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CONTENTS

EDITORIAL

United Nations' decision to declare 2012 as International Year of Cooperatives is a big opportunity for cooperative movement to assert its rightful role in socio economic spheres across the world. Cooperatives have dominant presence in many sectors throughout the world. The combined turn-over of 'Global 200' cooperative enterprises surpasses the GDP of Canada. In India, cooperatives have significant market share in agro processing and related sectors like dairy, sugar, fertilizers etc. In the financial sector, the rural cooperative credit structure and urban cooperative banks are important institutions in terms of coverage of population especially weaker sections.

Cooperatives in India, however, do not get due recognition in public policy. Union budgets in the last few years repeatedly failed even to make a reference to this sector. A separate chapter on cooperatives is seen missing in the Plan document since the VIII Five Year Plan. Govt policies helped corporates to restructure and modernize when economy has been opened up for global competition. This, however, did not happen in the case of cooperatives. Cooperatives are placed in the domain of State Govts. The State Govts by and large oppose reforms in the sector, that may dilute its control and authority over them. Cooperative movement also failed to use its huge size and widespread presence, to influence govt policies.

Politicisation of cooperatives, though it may look otherwise, is the main reason for the failure of cooperatives to influence govt policies. When elections are held on party lines and State Govts use its clout and authority over cooperatives to install director boards dominated by ruling party, cooperatives loose its capacity to bargain with the government. The office bearers and directors who came through nominations/appointments based on their political affiliations generally work under the directives of govt. A new kind of empowerment is required in cooperatives. This can happen only with a higher level of involvement and participation of user members in the affairs of cooperative enterprises. Today, most of the cooperatives are dominated by non user members. Non user membership needs to be curbed by law. Similarly, directors nominated by govt. should not be eligible to become office bearers. The leadership of cooperatives should come from user members who have high stakes in its business and genuine concern for the enterprise.

The movement needs to produce a cadre of cooperators throughout the country. This will happen when cooperatives are run by genuine members who are devoted to the interests of the organization. We have the interesting example of Cooperative Party of UK formed by cooperators to protect the interests of cooperatives. Cooperative Party is a recognized political party in Great Britain with a permanent electoral alliance with labour party. Today, Cooperative Party is the second largest center left party in UK which has representation in both Houses of British Parliament as well as Scottish Parliament and the Welsh and London Assemblies. The party has 28 MPs in the House of Commons and 15 members in the House of Lords.

"Cooperative enterprises build a better world" is the theme of International Cooperative Year. The focus of International Year of Cooperatives is to promote cooperatives as a viable option for socio economic development. Given the lack of will on the part of State Govts to allow cooperatives to function as autonomous member driven enterprises and the absence of a cadre of enlightened cooperators and leaders, cooperatives in India have to go a long way to achieve this goal. The International Cooperative Year at best should succeed in campaigning for a change in the attitude of govt towards cooperatives and educating people on the potential of cooperatives to build a better world.

K.K.Ravindran
Managing Editor

Cooperative Laws: Controlling Agents or Strengthening Insturments

Mr. Rajendra Dhanappa Jeur*

The quotation, 'Cooperatives are not profit making organizations' is included in the history. Cooperatives are evaluated only in the language of profit and loss. In this serious point of view cooperative laws should reshape the cooperatives and guide them to arrive on their original track. To convert the challenges into opportunities, instead of controlling the cooperatives; existing cooperative laws must be implemented effectively and furthermore amended as future pathways to recoup the splendor of cooperative movement in the society.

In the real sense, Indian cooperative movement was initiated by passing the first cooperative law in 1904. The objective of the law was clear to make an institutional arrangement for the credit needs of rural and urban poor people especially farmers who were extremely caught into the trap of money lenders. Basic aim behind the law was to set up an alternative model to free the people from the economic exploitation of money-lenders. This idea was taken from Germany based Raifeisen Model (1856). The first cooperative society in the world is Rochdale Equitable Pioneers, which is known as Rochdale Consumer Society (1844). This was really voluntary and purely people's society. Earlier the life style of Indian society was more depend upon destiny than human muscles and abilities. Farmers and labourers were deeply caught by the money lenders. It was said that 'Indian farmer takes birth in debt, lives in debt and dies in debt'. Indebtedness is the inheritance feature of the Indian farmer. At the end of nineteenth century the situation of indebtedness became beyond the limit. Therefore British government felt that this is the time at which government must play a positive role to reduce indebtedness of poor farmers and labourers, otherwise time will not excuse. As a consequence, British government adopted the pathway of cooperation and through cooperative societies they tried to condense economic exploitation of Indian people. Later on cooperative movement spread in various sectors.

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Post Independence Politics through Cooperative Laws

British left India in 1947. In the post-independence era, Indian democratic government lead by late Pandit Nehru, admitted cooperatives as growth agents to eradicate poverty and economic inequality. Government decided to strengthen cooperatives with strong economic support. Government was quite aware that only primary cooperative societies and their members cannot strengthen cooperative movement that's why, government was in favour of immense support. Later on, the cooperative philosophy transferred from British to Indian society has misplaced its original purity and objective. After independence, the subject cooperation continued to remain as state owned (1919). State Governements passed their own cooperative laws taking responsibility to guide and shape the cooperative movement. Unfortunately, the laws were used not to boost the cooperative movement, but to regulate/control the cooperative societies. Are these laws gave right direction to the Cooperative Movement? If yes, then upto what extent? If no, what are the limitations of the laws? These are the questions for discussion.

It is expected that cooperative societies should be purely member sponsored and member centric. Provisions regarding the establishment of cooperative societies are cleared in the cooperative laws of respective state governments. But, in practice, registrations of needy people's societies linger due to unnecessary and illegal technical slip-ups. Simultaneously, the registrations of cooperative societies belonging to political parties and dominant community pressure groups take place within a very short period. These types of malpractices come to pass to faucet economic assistance and facilities from the government. It is better to keep quiet on the functioning of such type of cooperative societies. When wrong doings are brought to the notice of the government, there would be no alternative to amend the laws including new provisions like Deregistration of Cooperative Societies. For example, in Maharashtra, it happened in case of Builder Sponsored Housing Societies and mostly in thousands of Non-Agricultural Rural and Urban Credit Societies. Here is an issue for discussion that is in the realm of wrong practices of registration of cooperative societies, to what extent cooperative laws are responsible and to what extent implementation in system? At present, in Maharashtra State, there are 212000 cooperative societies which have membership base of more than 5 crores. They are providing directly and indirectly employment to 20 lakhs people with transactions of thousands of crore rupees. No man can avoid the importance of cooperatives in the economy but regrettably it has limitations to prohibit the malpractices.

