheme on Formation & Promotion of 10000 FPOs

Objective

To equip the Chief Executive Officers (CEOs) to effectively play their role and undertake responsibilities in increasing shareholder's value in Farmer Producer Organisations

Program Mode	Online
Program Duration	3 days

Program Mode	Classroom Training
Program Duration	3 days

Broad Coverage of the Program

- Understanding the present agricultural scenario - FPO as a viable Strategy - Collectivisation, Scale & Access
- Contours of Central Sector Scheme on Formation & Promotion of 10000 FPOs
- Role & Responsibilities of CEOs in nurturing & promotion of viable & sustainable FPOs
- Management and Governance aspects in FPOs
- Planning for successful FPO enterprises - Demand and competition analysis, designing products & services, product pricing and marketing strategy, product innovation strategy for sustainable business growth

Master Training Program Design for Capacity Building of Chief Executive Officers (CEOs) of FPOs	
Objective	To equip the Chief Executive Officers (CEOs) to effectively paly their role and undertake responsibilities in increasing shareholder's value in Farmer Producer Organisations (FPOs)
Duration	03 Days
Course Highlights	• Challenges for small and marginal farmers and business opportunities for FPOs • Role and responsibilities of CEO in making FPO a vibrant business entity • Agriculture value chains : Gaps and Mainstreaming of FPOs • Management & Governance aspects in FPOs • Strategic organization and management skills for CEOs of FPOs • Book-keeping, record maintenance, MIS and internal assessment tools in FPOs • Formulation and implementation of business plans in FPOs - Convergence aspect • Financial Planning in FPOs
Target Participants	Chief Executive Officers (CEOs) of FPOs

Day-to-Day Schedule		
Day	**Session**	**Topic**
I	I	Overview of Indian agriculture, aggregation strategies and salient features of the CSS on formation & promotion of 10000 FPOs
	II	Evolution Process for vibrant FPOs - Cluster identification to operationalising business plans
	III	Key role and responsibilities of CEOs in management of FPOs
	IV	Management and Governance aspects in FPO – Differentiated role of BODs & CEO
II	V	Importance & type of record maintenance, book-keeping, Management Information System & internal assessment tools for FPOs
	VI	Statutory and regulatory compliances as per the legal forms of FPO
	VI & VIII	Exposure visit to a successful FPO / Online experience sharing by FPO / Audio- Visual display of a successful FPO
III	IX	Conceiving & drafting a business plan
	X	Understanding the value chain concept – Assessment of business opportunity for a FPO
	XI	Business segment, product planning and marketing – Demand and competition analysis, product mix planning, pricing, marketing strategy and business innovation
	XII	Financial management in FPOs
	Feedback and Valediction	

Session I

Overview of Indian agriculture, aggregation strategies and salient features of the CSS on formation & promotion of 10000 FPOs

Objective: Enabling participants to appreciate the shift in the Indian agricultural scenario and FPO as a workable alternative for small holder farmers

Duration: 90 Minutes

Session outline

S.No.	Session plan	Objective	Duration minutes	Methodology
i	Overview on Indian Agriculture	Agriculture scenario and growth patterns in national economy, land-use & land holdings, diversification, etc.	20	Presentation
ii	Limitation and challenges faced by small holders farmers	Adoption of technology, access to quality inputs, market access, agri-marketing, market prices and bargaining power, etc.	10	-do-
iii	Aggregation Model and basic concept of FPO	Aggregation model, FCs, SHGs, JLGs, FIGs, benefits of economies of scale & participation in agri-value chains	20	-do-
iv	Key features of CSS on formation & promotion of 10000 FPOs	Salient features - Cluster approach, commodity & value chain approach and member- centric character of FPOs	20	-do-
v	Financial Support under the scheme and the eligibility criteria for FPOs	Nature of financial support available to FPOs under the scheme - Grant, equity support & credit guarantee – Modalities thereof	10	-do-
	Discussion & Feedback		10	Discussion
	Relevant pages in Reading Material: Pages 1-31			

Session II

Evolution Process for vibrant FPOs - Cluster identification to operationalising business plans

Objective: Describing the process (cluster identification, conducting baseline survey & undertaking feasibility study) for identification of business opportunities, firming up business plans

Duration: 90 Minutes

Session outline

S. No.	Session plan	Objective	Time minutes	Methodology
i	Cluster identification and diagnostic Study	Relevance of commodity focussed and process of cluster identification for formation of FPOs	20	Presentation
ii	Collection and analysis of secondary data	Key data points, their sources and analysis of secondary data	15	-do-
iii	Primary data collection through baseline survey & Participatory Rural Appraisal (PRA)	Collection of key data for mapping of individual & community resources along with processes	15	-do-
iv	Feasibility analysis of potential business ideas and their prioritisation	Pragmatically arriving at the best business options	15	-do-
v	Process of social mobilization and formation of FPOs	Providing insight on building objective based community business organisation	15	-do-
	Discussion & Feedback		10	Discussion
Relevant pages in Reading Material: Pages 32-66				

