

APPLICATION FOR SUBMISSION OF EXPRESSION OF INTEREST TO TAKE UP CONSULTANCY SERVICES FOR FOMATION, STRENGTHENING AND BUSINESS PLAN DEVELOPMENT OF FARMER PRODUCER ORGANIZATIONS / COMPANIES IN ANDHRA PRADESH

S.No	Details	
1	Name & Address of the Agency	:
2	Details of Registration	:
2.I	Registration No. & Date of Registration	:
2.II	Registered under ACT/ Legal Entity	:
2.III	PAN / DIN No.	:
2.IV	TIN No.	:
2.V	ITRs of last 3 years and Balance sheets of last 3 years (to be enclosed)	:
3	EXPERIENCE	:
3.I	Relevant Experience in the same field (atleast min. 3 years as per eligibility) (document to be enclosed)	:
3.II	Experience in working with Government	:
3.III	Experience in working with Small and Marginal farmers especially in Horticulture / Agriculture sector	:
3.IV	Relevant experience in AP/ India - No. of Projects executed and implemented (project wise details to be enclosed)	:
3.V	Market linkage activities	:
4	Professional competency (For FPO promotion and development)	:
5	Area of operations at present	:
6	Details of Staff working - Professional and Non Professional (individual wise qualification and experience to be enclosed) pertaining to the FPO activity only not for the complete organization	:
7	Details of existing infrastructure facilities	:
8	Awards and rewards received	:
9	Black listed if any in the past	:
10	Area proposed for operation and No. of FPOs / FPCs if short listed (13 Districts of AP)	:
10.I	Entire district (Specify)	:
10.II	Revenue Division (Specify)	:
11	Details of application cost (DD details)	

Date:
person Place:
Seal/Stamp

Signature of the authorized
with

TERMS OF REFERENCE

Consultancy Services for formation, strengthening and business plan development of Farmer Producer Organizations (FPO's)/ Farmer Producer Companies (FPC's):

1. Introduction:-

Government of Andhra Pradesh has issued AP FPO policy 2016 wide G.O. Rt.No.398, dated: 02.06.2016 of Agri-Coop (Horti.&Seri.) in order to promote Agriculture as a viable business entity. The State Government as part of primary sector mission has formulated strategy for transforming Agriculture and allied activities into a viable business proposition with ultimate objective of increasing farmer's income. As part of strategy the State Government has decided to promote FPOs/FPCs for reduction in the cost of cultivation and increased income through collective procurements of inputs and produce aggregation for better marketing.

The overall objective will be to increase the contribution of the agri-business sector to the State's GDP substantially.

To intensify and diversify market led production, improve farmer access to markets by promoting alternative markets, etc. As part of the initiative it is also sought to facilitate preparation of techno-commercial feasible proposals for FPOs, agri-business entrepreneurs provide incubation services to entrepreneurs, organize investor meets and conferences as well as review business plans of Farmer Producer Organizations (FPO's)/ Farmer Producer Companies (FPC's).

The Summary Deliverables:-

- Facilitate Promotion establishment, strengthening and capacity building of _____ Farmer Producer Organizations (also referred to as Producer Companies) with capabilities for input facilitation (seeds, pesticides, fertilizers); as well as common facility centers.
- Facilitate higher production quality enhancement etc, through infusion of latest technology and innovative practices.
- Facilitate market linkages with processors, consumers and/or with large retailers and marketers
- Facilitate monitoring & handling of FPOs.
- Offer other capacity building services

The need for such an investment is apparent from the predominantly small and marginal size of the agricultural landholdings in the state. Apparently, the average size of land holdings is barely 3-4 acres per farmer in Andhra Pradesh. This makes it necessary for the consolidation and aggregation of produce for market connectivity and productivity enhancement.

2. Benefits to Producers/Farmers and Industry (Processors and Retailers)

In quantitative terms, the consultancy firm is expected to contribute towards increasing the net value accruals realized by producers/farmers by atleast between 50-100 per cent. Essentially, the benefits to related stakeholders may be viewed in terms of the following-

For Farmers

- Collective buying of Agri. inputs- seeds, fertilizers and pesticides at discounted price/rate
- Farm implement bank (custom hiring) at reduced costs.
- Joint seed production activity reducing seed procurement cost and ensuring uniform variety for volume marketing and quality seeds.
- Common infrastructure for primary/secondary processing at farm level e.g. gravity separator, cleaning/grading unit, pick-ups/trucks, farm implements and mechanization options, packaging equipment.
- Access to markets: Collective sales directly to processors, marketers.
- Leading to even doubling net farmers' income.

For Industry

- Convenient Aggregation of produce
- Costs savings on primary processing
- Savings in transportation and Mandi charges
- Traceability and sourcing information facilitating conformance and export marketing
- Sustainable and captive cultivation practices
- Market for input marketing (seeds, fertilizers, equipment etc.)

In addition, start-up's are expected to facilitate value addition to regional produce and increase employment generation potential and contribution of the agri-sector to the states GDP.

3.0 Interventions:-

Farmers in the State have been selling the agricultural produce in these markets. The real challenge lies in organising small and marginal farmers for marketing and linking them to high value agriculture. However, to enable the farmer to fetch better price for agricultural produce, it is necessary to improve the farmers' access to markets and develop alternate marketing channels. This could be achieved by: i) formation of farmers groups which will perform the activity of aggregation of their produce, ii) value addition to the produce, iii) warehouse receipts development, iv) selling of produce at the rural haats, and, v) providing e- marketing platforms for trade of agricultural produce. It is proposed to establish several Farmers Producers' Company by bringing farmers together in the form of voluntary groups of about 15 to 20 active farmers and federating 20 to 25 such groups into a Producer Company. These Producer Companies will be functioning on behalf of member farmers and will strive to undertake a range of activities which will result in added value accruals to farmers and value to farmers produce. The Producer Company will be located at the Mandal level and will have a legal status, owned and managed by a Board of Directors elected from among shareholders of the Producer Company. Generally, the farmers sell the agricultural produce immediately after harvest for want of storage facilities and to meet their financial needs. Due to the glut of the produce in the market after the harvest, typically a farmer may in some cases have to go in for distress sale. A Producer Company may serve as in input facilitator, custom hiring facilitator or direct market connector. A Producer company may also establish Common Facility Centres (CFC) for storage, primary processing and packaging and leverage advantages like savings in commission agents charges, market fees, other marketing expenses like hamali, and still be able to link with the value chain substantially reducing the transactional cost. The Producer Company with Common Facility Centre will in itself serve as a "private market". Such common facility may be established subject to availability of access to schemes at Central or State government level.

To form a producer company, producer groups will be mobilized (in some cases, this initiative may have already been completed by NGO's). It is envisaged that an elected committee of members of Producers Groups will form a management committee and oversee the performance of an incentivized manager/CEO. The manager will be trained in technical issues of post-harvest management, marketing and in operating a transparent accounting system.

The consultancy Firm will support the operation of the Producer Company, and accelerate the cross learning of best practices.

The consultancy Firm would be allowed to operate with a high degree of independence and flexibility so that they can use innovation and dynamism to develop a viable PC business plan. The consultancy Firm would exit the project in 36 months period. The activity over 3 years may be broadly categorised as i) Social mobilization and formation of PGs, ii) Nurturing and capacity building of PGs, iii) Formation of PCs or FPO's and establishment of CFCs where necessary and viable; and iv) provision of incubation services

The evaluation of success of the consultancy Firm by the end of 36 months period will be as under:

- (i) PCs operating without financial support by the end of 36 months.
- (ii) The PC operates with a reserve fund to cover short term cash flow deficit and with potential for reinvestment in various activities
- (iii) The PC has an effective governing structure.
- (iv) The PC has a transparent accounting system.
- (v) The PC can function as a working example for other farmer organizations to observe and learn from.
- (vi) Contribution towards increasing farmers/members incomes.