Open and Voluntary Membership and Democratic Control

It is a basic and International Cooperative Alliance approved principle. No doubt, all the cooperative laws accepted it and detailed provisions have been made in this regard. Democracy is the soul of cooperative movement. The entire functioning is done by the principle of democracy. 'One Man, One Vote' is the base of democracy. As an owner of the cooperative society, member has important rights i.e. to participate in the general body meetings, to vote, to get audit report, to get information regarding each and every activity of the society and so on. General body meeting is considered as the highest authority. Cooperative laws take extreme care of the principle of democracy through- out the functioning. However, the list of blunders in the daily practices are so extensive. The attendance of the members in the general meetings remains pathetic. Although, we know that, in this pitiable situation how general meetings are wound up; how elections are conducted, repeatedly how many years the same directors remain on the Board of Directors. The existing cooperative laws have failed to eliminate the malpractices and to end the monopoly of selective persons. The questions are to what extent cooperative law is responsible? What extent the implementers? What extent the monopolistic supremacies in the cooperative societies?

No End of Greed of Government Control

Cooperatives as voluntary organizations should not have interference of the government. They should be autonomous, self-reliant and democratically controlled. In the real sense, cooperatives do not need any laws. They are people's organizations and they should be controlled by the people on the basis of moral principles. But in reality, the picture is very eccentric. Under the provisions of cooperative laws, State Governments are utilizing their legal powers as prickly weapons for controlling the cooperatives. The seed of interference of governments in the cooperatives laid in the principle of government's economic contribution to the share capital of cooperatives. The government's intrusion in the cooperatives was initiated with the objective to confirm the proper utilization of funds supplied by the government to cooperatives. In this regard the role of Maharashtra Government is trouble-free but in the remaining states it is very hard and worrying. It is very painful to say that by amending the existing laws from time to time, state governments are tapering the cooperatives. State governments have amended their cooperative laws, as some times, it becomes very difficult to identify which is the original law and which one is the amended. In this free and market-oriented economy of India, government should free the cooperatives instead of confining their operations under numerous legal provisions. The Maharashtra Cooperative Law-1960, which came into force with effect from 1st May, 1962, has been amended 65 times and before it come into force, first amendment was made in 1961. Central government opposed to these types of amendments has made a Model Cooperative Act for the states. But who cares to central governments suggestion as Cooperation is a state subject?

The Constitution Bill (111Th Amendment)-2009 and Sovereignty to Cooperatives

Fortunately, Indian government, while amending the constitution of India has decided to include a separate article in the constitution on cooperative societies. A constitutional amendment Bill aimed at reforming the cooperative sector has already been introduced in the Lok Sabha by the Agriculture Minister Shri Sharad Pawar. The Constitution (111th Amendment) Bill, 2009 seeks to empower Parliament in respect of multi-state cooperative societies and the State legislatures for other cooperative societies. The Bill adds a new Directive Principles of State Policy stating that the "State shall endeavour to promote voluntary formation, autonomous functioning, democratic control and professionally managed cooperative societies." The objective of the amendment is to keep cooperatives free of outside interference and to ensure their autonomy. Providing for a 21-member elective Board of such cooperative societies, the Bill seeks to reserve one seat for Scheduled Caste or Scheduled Tribe and two for women on each board. The Board will also have two nominated members who will not have voting right. The Bill says no board can be superseded or suspended for more than six months. But a Board which has no Government shareholding, or financial assistance or any guarantee can neither be superseded nor suspended. The Board and its office bearers will have a fixed term of five years and a new Board will have to be elected before the expiry of the tenure of previous Board. The Bill also provides for audit of accounts of cooperative societies by a firm appointed by general body of a society. The auditor will be selected from a panel approved by a State government.

No doubt this bill is a bold step. But this Bill does not reflect or even mention how they will ensure adherence to some cooperative principles like, cooperation among cooperatives, concern for the community etc., and how this bill will increase professionalism and strict implementation of cooperative principles. There is no concrete step in the direction of reforming the entire gamut of human resources in the cooperative sector like members, office bearers, employees etc., except the direction that training and education should be promoted. Amendment in laws and change in the mindset of members, management, staff, political leaders; and can redesign the cooperative sector.

Conclusion

Cooperative movement is a social movement for economic welfare of poor and downtrodden. In recent years, social character of the cooperative movement has vanished and day by day its social scope is shrinking. In the LPG era cooperatives are also functioning as professional institutions which are based on the principle of profit and to the greater extent government is also looking towards cooperatives to be business organizations. The quotation, 'Cooperatives are not profit making organizations' is included in the history. Cooperatives are evaluated only in the language of profit and loss. In this point of view, cooperative laws should reshape the cooperatives and guide them to arrive on their original track. In nutshell, to convert the challenges into opportunities, instead of controlling the cooperatives, existing cooperative laws should be effectively implemented and furthermore amended as future pathways to recoup the significance of cooperative movement in the society.

Comprehensive Rural Development
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Cooperative Banking - A View Point

Dr. K. C. Chakrabarty*

It is an accepted fact that the rural cooperative credit institutions with vast network of PACS have a great potential to increase flow of credit to agriculture especially to small and marginal farmers. Total financial inclusion is not possible without the involvement of cooperatives.

The cooperative movement started in our country more than 100 years ago. The cooperatives are the oldest rural credit institutions in India with widest network covering every State and Union Territory of the country and the first institutional arrangement for financial inclusion. These were virtually the only institutions for rural credit in most of the areas until the nationalization of 14 banks in 1969, and commercial and RRBs have opened large number of branches in rural areas, their reach in the country side, both in terms of the number of clients and accessibility to the small and marginal farmers and the poorer sections, is far less than that of cooperatives. Cooperatives continue to be the single most important institutions, which touch the life of villages and rural farmers. While there are around 15400 branches of RRBs, there are about 95000 Primary Agricultural Credit Societies (PACS). Besides delivering credit to farmers, PACS also serve as outlets for distribution of agriculture inputs and food and other essential items to the villagers. Thus, PACS are in a far better position to further financial inclusion agenda than any other institution. There is, therefore, a compelling need to find ways for strengthening the cooperative movment and making it a well managed and vibrant medium to serve the credit needs of rural India.

When first conceived, PACS were expected to be rural thrift and credit cooperatives, dependent primarily on member savings for meeting the agricultural credit needs of their members. However, subsequently, members stopped seeing these cooperatives as their own, and saw

* Dy. Governor, RBI, Mumbai

Note: The article is an excerpts of Key-note address delivered on the occasion of Review meet on implementation of Revival Package for Short Term Rural Coop. Credit Structure.

them as channels through which to access credit. They stopped saving with PACS. On their part, barring a few States like Kerala, PACS did not make effort to mobilize deposits but act as channel for disbursement of loans by availing fefinane.