Session III

Key role and responsibilities of CEOs in management of FPOs

Objective: Role clarity & required skill set for CEOs

Duration: 90 Minutes

Session outline

S.No.	Session plan	Objective	Time minutes	Methodology
i	What are the key functions of a CEO?	CEO as an executive arm of the FPO -Relationship with BODs and members of FPO	20	Presentation
ii	Role & responsibilities to be assumed by CEO	Clarity on role & responsibility of a CEO	30	-do-
iii	Skill set required in performing the duties of CEO	Social mobilisation, trust building, inter-personal communication, negotiation, networking, convergence, action planning and execution	30	
	Discussion & Feedback		10	Discussion
Relevant pages in Reading Material: Pages 67-83				

Session IV

Management and Governance aspects in FPO – Differentiated role of BODs & CEO

Objective: Imbibing professional, ethical and legally compliant approach in management of FPOs

Duration: 90 Minutes

Session outline

S.No.	Session plan	Objective	Time minutes	Methodology
i	Pillars of Corporate Governance	Describing the basic aspects of governance and management of FPOs – Democratic functioning, collective decision making, developing system & procedures, transparency, confidentiality, accountability etc.	30	Presentation
ii	Improving shareholders value	Adopting efficient business strategy – Diversification and risk management	20	-do-
iii	Membership and equity capital	Describing the importance of increasing membership and equity contribution for strengthening FPOs	20	
iv	Role and rights of members or shareholders	Understanding the role, rights & responsibilities of a member of FPO	10	
	Discussion & Feedback		10	Discussion
Relevant pages in Reading Material: Pages 84-104				

Session V

Importance & type of record maintenance, book-keeping, Management Information System & internal assessment tools for FPOs

Objective: Describe the specific aspects of management and governance where CEO is expected to deliver

Duration: 90 Minutes

Session outline

S.No.	Session plan	Objective	Time minutes	Methodology
i	Transparent book-keeping and record maintenance	Information on books of accounts/ registers to be maintained by FPO	20	Presentation
ii	Grading/Rating of FPOs	Describing the key parameters for qualitative assessment of FPOs for improving credit worthiness of FPOs	30	
iii	Why monitoring?	Sound monitoring and co-ordination mechanism for a FPO; continuous measurement and improvement in FPOs	20	-do-
iv	Designing Management Information System (MIS)	Developing a robust MIS system for the FPO preferably on an IT platform	10	
	Discussion and Feedback		10	Discussion
Relevant pages in Reading Material: Pages 105-120				

Session VI

Statutory and regulatory compliances as per the legal forms of FPO

Objective: Defining the compliance requirements of an FPO under Companies Act or Cooperative Act

Duration: 90 Minutes

Session outline

S.No.	Session plan	Objective	Time minutes	Methodology
i	Definition of a FPO & FPC	Features of FPO & FPC – Operating environment	20	Presentation
ii	Registration modalities of FPO & FPC	Step by step guide for registration of FPOs/ FPCs under relevant Acts, MoA, AoA and Bye laws	30	-do-
iii	Statutory and regulatory compliances	Define the various timelines for compliances and its implications for FPOs	30	
	Discussion and Feedback		10	Discussion
Relevant pages in Reading Material: Pages 121-135				

Session VII&VIII

Exposure visit to a successful FPO

Objective: Exposure visit to a successful FPO / Online experience sharing by FPO / Audio- Visual display of a successful FPO

Duration: 180 Minutes

Session outline

S. No.	Session plan	Objective	Time minutes	Methodology
i	Experience sharing by members of a successful FPO	Acquaint the participants with successfully working FPOs to see for themselves the operations of a FPO. Showcasing the following aspects: • Members participation in the decision making and business operations of FPO • Book keeping and record maintenance leading to transparency and accountability • Business orientation of the FPO with an eye for making profit • Efforts being undertaken by FPO towards diversification of activities, member benefit orientation and risk mitigation strategies • Compliance to regulatory and statutory requirements for showcasing a formal and strong institutional mechanism • The effective role being played by the CEO and Board of Directors • Convergence with other development schemes	150	Interactive session
	Discussion & Feedback		30	Discussion
Relevant pages in Reading Material: Pages 136				

Session IX

Conceiving & drafting a business plan

Objective: Highlighting the importance of a business plan and delineating the constituents of a model business plan

