



PROJECT GUIDELINES

PRODUCER GROUP



VAAZHNDHU KAATTUVOM PROJECT



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Abbreviations

BPMU	-	Block Project Management Unit
BTL	-	Block Team Leader
CFS	-	Community Farm School
CSS	-	Community Skill School
DEO	-	District Executive Officer
DPMU	-	District Project Management Unit
EC	-	Executive Committee
ECP	-	Enterprise Community Professional
EG	-	Enterprise Group
EO BPF	-	Executive Officer Business Plan Financing
EO ED	-	Executive Officer Enterprise Development
EO S&J	-	Executive Officer Skills and Jobs
FGD	-	Focus Group Discussion
FIG	-	Farmer Interest Group
FPO	-	Farmer Producer Organization
GB	-	General Body
MIS	-	Management Information System
NABARD	-	National Bank of Agricultural and Rural Development
NGO	-	Non Government Organization
NTFP	-	Non Timber Forest Product
OSF	-	One Stop Facility
PC	-	Producer Collectives
PE	-	Project Executive
PG	-	Producer Group
PGP	-	Participatory Growth Plan
SHG	-	Self Help Group
SPARK	-	Skillful, Personal ability, Attitude, Relationship, Knowledge
SPMU	-	State Project Management Unit
VKP	-	Vaazhndhu Kaattuvom Project
TNSRLM	-	Tamil Nadu State Rural Livelihood Mission
TSA	-	Technical Support Agency
WHO	-	World Health Organization

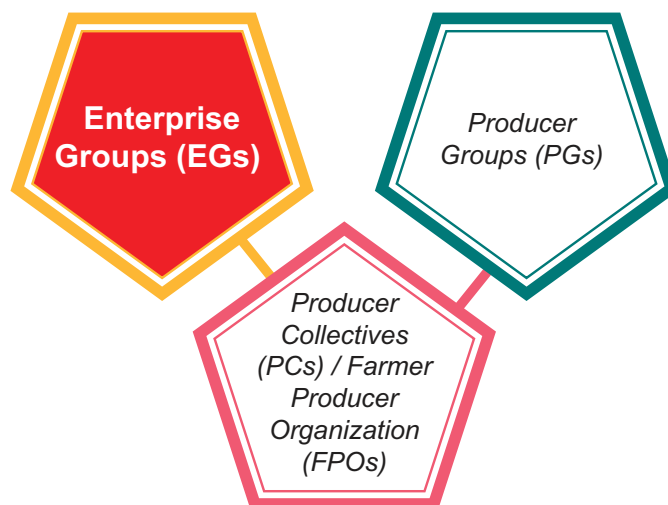
INTRODUCTION

Vaazhdhu Kaattuvom Project (VKP) is implemented with an objective of transforming the rural communities by creating sustainable development and prosperity through enterprise promotion, creating access to finance and employment opportunities.

The project aims to promote Individual and Group Enterprises in 3994 village panchayats of 120 blocks of 31 districts in Tamil Nadu.

Promotion of Group Enterprises

In VKP three categories of Group Enterprises / collectives will be promoted as follows,



Out of the above mentioned three categories of group enterprises, the first two categories of group enterprises

are primary groups formed at the village level and the third category of group enterprises will be a federation of producer groups at the block level.

Producer Groups (PGs) Definition

Producer groups are defined as "a group of producers engaged in a particular commodity / subsector in a village who come together for aggregation, productivity enhancement, and other collective actions".

The producer groups will be organized where there is an opportunity of collectivization, aggregation, value addition and marketing of Farm commodities (like Maize, Millets, Vegetables, Pulses, NTFP and Oil Seeds) or Off- Farm (Milch animals, Goatery) and

Non-Farm sector.

*Primary Producers are producers who depend on natural resources for their livelihoods and engage in the primary production viz., farmers, milk producers, fishermen, weavers, rural artisans, craftsmen.

Objectives of the Producer Group

The basic objectives of the PG is to improve the productivity, profitability and thereby increasing the income of individual producers. Producer Groups are formed at the village level to undertake the following activities.



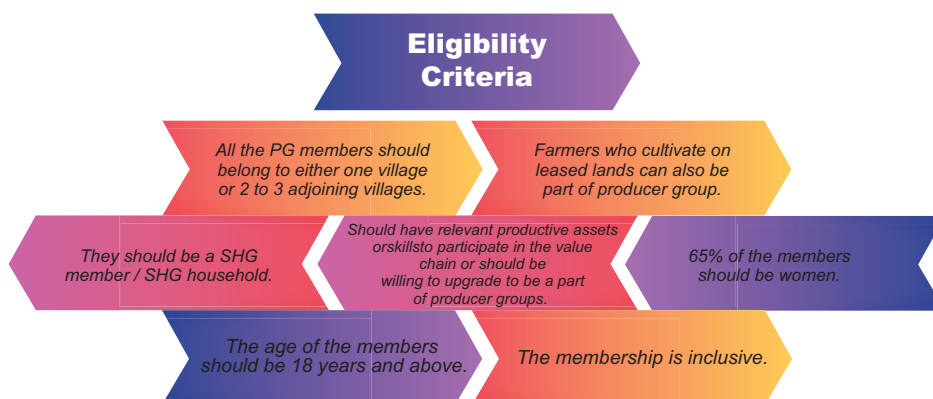
Formation of Producer Groups (PGs)

In VKP project, PGs will be formed with two approaches as follows,

1. Direct approach.
2. Aggregating of FIGs/Subgroups approach.

Direct Approach

Under this approach, the project team will mobilize the producers identified through PGP exercise. Producer Groups will be directly formed with 30-150 members. Producers working on the same commodity /subsector will be mobilized and organized to form a Producer Group in one Village Panchayat. If it is lesser in number, adjoining village panchayats may be added to form a PG.