Prof. Vaidyanathan Task Force

Despite serving the people for decades, cooperative credit institutions remained financially weak and operationally inefficient and ineffective. Their operations have been reviewed by various Committees in the past and recommendations were made for strengthening them. Various measures were taken from time to time for improving the operations of the cooperative institutions. However, the recommendations of the Prof. Vaidyanathan Task Force and rolling out of revival package by the Government of India on the basis of the recommendations are likely to be part of the most important chapter in the history of cooperative credit institutions in the country. Implementation of the package including the reforms measures in letter and spirit is the biggest challenge before all stakeholders and same has to be met effectively. The revival package seeks to:

- Provide financial assistance to bring the system to an acceptable level of health;
- Introduce legal and institutional reforms necessary for its democratic, self-reliant and efficient functioning; and
- Take Measures to improve the quality of management.

It is a matter of satisfaction that 25 states have signed the MoU and progressed towards the implementation of reforms agenda, although the time period prescribed by the Government for entering into MoU has lapsed. The remaining States may approach the Government in this regard, if they so like, and complete the process. The package was rolled out in January 2006 and it was envisaged that all regulatory actions including compliance to Section 11(1) of the Banking Regulation Act, 1949 (as applicable to Cooperatives) should be kept in abeyance for three years. Three years have already passed. However, only 14 states out of 25, which have signed MoU have been able to amend the Cooperative Societies' Act. This has resulted in slow implementation of the package. As the financial assistance under the package has to be released only on the implementation of legal and institutional reforms, as against total estimated financial assistance of ₹ 13,596 crore envisaged in the revival package, NABARD has, so far (by the end February 2010), released an amount of ₹ 7,561.39 crore towards Government of India's share for recapitalization of 41,295 PACS in twelve States, while the State Government have released ₹ 688.82 crore as their share. It is imperative for all the States that have executed the MoU for implementation of the package to carry out necessary amendments to the respective State Cooperative Societies' Acts without any further delay. Any delay only delays capitalization and make the system further weaker.

Further, after amendment to the cooperative societies' Act, all States should follow the spirit behind the amendment whole heartedly so that the rural cooperative credit structure can operate in a healthy way. Legal and institutional reforms have been recommended under the package to bring about improvement in credit discipline and financial management of the cooperative credit structure. They are expected to enable and induce rejuvenation of the structure by promoting voluntary, democratic, member centric, self-governing mutual thrift and credit institutions. The State Governement's role in this scenario is expected to be not one of instursive patronage, but one of promoting good and skilled management. This process may be slower than one would wish, but it would certainly result in a stronger and healthier structure to serve the needs of the rural people.

A large number of State Cooperative Banks and Central Cooperative Banks were functioning without a banking license for decades. The Committee on Financial Sector Assessment recommended that no unlicensed cooperative banks should be allowed to function beyond 2012. Reserve Bank took a decision to license those cooperative banks which have Capital to Risk Weighted Assets Ratio (CRAR) of 4% and above. The revival package also helped in this regard. I am happy to share with you that within a period of last five months, we have issued license to 8 SCBs and 105 CCBs. However, 9 state cooperative banks and 191 central cooperative banks still remain unlicensed. With recapitalization of these institutions, many of them would be eligible for a license. All cooperative banks should endeavour to become eligible to get a license before March 2012.

Financial Inclusion and Cooperatives

The Financial inclusion agenda being pursued vigorously by the government of India and Reserve Bank of India cannot be accomplished without the involvement of rural cooperative institutions. Rather, they have the biggest role to play in this regard. Leveraging Information technology is a must for achieving financial inclusion and delivering efficient service to the people. Full computerization of all tiers of the cooperative institutions along with use of information and communication technology and issue of biometric cards to members has to be achieved to enable to serve the people.

Way forward

All conceivable reform measures have been embedded in the proposed amendments to the Cooperative Societies' Acts. However, certain issues, which need to be addressed with urgency.

- PACS are at the base of the entire short-term cooperative credit structure and their health affects the higher tiers. Efforts to be made to make them efficient and profitable.
- We have to go back to good old days of making PACS thrift oriented institutions. PACS generally do not make an effort to mobilize deposits but act as a channel for disbursement of loans by availing refinance. They should make efforts to mobilize deposits from members in order to become self-sustaining. This would also promote saving habit among members. Increasing member stake through savings in PACS will result in better involvement of members and a much better performance of PACS including higher loan recovery.
- Cooperatives should function in the true spirit of cooperation and managed by duly elected members. Elections should be held regularly. In order to improve the quality of management, Directors and CEOs should be appointed on the basis of professional competence, integrity and merit. Administrative interference in day-to-day management should be stopped.
- The reform package envisages freedom to all tiers of the structure to avail loan from any

of the RBI regulated entities at competitive rates of interest. I am not sure, if any effort has been made in this regard. This must be tried to derive the cost benefit and profitability. Freedom should be given for pricing in a fair transparent manner.

- Audit should be done timely and Audited Statements should be presented to the General body at the AGM.
- Full computerization of all the institutions under the three tier structure should be achieved quickly. This will improve the efficiency, internal control system and Management Information System.
- Training and capacity building of the personnel should be a focus area. NABARD and College of Agricultural Banking have to revamp the training system to prepare the cooperative personnel to meet new challenges and take forward financial inclusion agenda.

It is an accepted fact that the rural cooperative credit institutions with vast network of PACS have a great potential to increase flow of credit to agriculture especially to small and marginal farmers. Total financial inclusion is not possible without the involvement of cooperatives. In the past, they failed to deliver due to various weaknesses. It is the opportune time now make them vibrant medium to serve credit needs of rural India and at the same time mobilize deposits from rural people to become self-reliant. These institutions should run like banks with professional management and governance. RBI has already prescribed fit and proper criteria for the Directors and Chief Executive Officers, which need to be followed. Over a period of time, all cooperative banks would be at par regulatory norms are concerned and all prudential norms would be made applicable to them. A beginning has already been made in this regard by way of issuing licenses only to those state and central cooperative banks, which have Capital to Risk Weighted Assets Ratio (CRAR) of 4% and above. I hope, a new chapter will begin for the rural cooperatives and they will serve the people in the true spirit of cooperation.