Duration: 90 Minutes

Session outline

S.No.	Session plan	Objective	Time Minutes	Methodology
i	Business Plan - Rationale and steps involved	Understanding why a business plan is required and the logical steps involved in firming up a business plan	25	Presentation
ii	Aspects to be seen while finalising a business	Delineating aspects like technical feasibility, commercial viability, financial viability, bankability, risk analysis & risk mitigation strategy	20	-do-
iii	Operational aspects of business Plan	Developing production, marketing & financial plans, approvals, licenses & certification, manpower planning, technology management, etc.	15	
vi	Examples of different business models adopted by FPOs	Using case studies for show casing some successful FPOs business models	20	
	Discussion & Feedback		10	Discussion
	Relevant pages in Reading Material: Pages 137-146			

Session
X

Understanding the value chain concept – Assessment of business opportunity for a FPO

Objective: Illustrating the business opportunities for FPOs under input-output business and through participation in value chains with an objective of enhancing farmers' share in consumer price

Duration: 90 Minutes

Session outline

S.No.	Session plan	Objective	Time minutes	Methodology
i	Understanding Agriculture Value Chain concept	Defining the concept, elements and functioning of the agri-value chains	20	Presentation
ii	Market Map	Describing the agri market structure, value chain actors, market practices, perceived inefficiencies, and possible role and opportunities for a FPO	20	
iii	Various business models for FPO	Collective Input procurement, technology & mechanisation, collective marketing of produce, collective processing, marketing & exports	20	-do-
iv	Business diversification & growth strategies for FPOs	SWOT Analysis of available business opportunities, ranking, selection & operationalization of appropriate business activities	20	
	Discussion & Feedback		10	Discussion
Relevant pages in Reading Material: Pages 147-151				

Session XI

Business segment, product planning and marketing – Demand and competition analysis, product mix planning, pricing, marketing strategy and business innovation

Objective: To understand scope for competitive advantage and strategic positioning of a FPO

Duration: 90 Minutes

Session outline

S.No.	Session plan	Objective	Time minutes	Methodology
i	Enabling policy	Knowledge on agriculture marketing policy along with recent agriculture marketing reforms	20	Presentation
ii	Strategic positioning – Securing competitive advantages	How to gain competitive advantages – Price advantage, differentiation advantage and niche market advantage	20	-do-
iii	Market analysis	Customer segmentation – estimation of demand & supply – present players – competition level – alternate marketing channels	20	
iv	Developing a marketing strategy	Working out a marketing strategy – Product, price, place and promotion	20	
	Discussion & Feedback		10	Discussion
Relevant pages in Reading Material: Pages 152-159				

Session XII

Financial management in FPOs

Objective: Describing the process of financial planning

Duration: 90 Minutes

Session outline

S.No.	Session plan	Objective	Time Minutes	Methodology
i	Basic financial concept	Familiarity with basic financial concepts viz. capital budgeting, working capital, term loans, cash flows, fund flows, income – expenditure statement, balance sheet, breakeven analysis etc.	20	Presentation
ii	Working capital concept & term loan assessment	Items of investment and assessment of term loan, working capital cycle and methods for assessing working capital requirement - Important information required and general terms & conditions for bank finance	20	-do-
iii	Sources of funds	Providing information on equity, equity grant, bank loan, credit linked subsidy schemes and credit guarantee scheme	20	
iv	Convergence with ongoing developmental schemes/ programs	Delineating schemes with convergence potential and the process of preparation of networking & convergence plans	20	
	Discussion & Feedback		10	Discussion
Relevant pages in Reading Material: Pages 160-172				

Bankers Institute of Rural Development (BIRD), Lucknow is an autonomous institute promoted by National Bank for Agriculture and Rural Development, the Development Bank of the country. It is a premier institute for providing training research and consultancy services in the field of agriculture and rural development banking in India and abroad. The Institute was established in 1983, for addressing the capacity building needs of stakeholders. BIRD, Lucknow is an ISO 9001: 2015 certified training Institute.

Clients

All Banks, Government agencies, MFIs, NBFCs, Financial Sector, NGOS and Civil Societies.

Coverage (Training, Consultancy, Research)

Project Lending-Agriculture and MSME, Climate Finance, Rural Banking, Farmer Producer Organization, Micro Finance, Human Resource, Financial Inclusion, Training of Trainers, Executive Development, Management Development Programme, IT based Banking, Green Finance, Responsible CSR, Group approach to Development, Women Empowerment, Organizational Development, Investment & Treasury Management, Risk Management.

Faculty

Faculty are drawn from NABARD, banks and scholars of respective fields and have pan-India level field experience. The faculty have specialization in Banking Finance, Financial Inclusion, Agriculture & Allied sector, Fisheries, Forestry and Human Resources, etc.

Infrastructure

43 acre green campus has world class infrastructure in terms of class rooms, simulation and AV Rooms, Board Room, Conference Hall, Auditorium, Library, Gym, Air-conditioned Hostel Rooms, Local and International cuisine.