4.0 Policy and Management

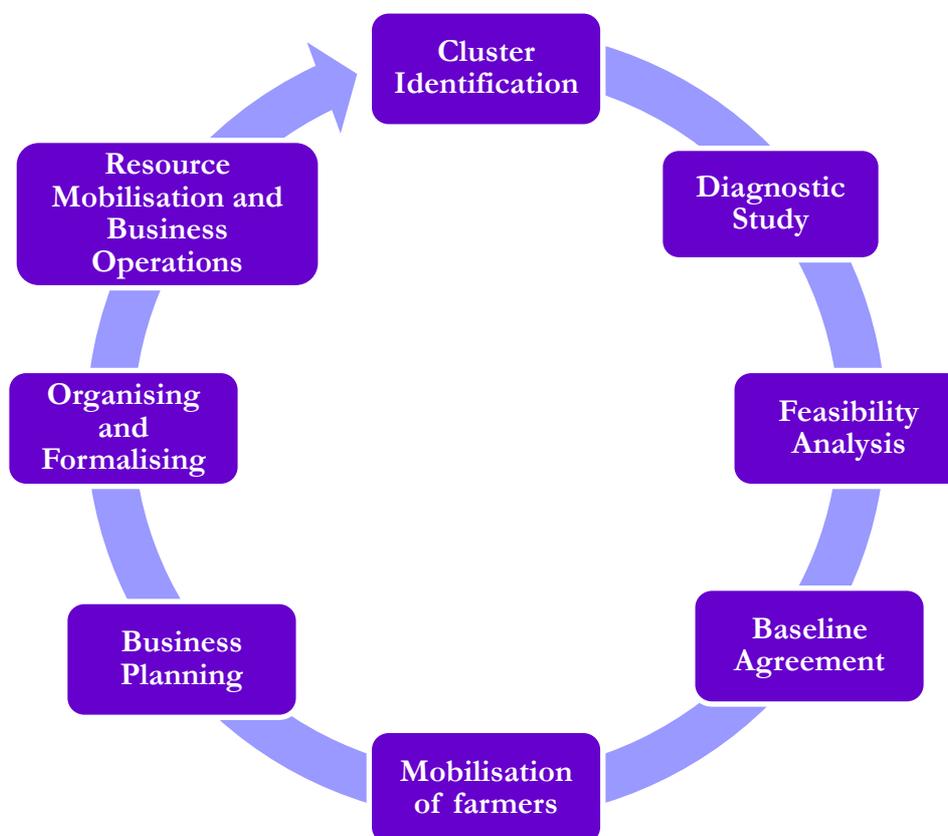
The policy of the formation of groups i.e. Producer Groups (PGs), Common Interest Groups (CIGs), Farmers Interest Group (FIGs) is already in vogue. A PC will function within the overall policy and regulatory framework as per the Producer Company Act. The management of a PC or FPO will vest with the elected Board from amongst the members. The provision about constitution of managing committee will be made in the byelaws. The management of PCs will be by an elected Board of Directors. Therefore, the representatives of farmers will actually oversee and manage the affairs of a Producer Company or FPO.

The selection criteria for the consultancy Firm:-

- i. The Firm should have a minimum of **2 years experience** in dealing with the activities of farmer organizations.
- ii. Firm should have registration as resource agency under SFAC/NABARD / Any other State Government / GOI / World Bank / With any Multi Lateral Agency for formation of FPO's/FPC's.
- iii. Firm should have experience in developing business plans and implementing abilities with required technical and managerial staff.
- iv. To provide audited balance sheets and income returns for the past three years. In case, if the applicant is a group of firms, then the details of the same of the main firm / agency should submit these details.**
- v. Firm should submit Bank guarantee for the amount equal to the 10% of the financial outlay proposed in the project not less than Rupees Ten Lakhs after short listing for participation.
- vi. A full pledged office and professional staff should be established in Andhra Pradesh after short listing.**
- vii. Suitable professional staff for the indicated activities with adequate field experience have to be positioned after short listing**
- viii. Submit a list of relevant projects, their size (both physical and financial) and location of implementation for the last three years.**

FPO Development Approach

The FPO development approach may be viewed as depicted below:



CLUSTER IDENTIFICATION – Under this activity, cluster areas are to be selected by the consultancy firms/agency/service provider in consultation with the respective State Government departments. However, it should be ensured that a cluster of 8,000-10,000 farmers should be formulated, within one or two mandals, identifying 80 to 120 contiguous villages of a particular district. In case of plain areas 300 - 500 farmers for each FPO and in case of tribal area a minimum of 250 farmers per FPO should be ensured.

DIAGNOSTIC STUDY – Diagnostic Study is to be conducted by The Consultancy Firm in the selected cluster area. The Diagnostic Study is conducted to assess the preliminary situation of the farmers and level of agriculture in the area. The study will also help in identifying the potential interventions required and understand the specific project implementation context.

FEASIBILITY ANALYSIS – Feasibility Analysis for the formation of FPO/FPCs should be carried out by the consultancy firm and then appraised by value chain/ industry. A normal feasibility study should cover aspects such as financial, technical, legal, political, socio-cultural, environmental, and economic and resource feasibility. The Feasibility Analysis will establish a case for promotion of PCs in the prevailing specific regional environmental context of the FPOs.¹

BUSINESS PLANNING – Business Planning will be carried out by The Consultancy Firm with the help of selected farmers' representatives. Business planning is a process through which the strategic and operational orientation of an emerging FPO is shaped. Inputs to understand the level from which products and services for farmers' members should be developed, more

important will be the collective visualisation of the future of the FPO. Using a variety of tools and systematic collective reflections, a business plan with proper projections on various aspects needs to be developed. The key is to develop business plans in detail with at least 10% of FPO farmer members to provide clear vision.

RESOURCE MOBILISATION – Before initiating the operations of an FPO, all required resources should be mobilised by the consultant with the help of FPO representatives and Board of Directors. Financial, human (staff), technical and physical resources should be developed during this particular step. Based on the business plan The Consultancy Firm should liaise with various financing agencies and mobilise resources for hiring/purchasing and developing various resources.

BUSINESS OPERATIONS – Business operations is the commencement of procurement, production, processing, marketing and other service activities of a FPO. The Consultancy Firm should carefully train both the governing and operational structures of the FPO in order to ensure smooth functioning of business operations. The entire value-chain related to various agriculture and allied products and commodities needs to be managed.

FPO DEVELOPMENT MODEL - The Consultancy Firm will ensure that FPO's will offer a variety of services to its members. This may cover almost all aspects of cultivation (from inputs, technical services to processing and marketing). The FPO's will facilitate linkages between farmers, processors, traders, and retailers to coordinate supply and demand and to access key business development services such as market information, input supplies, and transport services. Based on the emerging needs, the FPO's will keep on adding new services from time to time. The set of services include Business and other services.

An indicative list of services includes:

Input Supply Services: The FPO's will channel quality inputs to member farmers. It will supply fertilizers, pesticides, seeds, sprayers, pump sets, accessories, pipelines etc.

Procurement and Packaging Services: The FPO's will procure agriculture produce from its member farmers; will do the storage, value addition and packaging.

Marketing Services: The FPO's will undertake direct marketing after procurement of agricultural produce. This will enable members to save in terms of time, transaction costs, weight losses, distress sales, price fluctuations, transportation, quality maintenance etc.

Insurance Services: The FPO's will channel various insurance like Crop Insurance, Electric Motors Insurance and Life Insurance.

Technical Services: FPO's will promote best practices of farming, maintain marketing information system, diversifying and raising levels of knowledge and skills in agricultural production and post-harvest processing that adds value to products.

Networking Services: Making channels of information (e.g. about input sourcing, custom hiring of equipment and product specifications, market prices) and other business services accessible to producers; facilitating linkages with financial institutions, building linkages of producers, processors, traders and consumers, facilitating linkages with government programmes.