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ब्राण्ड निर्माण द्वारा सहकारिता की पहचान

श्री नवल किशोर *

सूचना के युग में यह अब सामान्य रूप से लोग जान चुके हैं कि किसी भी संस्थान की पहचान उसकी मूर्त सम्पत्तियों तथा उसके कारखानों अथवा नई चीजों की बड़ी संख्या से नहीं वरन उस संगठन के अन्तरनिहित गुणों जैसे – सुघड़ता, उपभोक्ता आधार, वितरण प्रक्रिया व उसमें काम करने वाले कर्मचारियों के मानसिक स्तर तथा ब्राण्ड आदि पर निर्भर करता है। इन अदृश्य विशिष्टताओं में ब्राण्ड कदाचित सर्वाधिक बेशकीमती गुण है। ब्राण्ड कम्पनी के उत्पाद एवं सेवाओं को अपने प्रतिस्पर्धी उत्पाद से एक भिन्न गुण व स्वरूप के रूप में प्रस्तुत किया जाना चाहिये। एक सुदृढ़ ब्राण्ड अपेक्षाकृत अधिक विक्रय एवं मूल्य लाभ सृजित करने में मदद करता है। अतः सहकारी संस्थाओं/समितियों को वर्तमान के नित्य विकसित एवं परिवर्तित हो रहे प्रतिस्पर्धाजनित बाजार में अपनी उत्तर जीविता बनाये रखने के लिये ब्राण्ड तकनीक का उपयोग करना बहुत आवश्यक है।

सहकारी संस्थानों में कुछ एक अपवाद जैसे– अमूल, पराग, इफ्को व कृभिको आदि को छोड़ कर, अन्य सभी ब्राण्ड तकनीक के उपयोग में बहुत पीछे हैं। सहकारी संस्थायें ब्राण्ड का लेश मात्र भी उपयोग नहीं कर रही हैं। वर्तमान वैश्विक आर्थिक परिदृश्य में, जहां सूचना एवं संचार तकनीक ने ब्राण्ड को पूरी तरह से किसी वस्तु या उत्पाद के उपयोग से उसे तत्क्षण ही एक आम और घरेलू नाम बना कर ये सम्भव कर दिखाया है। ब्राण्ड निर्धारण किसी भी वस्तु या उत्पाद की तीव्रता से व्यवसाय वृद्धि के लिये एक अति महत्वपूर्ण उपकरण की भूमिका का निर्वहन करता है। ब्राण्ड एक विश्वास, एक अनुभूति होता है अतः सहकारी संस्थानों के लिये ये आवश्यक है कि वे अपने उपभोक्ताओं/ग्राहकों के दिलों में एक बहुमूल्य ब्राण्ड के रूप में स्थापित हों अन्यथा आने वाले समय में सहकारी संस्थायें अस्तित्वहीन हो जायेंगी।

ब्राण्ड निर्धारण से सहकारी संस्थाओं की अपने ग्राहकों के मध्य एक स्पष्ट पहचान सृजित होगी। उपभोक्ताओं/ग्राहकों के लाभ हेतु सहकारी अवधारणा पर आधारित व्यवहार व्यावसायिक रणनीति के प्रसार के लिये ब्राण्ड निर्धारण एक बेहतर व्यावसायिक उपकरण होगा। सभी क्षेत्रों में सहकारी संस्थाओं द्वारा सर्वाधिक सफलता के उल्लेखनीय कीर्तिमानों के बावजूद ब्राण्ड निर्माण, सहकारिता और सहकारी संस्थाओं द्वारा पूरी तरह उपेक्षित रहा है। यदि हम चाहते हैं कि सहकारी क्षेत्र की व्यवसायिक इकाइयां प्रतिस्पर्धाक व्यावसायिक इकाई के रूप में उभर कर सामने आयें तो इसके लिये ब्राण्ड निर्धारण तथा एकीकरण द्वारा उन तरीको को सही ढंग से उजागर करना होगा जिनमें सहकारी संस्थाओं द्वारा उत्पादित वस्तु निजी क्षेत्र के उत्पाद से गुणवत्ता में श्रेष्ठ हैं। जैसा कि वर्गीज़ कुरियन ने कहा है कि ''ब्राण्ड एक शक्ति है, सहकारी संस्था बिना ब्राण्ड निर्धारण के अपने अस्तित्व विस्तार की कल्पना भी नहीं कर सकती जो आज के प्रतिस्पर्धाक परिवेश में वस्तुओं तथा सेवाओं के व्यापार में अकेले ही कामयाब हों। केवल एक सुदृढ़ ब्राण्ड निर्धारण तथा विपणन की दक्षता के पोषण के साथ ही सहकारितायें अपना स्थान खुले बाजार में बना सकती हैं। ध्यान रहे कि गुणवत्ता एवं अहमियत सफल ब्राण्ड की आधारशिला है।''

ब्राण्ड निर्धारण का आधार (Prerequisites of Brand)

सहकारिता को खुले बाजार में एक सुदृढ़ ब्राण्ड के रूप में विकसित करने से पूर्व हमें ये भली भांति समझ

* प्रबन्ध निदेशक, उ. प्र. सहकारी ग्राम विकास बैंक लि., लखनऊ

लेना चाहिये कि ब्राण्ड केवल नाम नहीं है वरन इसमें क्रेता एवं विक्रेता दोनों के ही कुछ दायित्व अर्न्तनिहित हैं। सफलतम सेवा अथवा उत्पाद सभी का ध्येय होता है प्रत्येक दिन दसियों हजार सौदे किये जाते हैं। इन सभी सौदों में ब्राण्ड का नाम एक प्रसंविदा के रूप में कार्य करता है। ये एक क्रेता के लिये आश्वासन होता है कि क्रय की गई वस्तु की सभी विशिष्टतायें उस वस्तु में सन्निहित होगी। ये विक्रेता का एक दृढ़ आश्वासन होता है कि उचित मूल्य पर गुणात्मक वस्तु आपूर्त की जा रही है। ब्राण्ड उपयोग की ये सबसे कड़ी परीक्षा है कि ब्राण्ड का उपयोग एक अनुबन्ध के रूप में, हर दिन उसके लिये नया अनुबन्ध होता है अर्थात प्रसंविदा हर दिन नवीनीकृत हो जाता है। यदि एक दिन भी अनुबन्ध उपभोक्ता/ग्राहक की आशाओं के अनुरूप असफल होता है अथवा सही अर्थों में वस्तु या सेवा उपभोक्ता को अपेक्षित संतुष्टि देने में असफल रहती है तो अनुबन्ध की अहमियत खत्म हो जाती है।