Collection of membership fee and share amount

- Each member should contribute Rs.100/- as one time membership fee and Rs. 100/- towards annual subscription which is non-refundable. The annual subscription fund will be used to meet their operational expenses.
- Membership fee should be collected within a month of PG formation. From this amount, Bank account will be opened.
- When the activities of PGs are increasing, the PG may be federated with the PC. At this point of time, a sum of Rs.1000/- may be collected as share capital from members. The share capital represent a form of member's commitment to the PC and it defines each member's stake in PC.
- The share amount of Rs.1000 per member can be collected in four installments but not exceeding two months.
- Share amount should not be used for internal lending. It should be kept in PG bank account and transferred to the PC bank account at the time of registration of the PC.

Steps for promotion of PG

- **Focus Group Discussion with the Producers-** After the completion of PGP process, the ECP/Block team should convene a meeting with all the producers in the village and have a Focus group discussion with the producers to brief about the prioritized commodity and the possible value chain interventions that can be developed through the project. The interested producers are mobilized to form a PG by the

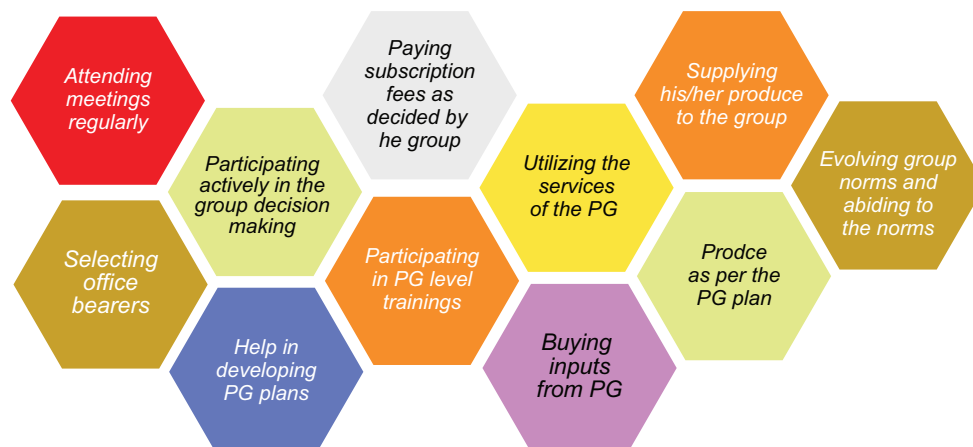
ECP/Block team.

- ECP/Block team should facilitate about the aims, objectives and norms of the Producer group.
- The ECP/Block team should facilitate in framing of the rules and bye laws based on the PG guidelines framed by the State team.
- This should be followed by the selection of office bearers and the formation of Executive Committee.
- The ECP/Block team should facilitate the opening up of a savings bank account in the name of the PG.
- The bank account should be opened in the name of the PG which will be operated by the President, Secretary and Treasurer of the PG.
- From the above three office bearers, the President and Treasurer will be the authorized cheque signatories for the PG Bank account.

The ECP/Block team should report the PG formation to the VKP BPMU along with the following support documents,

1. PG formation resolution copy.
2. Member profile.
3. Bank account copy in the name of PG.
4. The DPMU will give code number to the PGs. They should also maintain a Panchayat wise separate register for this purpose. Example could be derived from MNREGS in which a four-letter coding is adopted. The first one represents the District, second one the Block, the third one panchayat and the fourth will represent the PG.

Roles and Responsibilities of PG members



Group size

- The membership size for PGs should be minimum 30 and maximum of 150.
- In Tribal and hilly areas, the minimum membership in the PG could be 15.

General Body (GB)

All the members in the PG are considered as the members of the General body. The General Body will elect the Executive Committee and approve the activity plan and financial statements of the group in the annual general body meeting. The General Body should meet once in 6 months / agriculture season with a quorum of at least 2/3rd members.

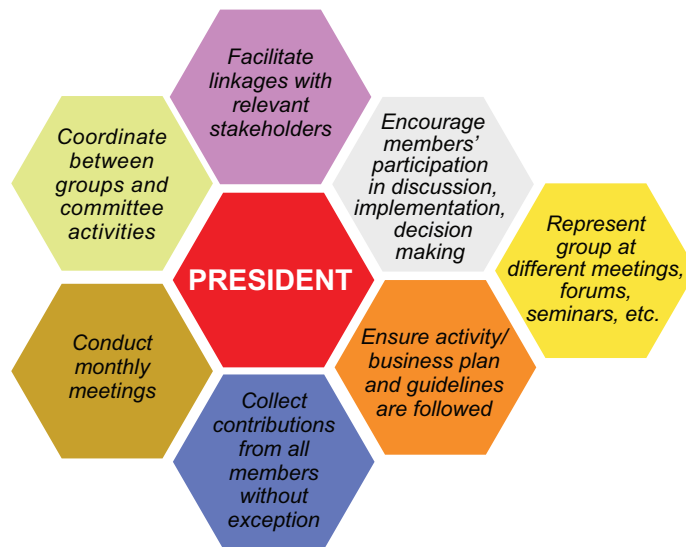
Executive committee (EC) for the Producer Groups

- The GB will select the Executive Committee members directly for the PGs.

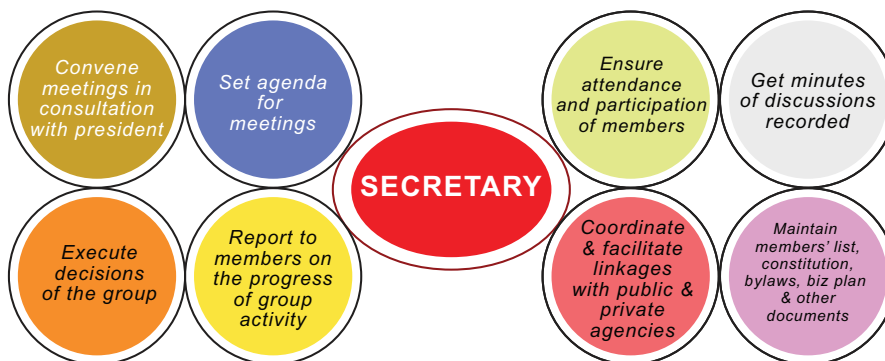
- An Executive committee of 9-11 members should be selected from the General Body.
- At least 65% of EC members should be women.
- Among the selected Executive Committee members, three members must be selected as office bearers as President, Secretary and Treasurer.
- At least two member of the officer bearer should be women.
- The EC should have a minimum representation of at least 1 or 2 members from the vulnerable social communities like SC/ST and differently-abled.
- The EC will meet for once in each month with a quorum of at least 2/3rd members.
- The office bearer's / EC Members tenure will be rotated for every two years.