5.0. Detailed Scope

The detailed scope of the consultancy Firm Consultancy for this contract covering thirty six (36) Months period shall be as under:

Activity No. 1	Mobilization of Producers Groups/Commodity interest groups for formation of Producer Companies
Description of Activity	<ol style="list-style-type: none"> 1. To undertake baseline survey for identification of clusters 2. Preparation of Diagnostic Study report based on baseline survey 3. Formation of groups and register them under MACs/Producer Company Act. 4. Strengthening of groups identified and mobilization for formation of PC's 5. Identification of Board of Directors from the mobilized groups
Output / Deliverables	<ol style="list-style-type: none"> 1. Mobilization of farmers and formation of farmers groups. 2. Registration of groups <i>under _____ Act</i> 3. Identification of BoDs for establishing PCs. 4. <i>Business plan - products / services / finance / market / infrastructure</i>
Performance Indicators	<ol style="list-style-type: none"> 1. Groups mobilized and registered <i>under _____ Act</i> 2. <i>Groups mobilized number of share holders</i> 3. <i>Board of Directors identified</i> 4. <i>Business plan readiness</i> 5. <i>Clarity in fund mobilization</i> 6. <i>Agreement with different stake holders</i>
Activity No. 2	Training and capacity building of FPOs
Description of Activity	<ol style="list-style-type: none"> 1. Training need assessment of mobilized groups 2. Organise capacity building workshops, training for BoDs and key members of FIGs within the FPO/FPC.
Output / Deliverables	<ol style="list-style-type: none"> 1. Farmers sensitised on FPOs rules and Identification of business activities for each producer company. 2. <i>Panel of institutions for training specific fields identified and agreements made.</i> 3. <i>Number of farmers trained for good agricultural practices.</i> 4. <i>Number of farm women and youth trained for value addition.</i>
Performance Indicators	<ol style="list-style-type: none"> 1. Finalisation of business plan for producer company 2. <i>Number of trainings and visits conducted</i> 3. <i>Training modules prepared.</i>
Activity No. 3	Registration of FPOs
Description of Activity	<ol style="list-style-type: none"> 1. Mobilisation of funds for registration of PCs. 2. Registration of FPC's to RoC. 3. Training to BoDs on book keeping, records keeping, compliances of RoC, income tax norms and basic business management.
Output / Deliverables	Registration of _____ FPO's
Performance Indicators	Registration of _____ FPO's and BoDs sensitised on business management.
Activity No. 4	Preparation of Business Plans of Producer Companies for various activities; also establishment Common Facility Centre (CFC) where necessary and for input facilitation, custom hiring, direct marketing etc.
Description of Activity	<ol style="list-style-type: none"> 1. <i>Value chain analysis of specific commodities</i> 2. Preparation of Business Plans 3. Selection of technology 4. <i>Identifying areas of convergence with the government programmes and incentives and facilitating for the same.</i>

	<p>5. Structure Common Facility Center (CFC) funding assistance through Central or State Govt./banks.</p> <p>6. Mobilization of equity capital for business plan implementation</p> <p>7. Mobilization of other resources including bank credit where necessary</p> <p>8. Identification of land for creating common facility infrastructure and registration of land lease documents – where applicable.</p>
Output / Deliverables	<p>1. Preparation of Business plans for _____ FPO's (for input sourcing, common primary/secondary processing, common packaging, and common agri-marketing). Share capital mobilized for business plan implementation.</p> <p>2. Sustainable Business plan for short term and long term.</p>
Performance Indicators	<p>1. Business Plan Prepared.</p> <p>2. Infrastructure created</p> <p>3. Agreement with funding agency</p> <p>4. Initiation of aggregation of inputs purchase and outputs marketed</p>
Activity No. 5	Post-investment incubation services for Agri-business entrepreneurs
Description of Activity	<p>a. The Cconsultancy Firm shall support in terms of providing technical and management techno financial inputs to run the business successfully.</p> <p>b. In view of the above, The Cconsultancy Firm shall provide post-investment business advisory support to FPO's in terms of optimum sizing & capacity, setting of standards, staffing requirement; support development of a detailed quality product development & market development strategy; follow up with bankers and state government and GoI schemes; support to avail various licenses for the business; input sourcing and marketing related support.</p>
Output Deliverables /	Incubation of all FPO projects rolled out during the period.
Performance Indicators	<p>(a) Hand holding support to no. of business plans and FPO's.</p> <p>(b) No. of farmers impacted.</p> <p>(c) Improvement of outputs - scale / form / type, etc</p> <p>(d) Improvement in income and employment</p> <p>(e) Assets creation</p>
Activity No. 6	Management & Administration of The consultancy Firm
Description of Activity	The consultancy Firm Consultant's should have an office in Andhra Pradesh with minimum staff mentioned in table No.3
Expected Results	<p>(a) Scheduled reporting including timely submission of Annual, Quarterly work plan and budgets.</p> <p>(b) Monthly reporting in accordance to the specified formats including online data and information updation</p>
Output Deliverables /	Establish and operate in A.P with required staff

6.0 Profile of Required Personnel²

S. No.	Designation	Minimum Qualifications & Experience (The Consultancy Firm)	Minimum Qualifications & Experience (The Consultancy Firm Sub office)
1.	Agribusiness specialist and Team Leader (1 person per 25 FPOs)	Graduate with MBA / Post Graduate Diploma in Agri-Business Management (PGD-ABM)/ Agrl. Economist / Cooperative Management / MBA in Rural Management / Agri Business from a recognized University with experience in agri-business and value chain promotion. Or Graduate in Agriculture or related fields with MBA / PGD-ABM from a recognized University with a minimum experience in Agri-Business and value chain promotion.	-
2.	Agri- Technical Experts (1 person per 25 FPOs)	Post Graduate in Agriculture from a recognized University experience in pre-harvesting and post-harvesting techniques, value chain development	-
3.	Agri – Business Advisor and Coordinator (1 person per 25 FPOs)		Graduate with MBA / PGDABM from a recognized University having experience in agri-business, value chain promotion & business plan preparation. Experience in providing incubation for agribusiness sector.
4.	Agri-Business Plan preparation expert (BPE) cum agriculture marketing advisor (1 person per 25 FPOs)		Graduate with MBA / PGDABM from a recognized University with experience in agri-business and value chain promotion & business plan preparation. Experience in incubation for agribusiness sector would be desirable
5.	Jr. Agricultural Professional (3 to 5 persons per 25 FPOs)	Post Graduate in Economics / Agriculture or commerce from a recognized University with experience in providing incubation services for agribusiness	Post Graduate in economics or commerce from a recognized University with experience in Economic & financial analysis. Experience in providing incubation services for agribusiness
6.	Community Mobiliser's / Junior Mobilisers (10 persons per 25 FPOs)		Any Graduate preferably in commerce, social studies with experience of mobilising groups and forming FIGs/ CIGs

7.0 Roles & Responsibilities of Key Staff of The Consultancy Firm

(A) The Role & Responsibilities of the Agribusiness Specialist and Team Leader, shall also include:

- Identify new and potential important marketing / agribusiness models that are emerging in Andhra Pradesh, and if considered significant enough, (i.e. having potential for large scale replication) commissioning studies so that their effectiveness, impact and profitability is well understood by the broader agriculture and agri business and rural finance sector. Conduct participatory workshops and seminars for representatives of the public sector, private sector, and non-government organization (NGOs) to enhance their awareness and understanding of agribusiness concepts, needs and opportunities
- Perform a role as a point of contact and conduit for information and networking between the agribusiness and trading sector, and their associations and the project, the Government of Andhra Pradesh and The Consultancy Firm sub offices,
- Feed information on business opportunities into the communication network in the project, so that field staff are well informed, and can advise their clients and capture from field feedback on success/failure and modify messages and activities accordingly.
- Assess the factors influencing comparative and competitive advantage of selected commodities and recommend measures for enhancing competitiveness (Guide conduct of value chain and commodity profile studies).
- In consultation with private sector stakeholders, capture maximum potential of the Government's development strategies, policy and regulatory framework, and their conduciveness to agribusiness. Identify opportunities in the legal and policy framework to improve the enabling environment for agribusiness.
- Oversee The Consultancy Firm Activities and provide technical inputs for the following:
 - Dissemination of findings of various studies undertaken.
 - Information disseminated, via workshop, conferences and via web based information.
 - Serve as a repository of knowledge on markets, products and on the different financial institutions and their products.
 - Coordinate with technical agencies and financial agencies to facilitate handholding of PCs in a systematic and time responsive manner.

(B) The Role & Responsibilities of Agri- Technical Expert shall also include:

- Act as an advisor to the project on issues around pre-harvest and post-harvest technologies
- Play a role as a point of contact and conduit for information and networking between the agribusiness and trading sector, their associations, inputs, processors, exports etc and the project, so that policy and trading and farming needs can be better tuned with one another;
- Play a role as an interlocutor between the processing industry, exports, input suppliers retailers and, the project and the government.
- Sensitise FPOs about the various technologies in pre-harvest and post-harvest stages
- Sensitise FPOs about sustainability and traceability practices
- Provide or facilitate requisite agriculture and technical inputs for the project

(C) The Role & Responsibilities of Agri – Business Advisor and Coordinator, shall also include:

- Conduct participatory workshops and guide discussions to obtain feedback on legal, administrative, procedural, and other constraints, including technical to start-up and profitable operation of agribusiness enterprises.
- Based on the feedback, study the planning, registration, and operation of small and medium agribusiness enterprises to identify the primary inefficiencies, barriers to entry, factors inhibiting profitability, and other underlying problems.
- Work closely with all the district level authority working in their respective sub-office, providing information, advice, and acting as a two way conduit for information between field staff and the ABPF HQ and concerned government department.