अनुबन्ध में ब्राण्ड का नाम होता है। वस्तु की गुणवत्ता क्रेता की अपेक्षाओं के अनुरूप न होने पर कोई भी ब्राण्ड ज्यादा दिनों तक नहीं चल सकता। इस स्थिति में किसी भी प्रकार का कोई समझौता सम्भव नहीं है। पहला, ग्राम विकास बैंक की तरह सेवा प्रदान करने वाली सहकारी सरस्थाओं में ब्राण्ड, उत्तम व सही आचरण के साथ बेहतर गुणात्मक सेवा का प्रतिनिधित्व करता है। दूसरा, अनुबन्ध मुद्रा के मूल्य की अपेक्षा करता है। यदि ग्राहक कोई सेवा की अपेक्षा करता है तो इसके लिये उसे उसका मूल्य देना होगा। हमने सदैव इस बात पर पहल की है कि हम अपनी संस्था के लिये के लिये लाभ उपार्जित करते रहें लेकिन अपने ग्राहक को नुकसान पहुंचाकर तो कदापि नहीं। तीसरा, प्राप्यता का अनुबन्ध – जो ब्राण्ड को, जब भी और जहां कहीं भी ग्राहक को ज़रूरत हो, उपलब्ध रहना चाहिये। सकारात्मक ब्राण्ड छवि प्रसारित करने का कोई औचित्य नहीं होगा यदि तदनुरूप उसकी पूर्ति नहीं की जाती। बैंकिग के परिप्रेक्ष्य में बैंक की शाखाओं का एक सुदृढ़ नेटवर्क प्रत्येक विकासखण्ड व तहसील स्तर पर ग्राहक की तात्कालिक अपेक्षाओं एवं आवश्यकताओं के अनुरूप उन्हें समय से संसाधन उपलब्ध कराने हेतु अपेक्षित सुधारों के साथ सक्रिय होना चाहिये जिससे बैंक एक ब्राण्ड के रूप में अपनी पहचान बना सके। अनुबन्ध का चौथा एवं बहुत ही महत्वपूर्ण अंग है सेवा। हमारी पूर्ण प्रतिबद्धता गुणात्मक सेवा के प्रति होनी चाहिये। अगर कभी कोई गलती होती है अथवा ग्राहक को ऐसा लगे कि हमने गलती की है तो उसे स्वीकार करने में संकोच नहीं होना चाहिए जैसा हम मानते है कि ग्राहक सदैव सही है। ग्राहक की शिकायत पर सुनवाई होनी चाहिये – केवल औपचारिक कार्यवाही नहीं वरन प्रत्येक उपभोक्ता की शिकायत पर मानवीय स्तर से अपेक्षित सुधार–निस्तारण किया जाना चाहिये। और अन्त में उपभोक्ता के साथ पूरी ईमानदारी तथा अपनी संस्था के साथ पूरी प्रतिबद्धता के साथ ब्राण्ड अनुबन्ध का सम्मान करें, यही सहकारिता का सफल ब्राण्ड होगा। संसाधनों को निर्धारित लक्ष्य और बेहतर परिणामों के लिये वितरित किया जाना चाहिये।

सहकारिताओं की वर्तमान छवि

सहकारिता की वर्तमान अवधारणा विगत में उसके द्वारा सम्पन्न कार्यो से सर्वथा भिन्न है। सहकारिताओं द्वारा छवि निर्माण की प्रायः अनदेखी की गई है। आम आदमी की सहकारिता के परिप्रेक्ष्य में निर्मित छवि कोई प्रेरक अथवा प्रेरणादायी नहीं कही जा सकती है। सहकारी साख संस्थाओं के बार–बार बकाया पड़ने तथा अधिकतर सहकारिताओं के विघटन अथवा निष्क्रिय घोषित होने और इसके अतिरिक्त अनियंत्रित कुप्रबन्धन से सहकारिता की छवि को बहुत क्षति उठानी पड़ी है। अत्यधिक सरकारी नियंत्रण तथा रोज़मर्रा के कार्यों में अवांछित हस्तक्षेप सहकारिताओं की एक सुपरिभाषित एवं सुबोध पहचान के अभाव का प्रमुख कारण हो सकती हैं। सामान्य जन, सहकारिताओं को लाभ कमाने वाली संस्थाओं की अपेक्षा द्वारा नहीं करते यहां तक कि सहकारिताओं के विकास तथा उनके व्यवसाय संवर्धन के लिये भी लाभ अर्जित करना वे उचित नहीं मानते। समाज का बहुसंख्यकवर्ग सहकारिताओं को मात्र समाज सेवा

उन्मुख संस्था ही मानते है। भारतीय सहकारी यूनियन ने वर्ष 1959 में सहकारिता की एक तस्वीर प्रस्तुत की जिसमें भारतीय सहकारी यूनियन ने माना कि गिनती में सहकारी समितियॉ की बहुत बड़ी संख्या हैं जो करोड़ों सदस्यों का प्रतिनिधित्व कर रही हैं लेकिन यूनियन यह अनुभव करती है कि वस्तुतः यहां वास्तविक सहकारिता आन्दोलन का पूर्ण अभाव है जो उन लोगों द्वारा सृजित, नियंत्रित और चलाया गया हो जिन्हें सहकारिता के सिद्धान्तों में विश्वास और समझ हो। उसके बाद ये स्थिति और अधिक खराब हुई है लेकिन सहकारी आन्दोलन की कथित वास्तविक छवि होते हुये भी सहकारितायें, सदस्य नियंत्रित एवं प्रजातांत्रिक रूप से संचालित उद्यमों के रूप में अपने विशिष्ट संगठनात्मक स्वरूप के कारण चल रही हैं और सक्रिय हैं।

सहकारिताओं का योगदान अगर देखें तो सहकारिताओं ने वास्तविक रूप से भारत में हरित क्रांति, श्वेत क्रांति, पीत क्रांति तथा नीली क्रांति लाने में महत्वपूर्ण भूमिका निर्वहन की है। सहकारिताओं ने भारत के प्रत्येक नागरिक के लिये कुछ न कुछ योगदान अवश्य किया है। 106 वर्षों के इस लम्बे काल में भारतीय सहकारी आन्दोलन विश्व का सबसे बड़ा विवधीकृत आन्दोलन के रूप में उभर कर आया है। देश में सभी प्रकार की लगभग 6 लाख सहकारिताये हैं जो प्रत्येक स्तर पर 24 करोड़ की वृहद सदस्यता एवं ₹ 20,000 करोड की अंश पूंजी के साथ सक्रिय हैं। इन सहकारिताओं ने भारत के शत प्रतिशत गांवों के 75 प्रतिशत से अधिक अर्थव्यवस्था की महत्वपूर्ण घरेलू गतिविधियों को आच्छादित किया है। सहकारिता की शक्ति गांव और शहरी क्षेत्र के गरीब और मध्यमवर्ग की प्रतिबद्ध सहभागिता है। लोगों की श्रम शक्ति तथा छोटी पूंजी का एकीकरण सहकारिताओं को रूपान्तरित कर सकता है। सहकारिता में सम्बन्ध बनाने की अद्भुत सामर्थ्य है। भारतीय सहकारिता का आधार ग्रामीण है। जो न्यूनतम लागत ढांचागत सुविधाओं तथा दृढ़ संस्थागत नेटवर्क तथा स्थानीय संसाधनों के गतिमान पर संचालित हैं।