Roles and responsibilities of office bearers

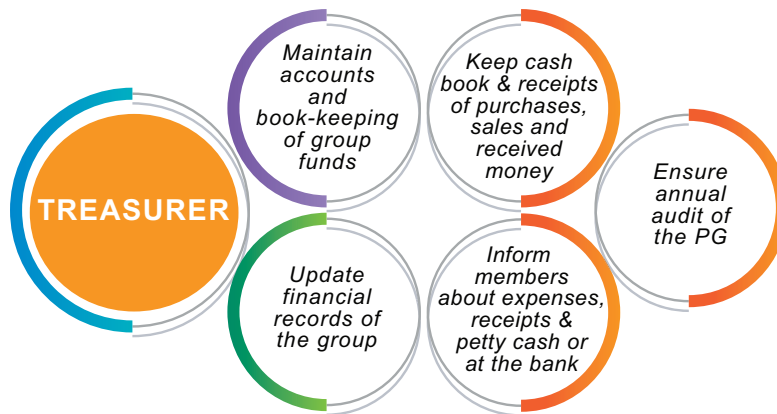
The role of president is to



The role of a secretary is to



The role of a treasurer is to



Sub-Committees in Producer Group and their roles

The following Sub Committees should be formed in a Producer Group for taking up specific functionary role. Each subcommittee should comprise of three members out of which two members should be selected from EC and one member selected from the GB. The tenure of the subcommittee members will be rotated for every two years.

1. Procurement Sub-Committee
2. Marketing Sub-Committee.
3. Planning and Monitoring Sub-Committee.

Roles of Sub-Committees

i) Procurement Sub-Committee

The procurement subcommittee will be responsible for assessing the input needs of the individual producers and should aggregate them to prepare an input procurement plan.

ii) Marketing Sub-committee

The marketing sub-committee will act as a liaison between the group and the PC/market players for aggregation/marketing of produces.

iii) Planning and Monitoring Sub-Committee

The committee will facilitate the formulation of activity plan, support members to participate in

technical trainings, ensuring quality of the produce, etc., The subcommittee will also be responsible of overseeing the activities and functioning of PG.

Legal Form

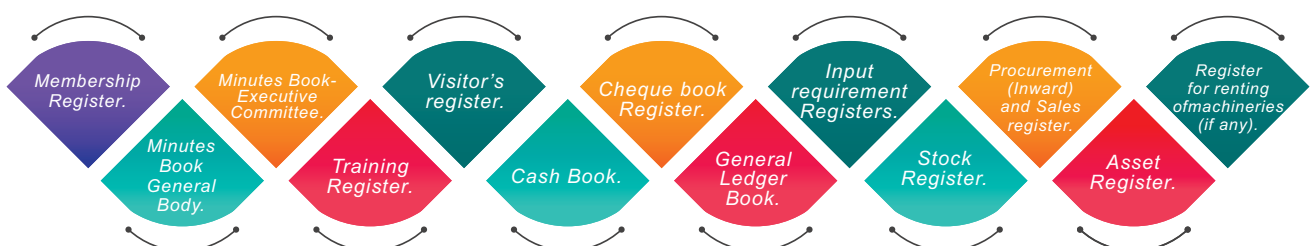
The Producer groups will be mostly informal (legally not registered) since the Producer Groups will be linked with the Producer Collectives which is legally registered body. Wherever the producer groups are standalone, operating on a scale and directly linked with markets, they may require formal registration based on need.

Establishing Management systems for the PGs

After the formation of PGs, the ECP along with block team will support the group in establishing the systems for effective functioning of the group. This includes streamlining and strengthening the production activities, training groups on maintaining a set of records relating to their membership register, minutes book, financial transactions, managing production data, planning & monitoring, maintaining production discipline etc. They will also train the members on basic group functioning and support them in stabilizing the group activities by attending the meetings regularly at least for a period of 12- 24 months.

Book Keeping at PG

The List of Books is to be maintained at the PG levels are as follows,



File and documents

1. Membership application and member profile file.
2. General file letters and agreement.
3. Receipt and payment Voucher file.
4. Audit report file.
5. General -Finance file quotation, Budget and Bank reconciliation.
6. Cheque book and bank passbook.

The above mentioned documents will be maintained

by a book-keeper who will be engaged by the PG. The PG will decide upon and pay an honorarium to the Book-keeper

Capacity Building of PGs

Trainings will be given to the members of the PG on Group functioning, conduct meetings, book keeping etc. by the ECP/Block team. Apart from this, training will be given to the Office bearers on the topics listed below. These trainings will be delivered by a trained ECPs/Block team on the following topics. The TSAs will train the block team and Master ECPs.

Activity Planning

Organization Building

Orientation about the project

Activity Management and Monitoring

Management of Production data

Book keeping and Recordkeeping

Office bearers Roles and responsibilities

Linkage with PC/market/stakeholder relationship.

Conflict Resolution

Need based CSS/ CFS technical trainings will be given by SPARKS and Project team

Activity Plan preparation for PGs

Activity plan is a consolidation plan of the PG with respect to production related activities, market linkages and a plan to support the member level production. During the planning exercise, selection of service providers for supporting the member producer will also be done. Plan of trainings, demonstration and marketing will also be included in the activity plan. PGs should prepare an activity plan with the support of ECP detailing the activities of the group and sub groups, production plan, procurement

and marketing activities. It will also detail out the infrastructural needs and capacity building requirements of the group if any. The activity plan should have following components,

1. Details of activity to be taken up by PG, with individual farmer/producer level detailing out of the activities like crop(production) planning and cycle, seasonality and its pre-production, production, post-harvest and marketing activities etc.,. This will also detail out the infrastructural requirement if any.