- Act as a conduit for the exchange of information between the project, HQ and field staff, so that best practices and field lessons are exchanged.
- To have a network with the local agri-business community, their trade and professional associations so that business opportunities and marketing linkages can be fed into the project network.
- To organize, in conjunction with the local agri-business community, their trade and professional associations, a number of workshops and ensure that information provided is relevant and responds to needs of the local agribusiness and trading community.
- Also, to coordinate with field staff at the dist. level to prepare business plans and follow up as to get them sanctioned.
- To review business plans prepared for FPO's.
- To identify technical and financial inputs required by common facilities and enterprisers and to guide/rollout them accordingly.

(D) The Role & Responsibilities of Agriculture Business plan preparation expert and Agriculture expert marketing shall also include:

- To assist the Agri – Business Advisor and Coordinator, Sub Office, The Consultancy Firm to perform the duties assigned to Sub Offices. Also to coordinate at the dist. level to prepare and facilitate preparation of business proposals.
- Review past and present initiatives in marketing of various agricultural commodities and products in the State.
- Help conduct participatory workshops and seminars and guide discussions to obtain feedback on deficiencies in agricultural marketing systems that inhibit efficiency and profitability, including in transportation and post-harvest infrastructure, packaging, standardization and grading, quality assurance and meeting the requirements of buyers.
- Examine the existing systems for agricultural inputs including seeds, pesticides, fertilizers, and other inputs, and recommend strategies for improving availability.

(E) The Role & Responsibilities of Junior Agricultural Professionals shall also include:

- HQ Level: To assist the Agri – business and Marketing Specialist, HQ, The Consultancy Firm to perform duties assigned.
- Dist Level: To assist the Agri – Business Advisor and Coordinator, Sub Office, ABPF to perform duties assigned to the Sub Office.
- The field level staff - Junior Agricultural Professional will carry out research and information gathering for team.

(F) The Role & Responsibilities of community mobilisers / junior mobilisers shall also include:

- Mobilise farmers in FIGs and CIGs into a PC.
- Organize stakeholder meetings and workshops.
- Assisting in mobilisation of share capital.
- Coordinate various capacity building workshops.
- Assist in collecting all documents for Registration of PAs as Producer Company (PC) under the Companies Act.
- Assisting & facilitating PA (PCs) in overall management.
- Assisting PCs for identification of required land for common facility activities.

8.0 Proposed Activity, Deliverables, Timeline

The fundamental deliverable will be in terms of establishment and operational of 300 sustainable FPO's with minimum 50-100 percent increase in income of farmers. Also, 300 start-ups will be established on self/bank financed basis with average investment of Rs. 20 lakh each.

Table 1: Activity, Deliverables, Time line for FPO mobilisation

- *The time period prescribed should be mutually inclusive*
- *Incubation and hand holding is necessary till the FPO sustains on its own. This may be upto 36 months from operationalization of business plans*

S.No	Activity	Deliverables	Time period (Month)
1.	Community Mobilization	Diagnostic study, cluster finalisation, baseline survey, value chain study, formation of groups	3
2.	Trainings and capacity buildings of FPOs/farmer groups	Training needs identification, develop training modules; conduct basic training workshops; exposure visits	3
3.	Registration of FPOs and Training of BOD's on roles, responsibilities, management	Registration of Companies/ FPOs with the Registrar of Companies (ROC); capital mobilization	6
4.	Preparation of Business Plans	Business plan preparation for different incubation services), acquiring land, mobilising equity capital (and leveraging assistance under the MoFPI scheme for clusters where required and feasible)	6
5.	Initiate incubation/handholding services and support for business plan implementation: 5.1 Input facilitation (seeds, pesticides and fertilizers) 5.2 Custom hiring (of farm implements, tractors, harvesters and etc.) 5.3 Common facilities (for storage, primary/secondary processing, packaging etc. 5.4 Market connectivity 5.5 Seed production	Channelling links with seed, pesticide and fertilizer manufacturers; establishing tie-up with farm implement and equipment suppliers, etc; twinning central government schemes to establish common facility centres where required and feasible; facilitation direct market linkages	6
6.	Incubation/handholding services for sustainability	Continue support and monitoring in terms of incubation activities; capacity building of BODs and FPO Management for sustainability.	12
		Total	36

Table 2: Summary of FPO related capacity building activity

Particulars	No.s	Cost	Year 1	Year 2	Year 3	Remarks
Organizational Development and Capacity Building						
Capacity Building Workshops and Seminars						TO be deleted this table is for finance bid
Exposure Visits for Lead Farmers / BoDs for 25 people						
Training Material, Manual and Capacity building Kits						
Local Resource Personnel / Community Resource Person (for 12 months)						
Sub total- A						
FPO Incorporation and Management						
FPO registration cost (for 5 BoDs per FPO)- Onetime fee						
Salary for CEO and support staff for 2.5 years						
FPO office rent for 1 year						
Subtotal- B						
Total Cost for promoting one FPO (A+B)						

Table 3: Number of Required Personnel³

S. No.	Designation	Consultancy Firm	
		No. of Posts	No. of Posts
1.	Agri – Business Specialist and Team Leader	1	1 person per 25 FPOs
2.	Agri- Technical Experts	1	1 person per 25 FPOs
3.	Agri – Business Advisor and Coordinator	1	1 person per 25 FPOs
4.	Agri-Business Plan preparation expert (BPE) cum agriculture marketing advisor	1	1 person per 25 FPOs
5.	Jr. Agricultural Professional (01 for HO and 06 for SO's)	3 to 5	3 to 5 per 25 FPOs
6.	Community Mobiliser's / Junior Mobilisers	10 Nos.	10 person per 25 FPOs

9.0 Budget (Per FPO to be submitted)

Table 4: Remuneration and Other/Reimbursable Expenses

A. Remuneration to Core Staff of Consultancy Firm							
Sr.	Key Position	Place	Man-month per year	Cost Per Month	Year 1	Year 2	Year 3
1	Team Leader	1No as per convenience of work					
2	Agri Technical Experts	1No as per convenience of work					
3	Agri Business Advisor Coordinator	1No as per convenience of work					
4	AgriBusiness Plan Preparation Expert	1No as per convenience of work					
10	Junior Agri Professional	(3 to 5)					
14	Community Mobilisers / Junior Mobilisers	10 Nos					
B. Subject Matter Experts - Remuneration							
Sr.	Key Position	No.s	Man Months	Cost	Year 1	Year 2	Year 3
1	Senior Subject Matter Expert						
Sub Total B							
C. Reimbursable Expenses/Other expenses							
Sr. No.	Particulars	Description	No.s	Cost	Year 1	Year 2	Year 3
1	Cost of Mobilisation farmers into FIGs / CIGS through NGOs / LI in ____ FPOs	Total 6000-8000 FIGs to be mobilised into 300 FPOs / Cost Per FPO					
2	Office Rent and support staff	4 offices and support staff					
3	Travelling and Local Conveyance	taxi, local , train etc					
4	Lodging and Boarding						
Sub Total C							
Grand Total (A+ B + C)							

The average projected expenses per year will be paid to the consultant on equated two monthly basis on submission of prescribed progress reports. In case of any issue on delivery, the project may be cancelled by GoAP with 3 months' notice.

10.0 Criteria for evaluation.

Minimum Eligibility Criteria: The applicant shall need to fulfil following minimum eligibility criteria

- a. The applicant should be a Company/Firm/LLP/NGO& Trust registered in India.
- b. Consortium is allowed.
- c. The applicant should have extensive experience of at least **2 years** in the State/Central Govt related to agribusiness/Food processing.
- d. The bidder should have a minimum Annual Turnover of 30% of the proposed project cost during each of the last three proceeding financial years (supported by duly audited balance sheet).
- e. The applicant should not be barred by any central Government Department/Agency. State Government department/Agency at the time of submission of application.

Criteria for Technical Evaluation: only bidders meeting the above minimum eligibility shall be considered for technical evaluation. The selection of consultant shall be based on the following technical criteria.