सहकारिताओं की इतनी शक्ति सामर्थ्य तथा अन्य आर्थिक स्वरूपों की तुलना में लाभ के होते हुये भी सहकारी प्रणाली धूमिल हुई है। सहकारिता आन्दोलन के विस्तार हेतु जब हम दूसरी शताब्दी की ओर दृष्टिपात करते है तो यह आवश्यक है कि हम जाने कि वे (सहकारिताये) क्या हैं और उन्हें (सहकारिताओं) वास्तव में क्या होना चाहिये, और इनके मध्य जो फासला है, उसे किस तरह भरा जाये। किसी भी सहकारी आन्दोलन को गतिमान करने के मार्ग में अवधारणा और वास्तविकता के मध्य की ये सबसे बड़ी चुनौती है।

आर्थिक उदारीकरण तथा बढ़ते **(WTO)** के अर्न्तगत व अर्थव्यवस्थाओं के वैश्वीकरण के परिप्रेक्ष्य में आज पूरे सहकारी क्षेत्र की प्रांसगिकता में अभिवृद्धि हुई है। आज वैश्विक अर्थव्यवस्था में छाई मन्दी की भयावह छाया तथा सार्वजनिक एवं निजी क्षेत्र की लुप्त होती कार्यप्रणाली सहकारी क्षेत्र के सुदृढ़ मार्ग की ओर बड़ी उम्मीद से आगे बढ़ रही है। वर्ष 2012 को संयुक्त राष्ट्र संघ द्वारा अन्तर्राष्ट्रीय सहकारी वर्ष मनाये जाने की घोषणा किंचित सहकारिता के उज्जवल भविष्य से वैश्विक अर्थव्यवस्था को पुर्नस्थापित करने की पहल कहा जा सकता है। इस प्रकार इन परिस्थितियों में सहकरिता क्षेत्र वस्तुतः अर्थव्यवस्था का एक महत्वपूर्ण एवं शक्तिशाली सेक्टर बन कर उभर सकता है। वैश्विक मन्दी से उत्पन्न परिस्थितियों से मुक्ति हेतु उन अपेक्षित लाभों को पाने के लिये सहकारिता को विश्व बाजार में एक सुपरिचित ब्राण्ड के रूप में विकसित करना होगा।

सहकारिताओं को ब्राण्ड बनाने के लिये मार्गदर्शिका

एक अच्छे ब्राण्ड निर्माण के आधार को दृष्टिगत रखते हुये सहकारिताओं को स्वतंत्र ब्राण्ड पहचान के रूप में कार्य करना प्रारम्भ कर देना चाहिये। सबसे पहले, सहकारिता को एक ब्राण्ड विवरण तैयार करना चाहिये जिसे जन सामान्य सरलता से समझ सके और

उसकी स्मृति बनाये रख सके। दूसरा, किसी भी ब्राण्ड को विकसित करने में उसके कर्मचारी उस ब्राण्ड को परिभाषित करने तथा उस को आम आदमी तक पहुंचाने में महत्वपूर्ण सहभागी होते हैं। केवल शब्द नहीं वरन उनके परिणामदायी कृत्य ही माने रखते हैं। ब्राण्ड के क्रियान्वयन हेतु स्पष्टता तथा लोगों के सही कार्य करने पर भरोसे व चाह की आवश्यकता होती है जो उन प्रबन्धकों, जो केवल शासन करने के लिये ही प्रशिक्षित किये गये होते हैं, के लिये सदैव इतनी सरल नहीं होती। सभी कर्मचारी जिनमें वे कर्मी भी सम्मिलित हैं जो कार्यालय के पीछे कार्य करते है, वे कर्मचारी जो ग्राहकों से सम्बन्ध बनाने का कार्य करते है तथा वे सदस्य जो मानव संसाधन के पेशेवर हैं व प्रतिभा पोषण में मददगार भी है, किसी वित्तीय संस्थान द्वारा ब्राण्ड निर्माण हेतु उस संस्था के स्वरूप और छवि को बढ़ाने में महत्वपूर्ण भूमिका अदा करते हैं। ग्राहक के मनोभाव तथा आचरण को समझना व साथ ही उस समझ में सहभागी होना तथा एक सुसंगत समन्वित ब्राण्ड कथानक का निर्माण करना जो आपसी संवाद के पूर्ण अनुकूल हो एवं व्यवसाय के अन्दर तथा बाहर दोनों की इन स्थितियों पर केन्द्रित कर पाना, अत्यन्त कठिन होता है।

इन पूर्वाभासी कृत्यों से पृथक सहकारिताओं को अपने अनेक तरीकों से, जिनमें व्यक्ति से लेकर समूह सम्पर्क, सम्भाषण से लेकर संदेश प्रेषण, दृश्य–श्रृव्य माध्यम से सम्प्रेषण, समाचार पत्रों से सूचनाओं का प्रसार और अन्ततः वर्तमान सूचना प्रौद्योगिकी जैसे एस.एम.एस., ई– मेल, वेबसाइट आदि के द्वारा लगातार अपनी सकारात्मक छवि बनाने के लिये काम करना शुरू कर देना चाहिये। सहकारिता के दर्शन के वास्तविक स्वरूप को प्रस्तुत कर साथ ही ये सुनिश्चित करते हुये कि सहकारिताओं की विभिन्नता के कारण कोई भेद नहीं है, अपने वित्तीय संसाधनों के लिये संस्था के वास्तविक तथा सहकारिता के सिद्धान्तों के अनुरूप सहकारी प्रबन्धन के स्वरूप तथा आन्दोलन की पूरी जिम्मेदारी की पहचान पूरे सहकारी आन्दोलन की एक सकारात्मक ब्राण्ड छवि सृजित करेगा। सहकारितायें मूल रूप से समुदाय उन्मुख संगठन होते हैं और अपने लिये लाभ अर्जन के अलावा सहकारिताओं ने सामुदायिक तथा क्षेत्रीय विकास तथा प्रबन्धन के साथ ही साथ सार्वजनिक हित के लिये पूंजी मोबिलाइजेशन जैसे कार्यों में महत्वपूर्ण योगदान देती हैं जिससे सहकारिताओं की विशिष्ट छवि का सृजन होगा।