2. Input requirement - The PG has to plan for the inputs procurement like seeds, fertilizers, pesticides, feeds in case of livestock, renting of machineries for its member producers in total for bulk procurement.
3. Human resource requirement- The skilled man power required and training required for its members to undertake the activities.
4. Financial plan: The PG will also details out the capital (fixed and working capital) required, sources of fund and the estimate of costs and Income to undertake the PG activities.
5. Technical support requirement: This details out the need for any innovative and cost- effective technologies if any.
6. Sales and marketing plan: The type and amount of produce, the details of supply and the logistics required for bulk aggregation of produce has to be included in the plan.

Implementing and monitoring the plan

The block team/ Enterprise Community Professionals (ECP) will monitor the PGs regular functions and production performance and submit the Monthly MIS report to BTL of the Block Management unit. The ECP shall participate in the PGs regular monthly meetings.

Financing of Producer Groups

The Producer Group (PG) may require finances for production activities, purchase of tools and equipment, primary processing, procurement activities etc. for which funds may be accessed through,

- Start-up fund from the Project
- Convergence with Line Departments and Bank linkages

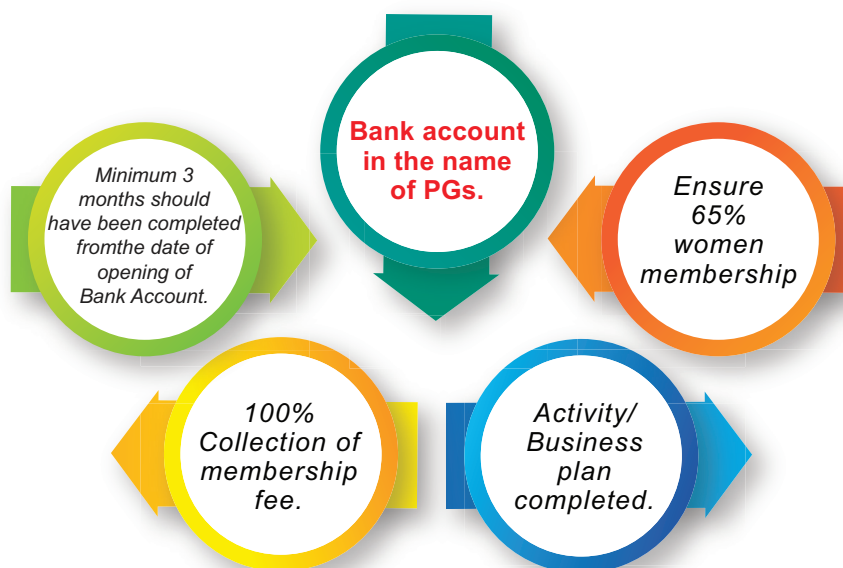
Start-up Fund (grant) For PGs

The project will provide startup fund (grant fund) of a maximum of Rs.75,000/- for producer groups based on their business plan requirements ie.,working capital, input purchase, equipment / machineries, purchase of group assets or infrastructure improvement, etc.,

If the activity plan exceeds the start-up fund, being an activity plan there is a less possibility of formal finance, the balance amount will be borne by the producer group.

i) Milestones to be achieved for PG start up fund release

The following conditions have to be fulfilled by PGs to get Start up grant for any common infrastructure or services.



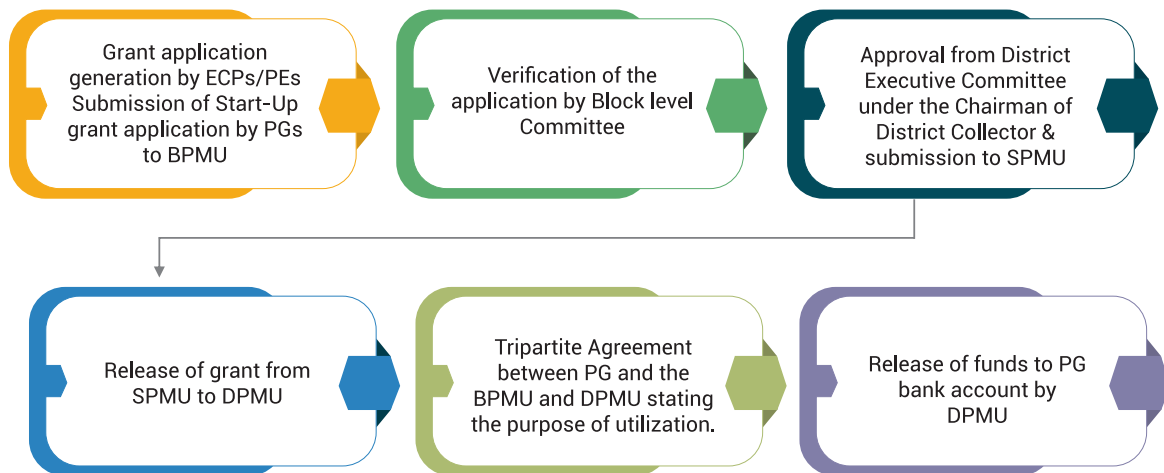
ii) Procedure for release of Start-up Fund

1. The PGs with the support of block team/ECP will prepare an activity plan
2. The activity plan will be forward to the block team.
3. The Block level committee (EO (ED), EO (BPF), EO (S&J), concerned block BTL and TSA district coordinator) will assess and forward to the District Office.
4. The DEO will scrutinize and get approval from District Executive Committee headed by District Collector and submit the proposal to SPMU.
5. SPMU will release the funds to the concerned

districts and upon execution of agreement between the PG, PLF and DPMU the funds will be directly transferred to the PG bank account from the DPMU.

6. PG shall submit utilization certificate after the fund is utilized.
7. If the fund is not utilized within six months, then the PG would re-plan their activities which will be approved by the project.
8. The Start Up fund should not be utilized for individual asset creation.
9. The Start Up fund should not be redistributed among the members.

iii) Fund Flow Arrangements (PG)



Funding through convergences and bank linkages

Apart from the project funds, the PGs also need to avail finance through bank linkages and convergences depending on the requirement. The type of finance to be availed by the PGs will depend on the kind of assets to be purchased – Individual or common assets.