S.No	Evaluation Partner	Remarks	Max Marks
1	Experience of assisting central ministries in implementation of their schemes in agri/food processing infrastructure development (including farm level infrastructure)	Maximum 2 marks per project under respective scheme up to maximum 10 marks.	10
2	Experience of implementing projects in the state of AP related to Agri / Food / Production / Processing Infrastructure (including farm level infrastructure) / Marketing	2 marks per project up to maximum of 10 marks duly these projects thus has been accorded approval	10
3	Experience in preparation of techno commercial feasible business plans for agri business.	Between 10 to 50 business plans sanctioned – 10 marks. Between 51to100 business plans sanctioned – 15 marks. More than 100 business plans sanctioned – 20 marks.	20
4	Experience of including farmer organizations (facilitation of custom hiring, market, linkages, business plan preparation, credit linkages, training of BODs and technology)	Incubation of 10 to 50 FPOs- 10 marks. Incubation of 51 to 100 FPOs – 15 marks. Incubation of more than 100 FPOs – 15 marks.	20
5	Experience of capacity buildings of support institution through training, publications, conference, workshops and seminars on FPO related business plan preparation & implementation, Incubation services, conference / workshop / market linkages		15
6	Experience of working on the projects funded by Central/State/donor agency for promotion of “Farmer producer organization” (FPO) and enterprise starts-ups with minimum duration of 12 months and professional fees of Rs. 5 Cr. Note: ongoing and completed projects would be	Professional fee from relevant projects of more than 1 cr – 10 marks. Professional fee from relevant projects of more than 3cr – 15 marks. Professional fee from relevant projects of more than 5cr – 20	20

	included.	marks.	
7	Experience of preparation of vision documents related to agri/food procession for state/Central Government.		5
	Total	100	100

Minimum qualifying marks for technical eligibility will be 60.

Evaluation process: The agency shall be selected through a competitive bidding process on QCBS pattern. A three stage selection process will be adopted in evaluating the proposals. In the first stage, pre-qualification shall be assessed based on criteria. In the second stage, a technical evaluation will be carried out. In the second stage, a financial evaluation will be carried out. Proposals will be ranked according to their combined technical and financial scores. The first ranked Institution / agency shall be selected while the second ranked Institution will be kept in reserve.

- i. Evaluation of Technical proposal: Technical proposal will be evaluated on the basis of parameters given with 80% weight-age to a technical proposal and 20% to financial proposal. Only those applicants whose technical proposals score 60 marks or more out of 100 marks shall qualify for further consideration.
- ii. Evaluation of financial proposal: Financial evaluation will be carried out and each financial proposal will be assigned a financial score (SF). For financial evaluation, the total cost excluding service tax given in the financial proposal will be considered. The Evaluation Committee will determine whether the financial proposals are complete, unqualified and unconditional. The cost indicated in the financial proposal shall be deemed as final and reflecting the total cost of services. Omissions, if any, in costing any item shall not entitle the Team to be compensated and the liability to fulfil its obligations as per the TOR within the total quoted price shall be that of the consultant. The lowest financial proposal (FM) will be given a financial score (SF) of 100 points. The financial scores of other proposals will be computed as follows.

$$SF \times = 100 \times FM / F \text{ (F = amount of financial proposal)}$$

Combined Technical & Financial Evaluation: Proposals will finally be ranked according to their combined technical (ST x) and financial (SF x) scores as follows:

$$S = ST \times Tw + SF \times Fw$$

Where S is combined score, and Tw and Fw are weights assigned to Technical proposal and financial

Contract Agreement

Proposed contract agreement to be obtained from the agencies after short listing for participation in development of FPOs / FTC in the State.

1. Introduction:-

Government of Andhra Pradesh has issued AP FPO policy 2016 wide G.O. Rt.No.398, dated: 02-06-2016 of Agri & Coop (Horti. &Seri.) in order to promote Agriculture as a viable business entity. The State Government as part of primary sector mission has formulated strategy for transforming Agriculture and allied activities into a viable business proposition with ultimate objective of increasing farmer's income. As part of strategy the State Government has decided to promote FPOs/FPCs for reduction in the cost of cultivation and increased income through collective procurements of inputs and produce aggregation for better marketing.

The overall objective will be to increase the contribution of the agri-business sector to the State's GDP substantially.

To intensify and diversify market led production, improve farmer access to markets by promoting alternative markets, etc. As part of the initiative it is also sought to facilitate preparation of techno-commercial feasible proposals for FPOs, agri-business entrepreneurs provide incubation services to entrepreneurs, organize investor meets and conferences as well as review business plans of Farmer Producer Organizations (FPO's)/ Farmer Producer Companies (FPC's).

The Summary Deliverables:-

- Facilitate Promotion establishment, strengthening and capacity building of _____ Farmer Producer Organizations (also referred to as Producer Companies) with capabilities for input facilitation (seeds, pesticides, fertilizers); as well as common facility centers.
- Facilitate higher production quality enhancement etc, through infusion of latest technology and innovative practices.
- Facilitate market linkages with processors, consumers and/or with large retailers and marketers
- Facilitate monitoring & handling of FPOs.
- Offer other capacity building services

The need for such an investment is apparent from the predominantly small and marginal size of the agricultural landholdings in the state. Apparently, the average size of land holdings is

barely 3-4 acres per farmer in Andhra Pradesh. This makes it necessary for the consolidation and aggregation of produce for market connectivity and productivity enhancement.

2. Benefits to Producers/Farmers and Industry (Processors and Retailers)

In quantitative terms, the consultancy firm is expected to contribute towards increasing the net value accruals realized by producers/farmers by atleast between 50-100 per cent. Essentially, the benefits to related stakeholders may be viewed in terms of the following-

For Farmers

- Collective buying of Agri. inputs- seeds, fertilizers and pesticides at discounted price/rate
- Farm implement bank (custom hiring) at reduced costs.
- Joint seed production activity reducing seed procurement cost and ensuring uniform variety for volume marketing and quality seeds.
- Common infrastructure for primary/secondary processing at farm level e.g. gravity separator, cleaning/grading unit, pick-ups/trucks, farm implements and mechanization options, packaging equipment.
- Access to markets: Collective sales directly to processors, marketers.
- Leading to even doubling net farmers' income.

For Industry

- Convenient Aggregation of produce
- Costs savings on primary processing
- Savings in transportation and Mandi charges
- Traceability and sourcing information facilitating conformance and export marketing
- Sustainable and captive cultivation practices
- Market for input marketing (seeds, fertilizers, equipment etc.)

In addition, start-up's are expected to facilitate value addition to regional produce and increase employment generation potential and contribution of the agri-sector to the states GDP.

a. Interventions:-

Farmers in the State have been selling the agricultural produce in these markets. The real challenge lies in organising small and marginal farmers for marketing and linking them to high

value agriculture. However, to enable the farmer to fetch better price for agricultural produce, it is necessary to improve the farmers' access to markets and develop alternate marketing channels. This could be achieved by: i) formation of farmers groups which will perform the activity of aggregation of their produce, ii) value addition to the produce, iii) warehouse receipts development, iv) selling of produce at the rural haats, and, v) providing e- marketing platforms for trade of agricultural produce. It is proposed to establish several Farmers Producers' Company by bringing farmers together in the form of voluntary groups of about 15 to 20 active farmers and federating 20 to 25 such groups into a Producer Company. These Producer Companies will be functioning on behalf of member farmers and will strive to undertake a range of activities which will result in added value accruals to farmers and value to farmers produce. The Producer Company will be located at the Mandal level and will have a legal status, owned and managed by a Board of Directors elected from among shareholders of the Producer Company. Generally, the farmers sell the agricultural produce immediately after harvest for want of storage facilities and to meet their financial needs. Due to the glut of the produce in the market after the harvest, typically a farmer may in some cases have to go in for distress sale. A Producer Company may serve as an input facilitator, custom hiring facilitator or direct market connector. A Producer company may also establish Common Facility Centres (CFC) for storage, primary processing and packaging and leverage advantages like savings in commission agents charges, market fees, other marketing expenses like hamali, and still be able to link with the value chain substantially reducing the transactional cost. The Producer Company with Common Facility Centre will in itself serve as a "private market". Such common facility may be established subject to availability of access to schemes at Central or State government level.

To form a producer company, producer groups will be mobilized (in some cases, this initiative may have already been completed by NGO's). It is envisaged that an elected committee of members of Producers Groups will form a management committee and oversee the performance of an incentivized manager/CEO. The manager will be trained in technical issues of post-harvest management, marketing and in operating a transparent accounting system.

The consultancy Firm will support the operation of the Producer Company, and accelerate the cross learning of best practices.