इन उपायों के अतिरिक्त जन संचार माध्यमों, जन सम्पर्क कम्पनियों की भागीदारी के साथ साथ अक्सर संगोष्ठियां, कार्यशालायें आदि का आयोजन किया जाना होगा, जिससे मीडिया के प्रतिनिधि सहकारिताओं के उन मुद्दों से भली भांति परिचित हो जाये जिनका सामना सहकारिताओं को नित्य प्रति करना पड़ता हैं। विज्ञापन प्रयास, मीडिया द्वारा प्रकाशित स्वतंत्र समीक्षा रिपोर्ट्स एवं प्रदर्शनियों तथा मेलाओं का आयोजन, तस्वीरों पोस्टर्स तथा माडलों द्वारा अपनी सेवा क्रिया कलापों को प्रस्तुतीकरण प्रारम्भिक सजगता प्रदान करता है तथा वस्तु अथवा सेवा की एक छवि निर्मित करता है।

प्रतिस्पर्धा के खुले बाजार में सहकारिता के ब्राण्ड निर्माण की छवि विकसित करने से पहले हमें अपनी सोच में बदलाव लाना चाहिये कि सहकारितायें केवल सदस्योन्मुख संगठन हैं। अब बाजार की शक्तियां हमें भी बाजारोन्मुख होने के लिये बाध्य कर रही हैं। हमें निरन्तर सहकारिताओं तथा सहकारी उद्यम के वास्तविक स्वरूप तथा उसके वास्तविक शक्ति की आम जनता को बेहतर जानकारी देते रहने के लिये यह प्रयास करते रहना होगा। सहकारिता को ब्राण्ड के अनुरूप विकसित करना तथा उसको तदनुरूप प्रस्तुत करने से पूर्व सहकारिता में सुधार लाना होगा तथा ब्राण्डिग के लिये एक पात्रता विकसित करनी होगी। ब्राण्ड निर्धारण से पूर्व सहकारिताओं को अपने ढांचागत स्वरूप तथा कार्य शैली पर आत्म–निरीक्षण करने की आवश्यकता है।

अन्त में हमें यह भलीभांति जानना चाहिये कि ब्राण्ड एक जीवन्त वस्तु है जिसकी देख–भाल पूरी सजगता के साथ की जानी चाहिये जिससे कि इसके लाभ हमें मिल सके। आपने सुना भी होगा कि–

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ICT Mediated Innovative Approaches for Strengthening Technological and Information Empowerment of Farmers

Ms. Monika Wason*
Mr. K.R.Koundal**

Information and communication technologies (ICT) are being rapidly deployed for achieving the developmental goals through speedy, cost-effective, credible and accessible communication networks. Undoubtedly they have opened a new vista in knowledge and information accessibility and sharing among millions of farm families who remained unreached and out of pale of conventional information network and development opportunities in want of right and timely information, knowledge and technology. According to CTA (1983), these modern technologies offer new and multiple perspective, such as faster and better focused access to information. Though traditional communication channels have been used successfully, they have been monologic and constrained with lack of interaction with users. However, now the new changes in radio system like internet radio facilitates interaction with audience. Failure of top-down, one-way, non-interactive and non-consultative technology driven approaches to development communication has been a serious limitation with conventional approaches to communication. New ICT tools and services hold immense potential of getting vast amount of information to rural population in a well comprehensive as well as time-and cost effective manner and thus bridge the information and developmental gaps.

Since the conventional media is more people-friendly in comparison to ICT led media, it will be wise to deploy a blend of the two to strengthen the information flow and to infuse rural transformation process. At a juncture when the world is witnessing the information explosion, implementation of ICT-led media for speedy dissemination and wider accessibility of information for rural and isolated communities is vital for accelerating their development efforts in spite of

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certain limitations and weaknesses (like poor infrastructure, lack of power supply and energy, lack of skills, illiteracy, budgetary provision for installation, implementation and maintenance, etc.) associated with them.

In the recent past several innovative approaches and mechanism have been evolved and implemented for enhancing the information flow and facilitating informed decision making the farmers, among which radio and rural telephony linked approaches like initiatives of ICT services, Kisan Call Centers, Farm School on AIR, Community Radio, Agricultural Technology Information Center, etc have been quite prominent.

Strength of ICT led information dissemination system:

1. They offer an additional alternative as well as complementary and supplementary media to existing and conventional media for strengthened information flow and accessibility.
2. They have immense potential for grassroot empowerment by providing mechanism for bottom-up articulation as well as enhanced awareness through information sharing
3. Through enhancing the level of information accessibility they could play important role in resource conservation and efficient utilization
4. Being cost effective it could be an effective tool for reaching the unreached and enhancing the livelihood capabilities of small and marginal as well as distant and remote vulnerable communities.
5. Rapid flow of information could facilitate timely decisions and actions.
6. They could be highly instrumental in strengthening the ambit of networking across villages and even nations.

Strengthening ICT enabled delivery mechanism

Computer aided extension services: Operating in the present knowledge based era, speedy dissemination and acquisition of information holds the key for success. The farmers must keep themselves abreast with the latest information about their enterprise to sustain their feet in the market. The researchers, extension agencies and development organizations must strive to develop quality and market-driven content about technology and related information and put in on-line for quick accessibility. Development of commodity specific decision support system (DSS), Expert system, and On-line market info-portal could bring about improvement in precision decision-making by the growers and lead to betterment in production and trade of horticultural produce.

Some successful cases of ICT enabled services

AKSHAYA- Community driven ICT initiative: How community demand sparked off an ICT initiative is reflected from a successful case of AKSHAYA in Kerala. The Panchayats of Malapuram approached the state government for setting up a government backed computer education programme. IT Mission in Kerala on popular demand of Panchayats designed one computer literate person per family programme, for which the panchayats were ready to contribute their funds. IT mission has designed a massive programme on agriculture to be relayed through Akshaya centers. Akshaya has also organized collectives of farmers who exchange information on best practices in agriculture.The panchayats monitor the center operator in relation to fulfillment of community obligations.

I-Kisan Limited: It is an initiative of the Nagarajuna group of companies to facilitate continued enhancement of agricultural productivity. It has I-Kisan portals and information kiosks at the block/village level for dissemination of information. Farmers can access the portal free of cost.

ITC's e-Choupal: The Indian Tobacco Company (ITC) embarked upon a path-breaking idea to directly reach smallholder farmers through use of ICT innovations to develop an effective business relationship. The project named e-Choupal finds its root in the traditional “Choupal” model of communication in villages used for knowledge sharing. It started with a pilot project in soybean growing villages of Madhya Pradesh. ITC supplied to each village an e-Choupal kit comprising a standard personal computer (PC) with an operating system, multimedia kit, and connectivity interface; connection lines via either telephone or VSAT (Very Small Aperture Terminal); a power supply consisting of Uninterruptible Power Supply (UPS) and solar powered battery backup and a dot-matrix printer.

