

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Farmers' Empowerment Programme – Establishment of Rythu Sadhikara Samstha –  
Orders - Issued

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FINANCE (R&E) DEPARTMENT

G.O.Ms No.197

Dated 04-10-2014

Read the following:

1. GO Ms No. 164 Finance (IF) Department dated 02.08.2014
2. GO Ms No. 174 Finance (IF) Department dated 14.08.2014
3. GO Ms No. 20 of Planning (VII) Department dated 27.09.2014

ORDER:

1. In the reference first read above, the Government issued orders for redemption of 'agricultural crop loans and gold loans availed for agricultural purpose, together not exceeding Rs.1.50 lakh per family along with infusion of fresh capital not exceeding one lakh Rupees per DWCRA Group in order to financially strengthen the self-help groups". In the reference second read above, the Government issued operational guidelines for implementing the debt redemption scheme to the farmers.

2. In the reference third read above, the Government has outlined a "vision to be among the three best states in India by 2022 when India celebrates its 75th year of independence and to achieve the status of a developed state by 2029". In order to achieve these goals, the Government has decided to adopt a mission approach and ordered for constitution of seven sector-specific Missions to focus on the activities/projects, which are critical for the social and economic growth of the State. One of the seven Missions includes the Primary Sector Mission, which is expected to be the principal instrument for farmer's empowerment.

3. In this background, the Government has recognised that the farmers' welfare and development activities at present are delivered by multiple entities, that include different corporations, societies, etc., with suboptimal integration with the departments responsible for agricultural development. Further, there is no empowered entity with the capacity and the wherewithal to effectively deliver all farmers' empowerment activities. Further, the implementation of government's policy for farmer credit redemption requires a well equipped agency with the required capacity to manage multifarious functions for farmers' empowerment.

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4. In this context, the Government, after careful and thorough consideration of all possible options, has decided to establish an integrated institutional mechanism for all programmes, schemes and activities intended for farmer's empowerment, encompassing welfare, development, capacity enhancement, credit flow, financial support and allied empowerment activities.

5. Accordingly, the Government hereby order for the registration of a corporate entity under section 8 of the Companies Act 2013, with headquarters at Vijayawada. The Government orders that the Corporation be known by the name and style of Rythu Sadhikara Samstha (Farmer's Empowerment Corporation) that would be located in the Department of Agriculture, as the one-stop-shop for all farmer development, welfare and empowerment activities. To ensure agricultural development receives a boost via the Primary Sector Mission, the farmers' empowerment corporation would be assigned a central role in the implementation of the Mission.

6. The Government orders that the Rythu Sadhikara Samstha should be a wholly owned enterprise of the Government of Andhra Pradesh and be registered with an authorized capital of Rs.1 crore, consisting of 10 lakh shares of RS.10 each. The corporation would be capitalised by the Government per the needs of the entity and its activities.

7. The main objectives of the Rythu Sadhikara Samstha include the following:

- a) To provide an integrated empowered institution that would be responsible for planning, implementation, and monitoring of welfare, development, capacity enhancement, and other activities that would empower the farmers of the Andhra Pradesh State to achieve higher productivity and value addition to the farming sector.
- b) To take up various measures and activities, including but not limited to, financial support, technical assistance, technology transfer, agricultural debt redemption, and such other interventions that would empower the farmers of Andhra Pradesh State in diversification and intensification of agriculture, horticulture, sericulture, livestock, fisheries, forestry, food-processing and allied sectors contributing to value-addition and productivity enhancement.

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- c) To support, assist, guide, promote and empower the farmers' groups, associations, societies, etc., and extend financial, technical or other support as may be needed to meet the demands of farming development in Andhra Pradesh State.
- d) To assist, advise, and provide inputs to the Government for formulation of effective policies for the empowerment of farmers and for accelerated development of farming sector in Andhra Pradesh
- e) To receive funds from the governmental and other agencies, as grant, subsidy, cess, levy, other receipts or by whatever name called for achieving the above objectives and to raise resources from any source duly adhering to the prudential norms defined by the Government.
- f) To mobilise resources from Banks, Financial Institutions, Funds, Public or Government by way of loans, bonds, debentures, monetary value certificates, etc., to realise the above objects.