The consultancy Firm would be allowed to operate with a high degree of independence and flexibility so that they can use innovation and dynamism to develop a viable PC business plan. The consultancy Firm would exit the project in 36 months period. The activity over 3 years may be broadly categorised as i) Social mobilization and formation of PGs, ii) Nurturing and capacity building of PGs, iii) Formation of PCs or FPO's and establishment of CFCs where necessary and viable; and iv) provision of incubation services

The evaluation of success of the consultancy Firm by the end of 36 months period will be as under:

- (i) PCs operating without financial support by the end of 36 months.
- (ii) The PC operates with a reserve fund to cover short term cash flow deficit and with potential for reinvestment in various activities
- (iii) The PC has an effective governing structure.
- (iv) The PC has a transparent accounting system.
- (v) The PC can function as a working example for other farmer organizations to observe and learn from.
- (vi) Contribution towards increasing farmers/members incomes.

4.0 Policy and Management

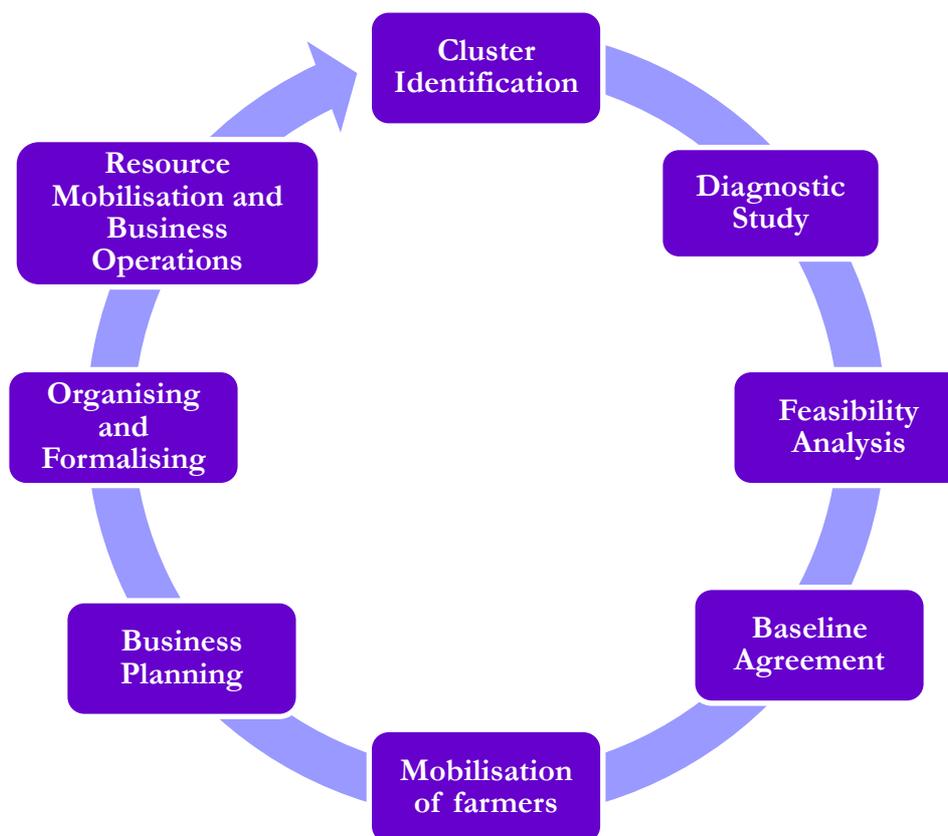
The policy of the formation of groups i.e. Producer Groups (PGs), Common Interest Groups (CIGs), Farmers Interest Group (FIGs) is already in vogue. A PC will function within the overall policy and regulatory framework as per the Producer Company Act. The management of a PC or FPO will vest with the elected Board from amongst the members. The provision about constitution of managing committee will be made in the byelaws. The management of PCs will be by an elected Board of Directors. Therefore, the representatives of farmers will actually oversee and manage the affairs of a Producer Company or FPO.

The selection criteria for The consultancy Firm:-

- i. The Firm should have a minimum of **2 years experience** in dealing with the activities of farmer organizations.
- ii. Firm should have registration as resource agency under SFAC/NABARD / Any other State Government / GOI / World Bank / With any Multi Lateral Agency for formation of FPO's/FPC's.
- iii. Firm should have experience in developing business plans and implementing abilities with required technical and managerial staff.
- iv. To provide audited balance sheets and income returns for the past three years. In case, if the applicant is a group of firms, then the details of the same of the main firm / agency should submit these details.
- v. Firm should submit Bank guarantee for the amount equal to the 10% financial outlay proposed in the project not less than Rupees Ten Lakhs after short listing for participation.
- vi. **A full pledged office and professional staff should be established in Andhra Pradesh after short listing.**
- vii. **Suitable professional staff for the indicated activities with adequate field experience have to be positioned in the State after short listing.**
- viii. **Submit a list of relevant projects, their size (both physical and financial) and location of implementation for the last three years.**

FPO Development Approach

The FPO development approach may be viewed as depicted below:



CLUSTER IDENTIFICATION – Under this activity, cluster areas are to be selected by the consultancy firms/agency/service provider in consultation with the respective State Government departments. However, it should be ensured that a cluster of 8,000-10,000 farmers should be formulated, within one or two mandals, identifying 80 to 120 contiguous villages of a particular district. In case of plain areas 300 - 500 farmers for each FPO and in case of tribal area a minimum of 250 farmers per FPO should be ensured.

DIAGNOSTIC STUDY – Diagnostic Study is to be conducted by The Consultancy Firm in the selected cluster area. The Diagnostic Study is conducted to assess the preliminary situation of the farmers and level of agriculture in the area. The study will also help in identifying the potential interventions required and understand the specific project implementation context.

FEASIBILITY ANALYSIS – Feasibility Analysis for the formation of FPO/FPCs should be carried out by the consultancy firm and then appraised by value chain/ industry. A normal feasibility study should cover aspects such as financial, technical, legal, political, socio-cultural, environmental, and economic and resource feasibility. The Feasibility Analysis will establish a

case for promotion of PCs in the prevailing specific regional environmental context of the FPOs.⁴

BUSINESS PLANNING – Business Planning will be carried out by The Consultancy Firm with the help of selected farmers’ representatives. Business planning is a process through which the strategic and operational orientation of an emerging FPO is shaped. Inputs to understand the level from which products and services for farmers’ members should be developed, more important will be the collective visualisation of the future of the FPO. Using a variety of tools and systematic collective reflections, a business plan with proper projections on various aspects needs to be developed. The key is to develop business plans in detail with at least 10% of FPO farmer members to provide clear vision.

RESOURCE MOBILISATION – Before initiating the operations of an FPO, all required resources should be mobilised by the consultant with the help of FPO representatives and Board of Directors. Financial, human (staff), technical and physical resources should be developed during this particular step. Based on the business plan The Consultancy Firm should liaise with various financing agencies and mobilise resources for hiring/purchasing and developing various resources.

BUSINESS OPERATIONS – Business operations is the commencement of procurement, production, processing, marketing and other service activities of a FPO. The Consultancy Firm should carefully train both the governing and operational structures of the FPO in order to ensure smooth functioning of business operations. The entire value-chain related to various agriculture and allied products and commodities needs to be managed.

FPO DEVELOPMENT MODEL - The Consultancy Firm will ensure that FPO’s will offer a variety of services to its members. This may cover almost all aspects of cultivation (from inputs, technical services to processing and marketing). The FPO’s will facilitate linkages between farmers, processors, traders, and retailers to coordinate supply and demand and to access key business development services such as market information, input supplies, and transport services. Based on the emerging needs, the FPO’s will keep on adding new services from time to time. The set of services include Business and other services.

An indicative list of services includes:

Input Supply Services: The FPO’s will channel quality inputs to member farmers. It will supply fertilizers, pesticides, seeds, sprayers, pump sets, accessories, pipelines etc.

Procurement and Packaging Services: The FPO's will procure agriculture produce from its member farmers; will do the storage, value addition and packaging.

Marketing Services: The FPO's will undertake direct marketing after procurement of agricultural produce. This will enable members to save in terms of time, transaction costs, weighment losses, distress sales, price fluctuations, transportation, quality maintenance etc.

Insurance Services: The FPO's will channel various insurance like Crop Insurance, Electric Motors Insurance and Life Insurance.

Technical Services: FPO's will promote best practices of farming, maintain marketing information system, diversifying and raising levels of knowledge and skills in agricultural production and post-harvest processing that adds value to products.

Networking Services: Making channels of information (e.g. about input sourcing, custom hiring of equipment and product specifications, market prices) and other business services accessible to producers; facilitating linkages with financial institutions, building linkages of producers, processors, traders and consumers, facilitating linkages with government programmes.