- The purchase of Individual (productive) assets will be financed through loans from SHGs/PLFs, bank linkages or convergences whichever is applicable. ECP will support the individual in the purchase of assets if needed.

- For group infrastructure, the project will assist PGs to access funds through convergence.

Aggregating of FIGs/Subgroups approach

Farmer Interest Group (FIGs)/Subgroup: A collective of 10-20 farmer producers engaged in a particular commodity may form a FIG/Subgroup, generally at the village level to serve the purpose of aggregation, productivity enhancement at producer (member) level.

Formation of Producer Group by aggregating FIGs / Sub Groups

Every PG have sub groups. If there are several existing FIGs, they may be federated to form one PG.



Executive Committee in PG formed by aggregating sub groups / FIG

In case PGs has FIGs/Sub-groups, each FIG/sub-group will select two to three member representatives to form the Executive Committee. The GB will approve the Executive Committee formed out of these representatives from the FIGs/Sub-groups.

The Executive Committee will have 9- 15 members representing from different FIGs/Sub-groups. The number of members in the Executive Committee will vary in proportion to the total members and total subgroups. (10-2, 20-3, >20-4)

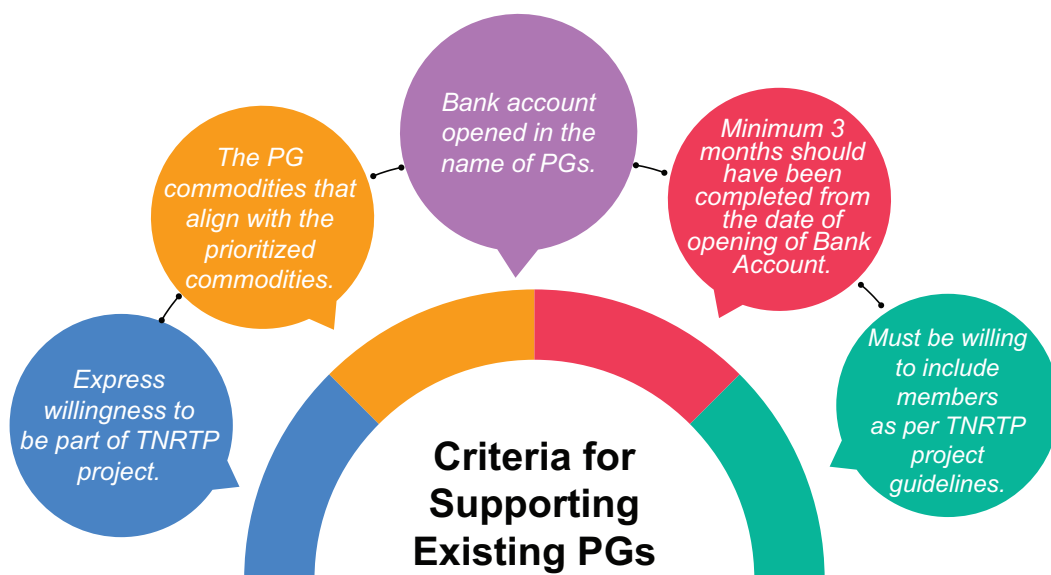
The women members' representation in the EC will be the minimum of 65%. The Executive Committee will execute and govern the functioning of the Producer Group. The Executive Committee shall meet at least once in a month.

To ensure that the vulnerable social groups are included, the Executive Committee should have a minimum representation of at least 1 or 2 members from the vulnerable social communities like SC/ST and differently-abled.

Guidelines for Existing Producer Groups

VKP project will also work with the existing producer groups by capacity building and strengthening them. The existing PGs can also be integrated into the project based on the willingness of members. Existing Producer Groups which are formed by Agriculture, Horticulture, TNSRLM, NABARD and NGOs or self-promoted and functioning in the VKP area are considered as existing PGs. The existing Producer groups in a village that are identified during the PGP process and willing to be part of the project would be considered for integration.

Criteria for Supporting Existing PGs



Steps for supporting/working with Existing PGs

- Focus group discussions with willing PGs at panchayat level by the ECPs on the PG guidelines and adopting resolutions in their meetings.
- In order to merge with the VKP scheme the existing PG will submit the following details to DPMU through BPMU. The details are as follows,
 - Member Profile
 - Bank account details
 - Minutes book.
- Conduct assessment of the PGs by the ECP/ BPMU using PG grading tool.
- Capacity building and strengthening the PG activities for those PGs based on the grading.

MIS and Digitization of PG data

The PG should have full information on its members, production and business/sales data to meet its objectives. Interaction of the Farm Level, producer level and the PG Level data can help in strengthening the PGs and their business. The producer and

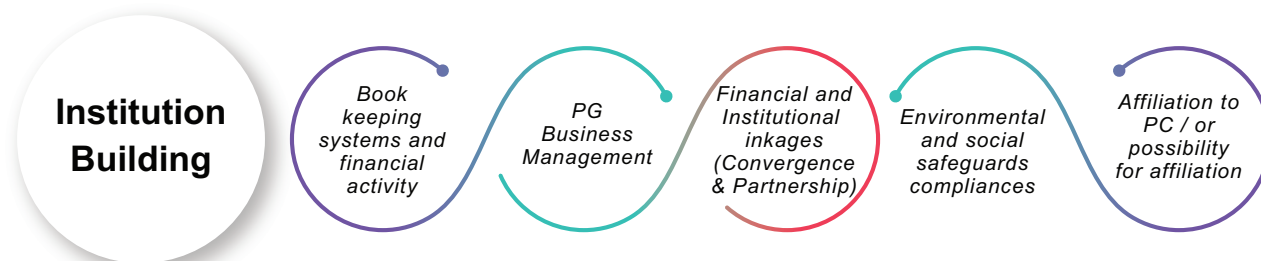
producer level data are usually maintained in physical registers.