8. These objectives would be further enlarged and detailed in the Memorandum and Articles of Association of the Rythu Sadhikara Samstha along with various ancillary and incidental objectives and the operating clauses of the Articles of Association with respect to shares, management, borrowing powers and other administrative provisions.

9. The Government would nominate national and international agricultural experts, official representatives, farmers' representatives, and others it deems appropriate, for the effective governance of Rythu Sadhikara Samstha. To begin with, the Government orders that the Rythu Sadhikara Samstha should be registered with the Principal Secretary, Department of Agriculture, Principal Secretary, Department of Animal Husbandry, Principal Secretary, Horticulture, Marketing and Co-operation, and the Principal Secretary, Finance Department, as Founder-Directors.

10. The Government hereby orders that the corporations, societies and other parastatal entities functioning under the Agriculture and Cooperation Department should be incrementally integrated with the Rythu Sadhikara Samstha. The Principal Secretary Agriculture is hereby ordered to work out the out the detailed modalities, institutional architecture and the standard operating procedures (SOPs) essential for

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effective functioning of the Rythu Sadhikara Samstha and its structural and functional linkage with the departments, corporations, societies, etc., under the control of the Departments of Agriculture and Co-operation and Animal Husbandry.

11. The Government hereby accords permission to the Rythu Sadhikara Samstha to borrow and / or receive funds or any other financial instrument from Banks / financial institutions and the government for the purpose of farmer's empowerment, including the necessity to meet the debt obligations. The Rythu Sadhikara Samstha would be the principal agency of the Andhra Pradesh Government to manage the Farm-sector Debt Redemption Policies and Programmes of the Government.

12. The Principal Secretary, Department of Agriculture is hereby ordered to initiate immediate measures for the registration, establishment and ensure effective functioning of the Rythu Sadhikara Samstha. The Samstha shall be fully operational by 22 October 2014. The Commissioner and Director of Agriculture is hereby designated as the Nodal Officer to coordinate, facilitate and implement the orders issued herein to ensure that Rythu Sadhikara Samstha starts its effective operations on or before 22 October 2014.

13. In order to enable the Rythu Sadhikara Samstha to operationalise the Government's Farm-sector Debt Redemption Policy, the Finance Department is hereby ordered to release Rupees five thousand Crores (Rs 5,000 crores) from the 2014-15 BE to the Rythu Sadhikara Samstha, upon its establishment, for onward transmission to the eligible banks / farmers in accordance with the rules, regulations and procedures to be approved by the Government. The Finance Department is hereby directed to workout the procedures and guidelines for operationalization of the farmers' debt redemption policy in consultation with all stakeholders, including but not limited to the Agriculture department, participating banks and other key entities.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

I. Y. R KRISHNA RAO IAS  
CHIEF SECRETARY TO GOVERNMENT

To

Principal Secretary, Department of Agriculture  
Principal Secretary, Department of Horticulture, Co-operation and Marketing  
Principal Secretary, Department of Animal Husbandry and Fisheries  
Principal Secretary, Finance (R&E) Department  
Principal Finance Secretary

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Copy:

All Special Chief Secretaries / Principal Secretaries / Secretaries to Government

The Commissioner and Director of Agriculture

Registrar and Commissioner of Co-operation

Heads of all departments and Managing Directors and CEOs of Corporations, Societies and Co-operatives under the control of the Department of Agriculture and Co-operation

All Heads of Departments of Government of Andhra Pradesh

Convenor SLBC, Andhra Bank, Hyderabad

Joint Director of Companies, Vijayawada

Private Secretary / OSD to all Hon'ble Ministers of Andhra Pradesh Government

Private Secretary to the Hon'ble Chief Minister of Andhra Pradesh

Heads of all Departments

The Special Chief Secretary to the Governor, Andhra Pradesh, Hyderabad

All District Collectors

//FORWARDED BY::ORDER//

SECTION OFFICER