5.0. Detailed Scope

The detailed scope of the consultancy Firm Consultancy for this contract covering thirty six (36) Months period shall be as under:

Activity No. 1	Mobilization of Producers Groups/Commodity interest groups for formation of Producer Companies
Description of Activity	<ol style="list-style-type: none"> 1. To undertake baseline survey for identification of clusters 2. Preparation of Diagnostic Study report based on baseline survey 3. Formation of groups and register them under MACs/Producer Company Act. 4. Strengthening of groups identified and mobilization for formation of PC's 5. Identification of Board of Directors from the mobilized groups
Output / Deliverables	<ol style="list-style-type: none"> 1. Mobilization of farmers and formation of farmers groups. 2. Registration of groups <i>under _____ Act</i> 3. Identification of BoDs for establishing PCs. 4. <i>Business plan - products / services / finance / market / infrastructure</i>
Performance Indicators	<ol style="list-style-type: none"> 1. Groups mobilized and registered <i>under _____ Act</i> 2. <i>Groups mobilized number of share holders</i> 3. <i>Board of Directors identified</i> 4. <i>Business plan readiness</i> 5. <i>Clarity in fund mobilization</i> 6. <i>Agreement with different stake holders</i>
Activity No. 2	Training and capacity building of FPOs
Description of Activity	<ol style="list-style-type: none"> 1. Training need assessment of mobilized groups 2. Organise capacity building workshops, training for BoDs and key members of FIGs within the FPO/FPC.
Output / Deliverables	<ol style="list-style-type: none"> 1. Farmers sensitised on FPOs rules and Identification of business activities for each producer company. 2. <i>Panel of institutions for training specific fields identified and agreements made.</i> 3. <i>Number of farmers trained for good agricultural practices.</i> 4. <i>Number of farm women and youth trained for value addition.</i>
Performance Indicators	<ol style="list-style-type: none"> 1. Finalisation of business plan for producer company 2. <i>Number of trainings and visits conducted</i> 3. <i>Training modules prepared.</i>
Activity No. 3	Registration of FPOs
Description of Activity	<ol style="list-style-type: none"> 1. Mobilisation of funds for registration of PCs. 2. Registration of FPC's to RoC. 3. Training to BoDs on book keeping, records keeping, compliances of RoC, income tax norms and basic business management.
Output / Deliverables	Registration of _____ FPO's
Performance Indicators	Registration of _____ FPO's and BoDs sensitised on business management.
Activity No. 4	Preparation of Business Plans of Producer Companies for various activities; also establishment Common Facility Centre (CFC) where necessary and for input facilitation, custom hiring, direct marketing etc.
Description of Activity	<ol style="list-style-type: none"> 1. <i>Value chain analysis of specific commodities</i> 2. Preparation of Business Plans 3. Selection of technology 4. <i>Identifying areas of convergence with the government programmes and incentives and facilitating for the same.</i> 5. Structure Common Facility Center (CFC) funding assistance through Central or State Govt./banks.

	6. Mobilization of equity capital for business plan implementation 7. <i>Mobilization of other resources including bank credit where necessary</i> 8. Identification of land for creating common facility infrastructure and registration of land lease documents – where applicable.
Output / Deliverables	1. Preparation of Business plans for _____ FPO's (for input sourcing, common primary/secondary processing, common packaging, and common agri-marketing). Share capital mobilized for business plan implementation. 2. Sustainable Business plan for short term and long term.
Performance Indicators	1. Business Plan Prepared. 2. Infrastructure created 3. Agreement with funding agency 4. Initiation of aggregation of inputs purchase and outputs marketed
Activity No. 5	Post-investment incubation services for Agri-business entrepreneurs
Description of Activity	a. The Cconsultancy Firm shall support in terms of providing technical and management techno financial inputs to run the business successfully. b. In view of the above, The Cconsultancy Firm shall provide post-investment business advisory support to FPO's in terms of optimum sizing & capacity, setting of standards, staffing requirement; support development of a detailed quality product development & market development strategy; follow up with bankers and state government and GoI schemes; support to avail various licenses for the business; input sourcing and marketing related support.
Output Deliverables /	Incubation of all FPO projects rolled out during the period.
Performance Indicators	(a) Hand holding support to no. of business plans and FPO's. (b) No. of farmers impacted. (c) Improvement of outputs - scale / form / type, etc (d) Improvement in income and employment (e) Assets creation
Activity No. 6	Management & Administration of The consultancy Firm
Description of Activity	The consultancy Firm Consultant's should have an office in Andhra Pradesh with minimum staff mentioned in table No.3
Expected Results	(a) Scheduled reporting including timely submission of Annual, Quarterly work plan and budgets. (b) Monthly reporting in accordance to the specified formats including online data and information updation
Output Deliverables /	Establish office and operate A.P

6.0 Profile of Required Personnel⁵

S. No.	Designation	Minimum Qualifications & Experience (The Consultancy Firm)	Minimum Qualifications & Experience (The Consultancy Firm Sub office)
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S. No.	Designation	Minimum Qualifications & Experience (The Consultancy Firm)	Minimum Qualifications & Experience (The Consultancy Firm Sub office)
1.	Agribusiness specialist and Team Leader (1 person per 25 FPOs)	Graduate with MBA / Post Graduate Diploma in Agri-Business Management (PGD-ABM)/ Economist / MBA in Rural Management / Agri Business from a recognized University with experience in agri-business and value chain promotion. Or Graduate in Agriculture or related fields with MBA / PGD-ABM from a recognized University with a minimum experience in Agri-Business and value chain promotion.	-
2.	Agri- Technical Experts (1 person per 25 FPOs)	Post Graduate in Agriculture from a recognized University experience in pre-harvesting and post-harvesting techniques, value chain development	-
3.	Agri – Business Advisor and Coordinator (1 person per 25 FPOs)		Graduate with MBA / PGDABM from a recognized University having experience in agri-business, value chain promotion & business plan preparation. Experience in providing incubation for agribusiness sector.
4.	Agri-Business Plan preparation expert (BPE) cum agriculture marketing advisor (1 person per 25 FPOs)		Graduate with MBA / PGDABM from a recognized University with experience in agri-business and value chain promotion & business plan preparation. Experience in incubation for agribusiness sector would be desirable
5.	Jr. Agricultural Professional (3 to 5 persons per 25 FPOs)	Post Graduate in Economics / Agriculture or commerce from a recognized University with experience in providing incubation services for agribusiness	Post Graduate in economics or commerce from a recognized University with experience in Economic & financial analysis. Experience in providing incubation services for agribusiness
6.	Community Mobiliser's / Junior Mobilisers (10 persons per 25 FPOs)		Any Graduation preferably Commerce / Social sciences with experience of mobilizing groups and forming FIGs/CIGs.

7.0 Roles & Responsibilities of Key Staff of The Consultancy Firm

(A) The Role & Responsibilities of the Agribusiness Specialist and Team Leader, shall also include:

- Identify new and potential important marketing / agribusiness models that are emerging in Andhra Pradesh, and if considered significant enough, (i.e. having potential for large scale replication) commissioning studies so that their effectiveness, impact and profitability is well understood by the broader agriculture and agri business and rural finance sector. Conduct participatory workshops and seminars for representatives of the public sector, private sector, and non-government organization (NGOs) to enhance their awareness and understanding of agribusiness concepts, needs and opportunities
- Perform a role as a point of contact and conduit for information and networking between the agribusiness and trading sector, and their associations and the project, the Government of Andhra Pradesh and The Consultancy Firm sub offices,
- Feed information on business opportunities into the communication network in the project, so that field staff are well informed, and can advise their clients and capture from field feedback on success/failure and modify messages and activities accordingly.
- Assess the factors influencing comparative and competitive advantage of selected commodities and recommend measures for enhancing competitiveness (Guide conduct of value chain and commodity profile studies).
- In consultation with private sector stakeholders, capture maximum potential of the Government's development strategies, policy and regulatory framework, and their conduciveness to agribusiness. Identify opportunities in the legal and policy framework to improve the enabling environment for agribusiness.
- Oversee The Consultancy Firm Activities and provide technical inputs for the following:
 - Dissemination of findings of various studies undertaken.
 - Information disseminated, via workshop, conferences and via web based information.
 - Serve as a repository of knowledge on markets, products and on the different financial institutions and their products.
 - Coordinate with technical agencies and financial agencies to facilitate handholding of PCs in a systematic and time responsive manner.