PGs as an entity is one of the most effective ways of aggregating demand and supply at a producer level, digitization will help PGs and PCs to connect / transact with member producers on time.

Grading of PGs

A Grading mechanism for PGs will help in assessing the institutional strength and business performance of the PGs in order to strengthen these PGs. Grading will also help in accessing finance or other benefits from relevant agencies. This assessment of Producer Groups would be done for PG's performance on regularity in conduct of meetings, attendance, Book keeping systems, member's participation in the PG business etc., using the grading tool developed by the SPMU/TSA. The Producer Groups which have completed at least 12 months after formation are eligible for grading. The ECP with the support of Block Team would do the Grading of PGs. The PGs will be graded as A, B, C or D based on the scores obtained. The grading will be useful for further strengthening of the PGs and obtaining financial linkages.

The parameters on which the Grading is to be done are as follows:



Eligibility Criteria for Grading and frequency of Grading

- Grading exercise will be organized regularly once in a year.
- The PGs which have completed at least 12 months from the date of formation are eligible for grading.
- For the PGs which are graded as C & D the lacking parameters shall be further strengthened and they can reappear for grading within six months.
- An Orientation on the grading exercise should be given to the grading team by the district project team with the support of TSA.

Linkage of PG with Producer Collectives (PC)

The Producer Groups which have been formed at village level are usually small and also disaggregated. Therefore they cannot individually engage effectively in large scale economic interventions and exploit the market potential. To achieve goal of maximum price realization to the producer a larger professionally managed and community owned institution would be more effective. Hence a Producer Collective which is a formal higher level collective of producers is formed. This will undertake aggregation, value addition, marketing activities for economies of scale.

- The PGs at the village level could be federated into a PC

- The PGs formed in the same commodity in a contiguous area can be federated into a PC
- The members of PG are the shareholders in a PC
- The PGs can also be linked to an existing PC
- The PGs can link with an existing PC for higher level of aggregation or economic activity depending upon the activity and requirement of the producers. The Producer Collectives can initiate with a single commodity and then over a period of time can diversify into other commodities.
- PG as suppliers to PC
- PGs will aggregate their and will be the major suppliers to the PC.

Market Linkages

The PGs promoted through the project will be linked to the higher level institution i.e Producer Collective for marketing their produce or in very few cases directly linked to the market.

Through Producer collectives: In cases where the aggregation is being done at the PG level and it is the responsibility of the Market Integration Committee of the PG to ensure timely procurement of the produce from the sub groups, aggregate it and supply it to the PC.

Directly linked to market: In case the PGs are directly linked to the market or private players for better economic returns the PGs will be advised to enter into formal agreement based on need.

The Marketing sub-Committee of the PGs will scout for private player.

In some cases when an individual enterprise has a demand the PGs will support that as feeder unit/ sub-contractor.

Environmental Safeguards Requirements for the PGs:

Compliances related to Production:

- Sale, stock or exhibition of sale or distribution of any insecticide cannot be done without license as per Insecticide Act 1968.
- Sale or distribution of seed should comply with The Seed Act, 1966.
- Purchase, stock, sale, distribution or exhibition of pesticides and chemical fertilizers without license as per The Fertilizer (Control) Order, 1985 is not allowed.
- Avoid use of banned and restricted pesticides by Government of India and the pesticides that are non-permissible according to Pest Management Policy of World Bank (WHO class 1a, 1b and II)
- Use of forest land or any portion of it (for cultivation, aggregation, processing activities etc.,) without prior approval is not permitted.
- Stopping or diverting water flow in to or from any wild life sanctuary (for irrigation, processing etc.,) should not be done.

Role and responsibilities of ECPs in PGs

-  *Identify of people/members involved in farm and non-farm producer activities.*
-  *Provide project info to producers who can peruse enterprise collectively into PG.*
-  *Mobilise identified producers to form new PG.*
-  *Support members to participate in capacity building training, refresh training, etc., provided by project through TSA.*
-  *Facilitate PGs for business development support services through OSF as guided by the project team.*
-  *Support PG compliances to environment and social inclusion and safeguards.*
-  *Assist PG in obtaining permit, license, etc., through project, OSF and TSA.*
-  *Encourage members to participate in CFS training and input sessions organised by the project.*
-  *Support project in creating demonstration plots for CFS on best practices, peer learning, etc., with identified SPARKs and Super SPARKs.*
-  *Participate in regular meetings and provide support to PGs along with block teams, TSAs and OSF.*
-  *Disseminate information/awareness on project's financial instruments*
-  *Assist in promotion of PGs into Producer Collectives.*
-  *Support PG in convergence benefits from on-going schemes and programmes through district team.*
-  *Update and manage all PG-related information from the village via data updates.*
-  *Provide any other follow-up support to PG as guided by the project.*
-  *Integrate safeguard measures and compliance with the same.*

ANNEXURE – 1

GRADING TOOL AND PROCEDURE

PROCEDURE FOR GRADING PRODUCER GROUP

A. Introduction

Vaazhndhu Kaattuvom Project (VKP) is implemented with an objective of transforming the rural communities by creating sustainable development and prosperity through enterprise promotion, creating access to finance and employment opportunities.

The project aims to strengthen and capacitate the existing and new Producer Groups (PGs) which are promoted through the project. TSAs will support the project in formation, development and strengthening of these PGs. Producer Groups (PGs) are collectives of individual producers who come together for aggregation, productivity enhancement and other collective actions. A Grading mechanism for PGs will help in assessing the institutional strength and business performance of the PGs in order to strengthen these PGs. Grading will also help in accessing finance or other benefits from relevant agencies

B. Objectives of PG Grading

To evaluate the institutional strength of the Producer Groups

To assess and identify the gaps in Producer groups

To understand the capacity building needs of the Producer Groups.

To identify areas for intervention and Project support

C. Parameters on which the Grading is to be done as follow

- Institution Building
- Book keeping systems and financial activity
- PG Business Management
- Financial and Institutional linkages (Convergence & Partnership)
- Environmental and social safeguards compliances
- Affiliation to PC / or possibility for affiliation

D. Eligibility Criteria for Grading and

frequency of Grading

- The PG has to complete at least 12 months since date of formation to be eligible for Grading.
- PGs formed by the project and PGs integrated with project are eligible for the grading.
- In the project, Grading exercise will be organized regularly once in a year.
- For the PGs which are graded as C & D the lacking parameters shall be further strengthened and they can reappear for grading within six months.

E. Grading team

The grading team will be constituted of TSA District Coordinator, Executive Officer (ED), Executive Officer (BPF) and the respective Block Team Leader (BTL).

F. Grading Process

- Before the conduct of Grading an orientation has to be given to the grading team with the support of TSA.
- The Block team has to prepare the eligible PG list for Grading and submit it to the district.
- The DPMU will prepare a schedule to conduct the Grading exercise
- The PG will be intimated on the date of grading

exercise at least one week before the grading.

- The grading will be conducted during the PG meetings only. The Quorum for the Grading is 80% of the EC.
- If there is the attendance is less than 80% of the EC members, Grading should not be conducted and it has to be postponed to another date.
- The Grading team has to submit the report within 3 days of date of completion of Grading.

G. Grading result based on Scoring

The PG has to be graded based on the scores obtained and as detailed in the table below:

Percentage scored by the PG	Grade
Above 70%	A
60-70%	B
40- 59%	C
Below 40%	D

PGs Graded as C and D will be provided with necessary capacity building training and handholding support to improve their governance, business performance and grade.

Producer Group Grading Tool

PG Profile			
1	Name of PG		
2	Name of Panchayat:	3.Village	4.Block
			5.District
6	Total No. of members:	7. Date of Formation:	8. No. of members present during assessment:

S.No	Particulars	Grading Indicator Marks	Means of verification
Governance Max marks 35			
1	No of Meetings held in last one year For Agri PG 9 meetings for last 3 seasons For Livestock PG and other PG- 12 meetings	A: 80% and above =5 B:70 – 79 % = 4 C: 60 – 69% = 3 D: 50 -59 % = 2 E: less than50% =0	Group Minutes book

S.No	Particulars	Grading Indicator Marks	Means of verification
2	Member's participation - Last one year (Total no.of meeting X total members = Total no.of attendees (cumulative), No.of members attended (cumulative)/Total no.of attendance x 100 =	Above 79% = 3 50 to 79% = 2 Below 50% = 0	Minute's book / Attendance
3	Has the rotation of office bearers done as per their norms	Yes or no due for rotation= 2 marks No= 0 marks	Meeting minutes, resolution copy, book of records, Bank Pass Book Signatory
4	Executive committee members meeting attendance in last 6 months (Total no.of meeting X total EC members = Total no.of attendees(cumulative), No.of EC members attended (cumulative)/ Total no.of attendance x 100 =	A: 80% and above =5 B:70 – 79 % = 4 C: 60 – 69% = 3 D: 50 -59 % = 2 E: less than50% =0	EC Minutes book
5	No. of women member in the PG	A: 65% and above =5 B: 64-50%= 3 C: 26-49%= 1 D: Less than 26% = 0	Members profile / membership register
6	No. of women members in the Executive Committee (Actual women members in EC/ total EC members in PG)	A: 65% and above =5 B :64 – 50% =3 C: 26 - 49 % =1 D: Less than 26% =0	Minutes books and List of Executive committee members
7	Membership fees collected as per Group norms	A: 81-100%= 5 B:70-80%= 3 C: 50-69%= 2 D: Less than 50%=0	Cash receipts, Cash book, membership register
8	Annual subscriptions collected as per group norms	A: 81-100%= 5 B:70-80%= 3 C: 50-69%= 2 D: Less than 50%=0	Cash receipts, Cash book, membership register
Book keeping Max Marks 12			
9	1 Regular updating of register minutes book A/B/C 2 Cash Book and General ledger - A/B/C 3 Planning-indenting Book - A/B/C 4 Procurement, Sales/Outward register - A/B/C 5 Member profile, Asset register- A/B/C 6 Monthly report - A/B/C	Score for each of the Books maintained: A: Last month updated =2 B: One month previous updated =1 C: 2 months previous updated =0	All relevant registers. (Minute's book, Cash book, General ledger, Planning-indenting book, sales register, membership register/ members profile, Asset register, monthly report etc.,)

S.No	Particulars	Grading Indicator Marks	Means of verification
Business Management Max marks 30			
10	Whether yearly/ seasonal Activity Plan prepared (look at last 2 annual plan and last 4 seasonal plan)	A: Activity plan prepared with participation =4 B: Activity plan prepared =2 C: Activity plan not aware by members / not prepared =0	Activity planning done at PG level and document available
11	What percentage of member actually followed the plan	Above 59 % = 4 40 – 59 = 3 20 – 39 = 1 Below 20 = 0	Meeting Minutes & discussion with members
12	PGs involvement - Number of activity PG is involved in A. Collective input purchase B. Training and extension including knowledge sharing C. Savings and/ or inter loaning D. Collective procurement E. Primary processing	Yes = 1 No = 0 Yes = 1 No = 0 Yes = 1 No = 0 Yes = 1 No = 0 Yes = 1 No = 0	All relevant registers. Input Sales register, cash book, training register, procurement etc.,
13	% Members doing collective input purchase (or linked up with the PC/ Co-op for inputs service) <i>(No of members HHs doing collective input purchase/ total no. of members done crop planning)</i>	A: more than 40 % = 4 C: 31-40 % = 3 D: 20-30 % = 2 E – Less than 20% = 0	PG Procurement register and payment vouchers
14	% of members supplied their produce to the PG for Collective marketing) <i>(No of members HHs doing collective output marketing/ total no. of members done crop planning)</i>	A: more than 20%=5 B: 16 to 19 % = 4 C: 11 to 15 = 3 D: 5 to 10 % =2 E: Less than 5% =1	PG sale register and bank passbook
15	No of members supported with training/ capacity building on the commodity	A: more than 70 % = 4 C: 51-69 % = 3 D: 25-50 % = 2 E – Less than 25% = 0	
16	% Increase in commodity profit margin due to PG support	More than 30% - 4 25-30% - 3 15-24% - 2 5-14% - 1 Less than 5% - 0	Procurement / Aggregation of produce, Marketing details, cash book and bank pass book etc.,