(B) The Role & Responsibilities of Agri- Technical Expert shall also include:

- Act as an advisor to the project on issues around pre-harvest and post-harvest technologies
- Play a role as a point of contact and conduit for information and networking between the agribusiness and trading sector, their associations, inputs, processors, exports etc and the project, so that policy and trading and farming needs can be better tuned with one another;

- Play a role as an interlocutor between the processing industry, exports, input suppliers retailers and, the project and the government.
- Sensitise FPOs about the various technologies in pre-harvest and post-harvest stages
- Sensitise FPOs about sustainability and traceability practices
- Provide or facilitate requisite agriculture and technical inputs for the project

(C) The Role & Responsibilities of Agri – Business Advisor and Coordinator, shall also include:

- Conduct participatory workshops and guide discussions to obtain feedback on legal, administrative, procedural, and other constraints, including technical to start-up and profitable operation of agribusiness enterprises.
- Based on the feedback, study the planning, registration, and operation of small and medium agribusiness enterprises to identify the primary inefficiencies, barriers to entry, factors inhibiting profitability, and other underlying problems.
- Work closely with all the district level authority working in their respective sub-office, providing information, advice, and acting as a two way conduit for information between field staff and the ABPF HQ and concerned government department.
- Act as a conduit for the exchange of information between the project, HQ and field staff, so that best practices and field lessons are exchanged.
- To have a network with the local agri-business community, their trade and professional associations so that business opportunities and marketing linkages can be fed into the project network.
- To organize, in conjunction with the local agri-business community, their trade and professional associations, a number of workshops and ensure that information provided is relevant and responds to needs of the local agribusiness and trading community.
- Also, to coordinate with field staff at the dist. level to prepare business plans and follow up as to get them sanctioned.
- To review business plans prepared for FPO's.
- To identify technical and financial inputs required by common facilities and enterprisers and to guide/rollout them accordingly.

(D) The Role & Responsibilities of Agriculture Business plan preparation expert and Agriculture expert marketing shall also include:

- To assist the Agri – Business Advisor and Coordinator, Sub Office, The Consultancy Firm to perform the duties assigned to Sub Offices. Also to coordinate at the dist. level to prepare and facilitate preparation of business proposals.

- Review past and present initiatives in marketing of various agricultural commodities and products in the State.
- Help conduct participatory workshops and seminars and guide discussions to obtain feedback on deficiencies in agricultural marketing systems that inhibit efficiency and profitability, including in transportation and post-harvest infrastructure, packaging, standardization and grading, quality assurance and meeting the requirements of buyers.
- Examine the existing systems for agricultural inputs including seeds, pesticides, fertilizers, and other inputs, and recommend strategies for improving availability.

(E) The Role & Responsibilities of Junior Agricultural Professionals shall also include:

- HQ Level: To assist the Agri – business and Marketing Specialist, HQ, The Consultancy Firm to perform duties assigned.
- Dist Level: To assist the Agri – Business Advisor and Coordinator, Sub Office, ABPF to perform duties assigned to the Sub Office.
- The field level staff - Junior Agricultural Professional will carry out research and information gathering for team.

(F) The Role & Responsibilities of community mobilisers / junior mobilisers shall also include:

- Mobilise farmers in FIGs and CIGs into a PC.
- Organize stakeholder meetings and workshops.
- Assisting in mobilisation of share capital.
- Coordinate various capacity building workshops.
- Assist in collecting all documents for Registration of PAs as Producer Company (PC) under the Companies Act.
- Assisting & facilitating PA (PCs) in overall management.
- Assisting PCs for identification of required land for common facility activities.

8.0 Proposed Activity, Deliverables, Timeline

The fundamental deliverable will be in terms of establishment and operational of 300 sustainable FPO's with minimum 50-100 percent increase in income of farmers. Also, 300 start-ups will be established on self/bank financed basis with average investment of Rs. 20 lakh each.

Table 1: Activity, Deliverables, Time line for FPO mobilisation

- *The time period prescribed should be mutually inclusive*
- *Incubation and hand holding is necessary till the FPO sustains on its own. This may be up to 36 months from operationalization of business plans*

S.No	Activity	Deliverables	Time period (Month)
1.	Community Mobilization	Diagnostic study, cluster finalisation, baseline survey, value chain study, formation of groups	3
2.	Trainings and capacity buildings of FPOs/farmer groups	Training needs identification, develop training modules; conduct basic training workshops; exposure visits	3
3.	Registration of FPOs and Training of BOD's on roles, responsibilities, management	Registration of Companies/ FPOs with the Registrar of Companies (ROC); capital mobilization	6
4.	Preparation of Business Plans	Business plan preparation for different incubation services), acquiring land, mobilising equity capital (and leveraging assistance under the MoFPI scheme for clusters where required and feasible)	6
5.	Initiate incubation/handholding services and support for business plan implementation: 5.1 Input facilitation (seeds, pesticides and fertilizers) 5.2 Custom hiring (of farm implements, tractors, harvesters and etc.) 5.3 Common facilities (for storage, primary/secondary processing, Packaging etc. 5.4 Market connectivity 5.5 Seed production	Channelling links with seed, pesticide and fertilizer manufacturers; establishing tie-up with farm implement and equipment suppliers, etc; twinning central government schemes to establish common facility centres where required and feasible; facilitation direct market linkages	6
6.	Incubation/handholding services for sustainability	Continue support and monitoring in terms of incubation activities; capacity building of BODs and FPO Management for sustainability.	12
		Total	36

Table 2: Summary of FPO related capacity building activity – to be submitted for each FPO after eligibility of technical bid.

Particulars	No.s	Cost	Year 1	Year 2	Year 3	Remarks
Organizational Development and Capacity Building						
Capacity Building Workshops and Seminars						
Exposure Visits for Lead Farmers / BoDs for 25 people						
Training Material, Manual and Capacity building Kits						
Local Resource Personnel / Community Resource Person (for 12 months)						
Sub total- A						
FPO Incorporation and Management						
FPO registration cost (for 5 BoDs per FPO)- Onetime fee						
Salary for CEO and support staff for 2.5 years						
FPO office rent for 1 year						
Subtotal- B						
Total Cost for promoting one FPO (A+B)						

Table 3: Number of Required Personnel⁶

S. No.	Designation	Consultancy Firm HQ	ABPF Sub-Offices
		No. of Posts	No. of Posts
1.	Agri – Business Specialist and Team Leader	1	1 person per 25 FPOs
2.	Agri- Technical Experts	1	1 person per 25 FPOs
3.	Agri – Business Advisor and Coordinator	1	1 person per 25 FPOs
4.	Agri-Business Plan preparation expert (BPE) cum agriculture marketing advisor	1	1 person per 25 FPOs
5.	Jr. Agricultural Professional (01 for HO and 06 for SO's)	3 to 5	3 to 5 per 25 FPOs
6.	Community Mobiliser's / Junior Mobilisers	10 Nos.	10 person per 25 FPOs

9.0 Budget per Each FPO to be submitted ;

Table 4: Remuneration and Other/Reimbursable Expenses

A. Remuneration to Core Staff of Consultancy Firm							
Sr.	Key Position	Place	Man-month per year	Cost Per Month	Year 1	Year 2	Year 3
1	Team Leader	1No as per convenience of work					
2	Agri Technical Experts	1No as per convenience of work					
3	Agri Business Advisor Coordinator	1No as per convenience of work					
4	AgriBusiness Plan Preparation Expert	1No as per convenience of work					
10	Junior Agri Professional	(3 to 5)					
14	Community Mobilisers / Junior Mobilisers	10 Nos					

B. Subject Matter Experts – Remuneration							
Sr.	Key Position	No.s	Man Months	Cost	Year 1	Year 2	Year 3
1	Senior Subject Matter Expert						
Sub Total B							

C. Reimbursable Expenses/Other expenses							
Sr. No.	Particulars	Description	No.s	Cost	Year 1	Year 2	Year 3
1	Cost of Mobilisation farmers into FIGs / CIGS through NGOs / LI in ____ FPOs	Total 6000-8000 FIGs to be mobilised into 300 FPOs / Cost Per FPO					
2	Office Rent and support staff	4 offices and support staff					
3	Travelling and Local Conveyance	taxi, local , train etc					
4	Lodging and Boarding						
Sub Total C							
Grand Total (A+ B + C)							

The average projected expenses per year will be paid to the consultant on equated two monthly basis on submission of prescribed progress reports. In case of any issue on delivery, the project may be cancelled by GoAP with 3 months' notice.

Sd/- Chiranjiv Choudhary
Commissioner of Horticulture