S.No	Particulars	Grading Indicator Marks	Means of verification
Financial and Institutional linkages Max Marks 23			
17	Whether the PG has facilitated linkages with Banks, other agencies and taken up financial intermediation services for its members	If Yes = 2 otherwise = 0	Check register to find the number of financial linkages established with different banks
18	Whether the Producer Group linked with Producer collectives	If Yes =3 No =0	
19	Linkage with Producer collective – Individual members Percentage of members linked with Producer Collective (Share capital)	A: above 80 %= 4 B: 61-80% 3 C: 41-60 % = 2 D – less than 40% = 0	Amount receipt and shareholder certificate
20	Whether the PG has obtained CAP or Start up fund from the project in the last one to two years?	Yes =2 No=0	Sanction order and Bank pass book
21	CAP or start up fund utilization as per plan submitted	If yes Utilized more than 80% as per plan in 6 months then 2, Utilized more than 50-79% as per plan in 6 months then 1 Utilized less than 50% - 0	Minute's book, Utilization plan, Utilization certificate
22	PG convergence (Department schemes availed according to the Producer groups products/ commodity)	If yes then 2 marks, otherwise 0	Check register to find the number of convergence linkage established with different department, other than the promoting NGO
23	I. PG activities are in compliances with environmental safeguard requirements (no negative list activities are taken up) II. Applicable mitigations are followed (as described in ESMF guidelines) III. Green / Innovative initiative Members involved in organic practices/ adopted innovative technology, etc	Yes = 3 No =0 Yes = 2 No =0 More than 50% = 3 31-50% - = 2 1-30% =1 Not adopted =0	Screening checklist/format (part of business plan) Green CP reports, SERA reports, part of PG activity reports. If any certificates available
Total Mark (100)			

Final Grade (Total scored Marks of 100)**Abstract of the Scores**

S. No	Particulars	Maximum Score	Score Obtained
A	Governance	35	
B	Book Keeping	12	
C	Business Management	30	
D	Financial and Institutional linkages & Environment Safeguard	23	
	Total	100	

Grade of the Producer Group:

Percentage scored by the PG	Grade
Above 70%	A
60-70%	B
40- 59%	C
Below 40%	D

Name of the Grading team members and signature

- 1.
- 2.
- 3.
- 4.

Date of Assessment :

ANNEXURE – 2

PG ACTIVITY PLAN FORMAT

VAAZHNDHU KAATTUVOM PROJECT (VKP)
ACTIVITY PLAN FORMAT FOR PRODUCER GROUP

1. Name of the EG	
2. EG Code:	
3. Village Panchayat:	
4. Block:	
5. District:	
6. Address:	
7. Name of the Activity	
8. Classification (Farm / Off Farm/ Non-Farm):	
9. Sector Classification (Production/Business/ Service):	
10. Purpose	
11. Amount required	
12. Contribution by members	
13. Legal form (LLP / Partnership)	
14. Udhayam / Udyog Adhar / MSME Registration (if available)	
15. Registration No	
16. Registration Date	
17. GST No (if available)	
18. PAN Card No (if available)	

Introduction:**About the product and activity:**

Type of enterprise	
Product to be produced:	
Service to be offered	
Present Demand	
Current Supply - Current issues in the supply and how the EG will address this in her / his venture? What is the USP to overcome the competition?	

FINANCIAL VIABILITY**COST OF THE PROPOSED / EXISTING ACTIVITY**

Cost of the Project:	(Rs in lakhs)
A) Fixed capital (as per Annexure 1)	
B) Working capital (as per Annexure 2)	
Total cost of the project (A+B)	
Means of the Project (contribution)	
Startup Grant	
EG Contribution	
Total Means of the project (Contribution)	

TECHNICAL FEASIBILITY

S.No	Description	Yes / No
1.	Whether EG have adequate Land / Building for operating?	
2.	Whether EG have adequate electricity for running?	
3.	Whether EG have Water source for running?	
4.	Whether EG have proper approval for running their group without any deviation?	
5.	Whether EG have a knowledge on their raw materials?	
6.	Whether EG have adequate Equipment's for operating their business?	
7.	Whether EG have skilled labors / manpower?	

COMMERCIAL FEASIBILITY

S.No	Description	Yes / No
	Whether EG have info on marketing of their produce?	
	Whether EG have awareness on selling points / marketing location?	
	Whether EG sell their produce by retail / wholesale?	
	Whether EG sell their produce by Direct / online	

BUSINESS DETAILS FOR A PRODUCTION CYCLE (BALANCE SHEET)

S.No	Particulars	Amount (Rs. In Lakhs)
1.	A) Total Sales	
2.	B) Total Cost of Production	
3.	1. Raw material Cost	
4.	2. Wages / Labors	
5.	3. Cost of utility	
6.	4. Others	
	Gross Profit (A – B)	

Office bearer Signature

with seal

Verified by

ECP / PE

Block Team Leader

Executive Officers (EED and BPF)

TSA (Name, Signature with date)

Approved By District Executive Officer

ANNEXURE - 1

FIXED CAPITAL

Description	Size / No	Rate (per unit cost)	Total Value
Total			

*Cost of the capital asserts proposed to be acquired

*Cost of all the equipment's / machinery / construction (excluding land cost)

ANNEXURE - 2

WORKING CAPITAL

Particulars	Holding Period	Quantity Required (Nos, Mt, Kg, Litre)	Rate (per unit cost)	Total Value
Total				

*The operating cycle is assumed at 30 days excluding packing material holding.

Office bearer Signature



VAAZHNDHU KAATTUVOM PROJECT

Department of Rural Development and Panchayat Raj

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TN_RTP



VaazhndhuKaattuvom



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