The 'e-Choupals' or village Internet kiosks are managed by the farmers called “sanchalaks” (coordinators). It has facilitated information-based decision making among the farmers by providing real-time information in local language and customized knowledge. Farmers could procure quality inputs at cheaper rates from reputed firms by aggregating their demand in groups. Having links with mandis, e-Choupals minimizes the role of intermediaries and makes market transaction cost-effective.

Warna wired Village project in Maharashtra: Over 70 villages are linked through computer network of facilitation booths to access information related to agriculture, medical, education, etc. It is managed by Warna Nagar Cooperative Society.

Gyan Ganga Project in Gujarat maintains kiosks to provide computer education, video conference, e-governance, health, veterinary services, etc.

Indiagriline by EID Parry: The AgriPortal of EID Parry is designed to address the specific needs of the rural farming community and catalyzes e-commerce in agricultural and non-farm products by offering a network of partnerships. The content is developed in Tamil by EID Parry in collaboration with the Tamilnadu Agriculture University and its Research Stations, Tamilnadu University for Veterinary and Animal Sciences, National Horticulture Board, AMM Foundation, Murugappa Chettiar Research Centre, and other players in agricultural media and publishing.

Computers on Wheel: Pingali Rajeshwari, the entrepreneur, in AP provides Internet on motor bikes and helps the resource poor in remote area in harnessing the benefits of ICT for information related to market, weather, plant protection, animal health, etc.

Effective use of Mass Media Channels

Many private channels have begun innovative agricultural programmes to provide the information demand of farmers, entrepreneurs and exporters.

- Asianet cable network: It is a private Malayalam television channel and has started an innovative weekly agricultural programme covering information and technological knowledge related farming, poultry, fisheries, sericulture, horticulture, animal husbandry, etc. Lotus cultivation, women empowerment in integrated pest management, vermi-wash preparation from household waste, horticulture therapy and market information.
- EENADU television (ETV): It

has eleven channels covering AP, Karnataka, Maharashtra, UP, MP, Rajasthan, Gujarat, Orissa and West Bengal. Its agricultural programme *"Annadata"* has been very popular as it caters to the information demand of farmers.

- All India Radio Farm School Program: This program began in the 1960s, had considerable success and reached many thousands of smallholders. The programs were broadcast in 144 districts and special farm units were established in 46 radio stations to provide a farm broadcasting service daily.

Farm School on AIR programme consists of 13 serialized sessions on a particular topic related to agriculture and allied fields. Subject matter specialists prepare the sessions of radio talks and they are broadcast for 13 weeks continuously at an interval of 7 days.The host organization motivate the target audience for getting registered for the particular subject school. For better learning and benefits of modern technologies IARI in collaboration with AIR conducted Wheat School on AIR, Paddy school on AIR, Cotton School on AIR,

- IARI Agricultural information dissemination system by FM radio

Vasundhara Vahini, Baramati Kendra has launched agricultural programmes on FM channel in Maharashtra. The objectives of Local FM radio broadcast service are to provide information on various agriculture related issues like weather information, best practice for a season, crop recommendations etc.; to reawaken among communities a sense of duty and social responsibility; to advocate and lobby for gender balance in communities at different levels of decision making both in government and the private sector and to help communities preserve and live harmoniously with their environment.

- Community Radio

A Community Radio station is one that is operated in the community, for the community, about the community and by the community. It can be managed or controlled by one group, by combined groups, or by people such as women, children, farmers, fisherfolk, ethnic groups, or senior citizens. There is high level of people's participation, both in management and program production. Individual community members and local institutions are the principal sources of support.

"Alternative for India development" run in Daltenganj, Bihar; "Charkha's Pechuwali Man ker Swar" in Ranchi, Jharkhand; "SEWA's Rudino radio" in Gujarat; Agragamee's 'Ujjala' in Jeypore, Orissa; and Campus community Radio Anna FM are the successful cases of community radio providing voice to the farmers and rural poor. *Kunjal Paanje Kutchji* (Saras Crane of Kutch) prepared by Kutch Mahila Vikas Sangathan, Bhuj received Chameli Devi Jain award 2000 from Media Foundation, New Delhi in 2001. It runs 15- minute program "Tu jiaro ain" (Tu Zinda Hai). It is supported by UNDP and government of India. Namma Dhwani, the VOICES initiatives in Budikote of Karnataka has Cablecast programmes made by the community members, right in their homes. It has support of UNESCO to introduce community radio programme through local AIR station.

However, the challenges for promotion of community radio include generation of self sustaining resources as well as organization of competency development programmes in areas of content development, broadcast system, communication and management skills.

Telephone-Based information delivery services

Real time information and advices on farming methods, appropriate crop varieties and package of practices, weather forecast and related measure input and market related decisions are critical for farmers. Of the several approaches, telephone- based information delivery services hold immense potential for reaching the distant farmers in time. Kisan Call Centers, Help-line Services, Mobile phone texting and conferencing, etc are the innovative approaches adopted by government and non-governmental organizations engaged in agricultural and rural development endeavours.

- **Kisan Call Center (KCC)**

Kisan Call Center (KCC) has been launched by Department of Agricultural and Cooperation, Ministry of Agriculture to provide an easy access point to the farmers, all over the country. The Kissan Call Center is a synthesis of two separate technologies namely the information & communication technology (ICT) and Agricultural Technology. Both have their specialized domains and work cultures. To optimally utilize the strength of both these systems , it was designed to take full advantage of professionally managed Call center mechanism and dovetail it with the specialized knowledge of Agricultural Scientist and Extension Officers, so as to facilitate its reach to the farming community.

The Kisan Call Center consists of three levels namely Level-I, Level-II and Level-III. At Level-I there are agricultural graduates having local language proficiency and high quality bandwidth connectivity who attend the calls of the farmers. At level-II there are Subject Matter Specialists on concerned important crops and enterprises, who connected through good bandwidth telecom and computer connectivity and answer the queries of callers; which are forwarded by Level-I. Finally at Level-III there is management group to ensure ultimate answering and resolutions of all the farmers queries which are not resolved at Level-I and they are connected on off- line mode.

Functioning of KCC

Level-I: The call coming to the call centre is picked up by an operator who after a short welcome message, takes down the basic information and the query of the caller. These details are fed into a computer located next to the operator by the operator himself and the first level receiver of the call also feed in to the computer the questions being asked by the farmer. The first level operator is an agricultural graduate with rural background knowing local language. They should also possess good communication skills.

Level-II: The level-II consists of Subject Matter Specialists (SMS) who are located at respective place (Research Stations, ATCs, KVKs, Agricultural Colleges) of work. In case the first level operator is not able to answer the question, the operator forwards (in call sharing mode) the call to the concerned Subject Matter Specialist. The data relating to the caller including the questions asked are also transferred to the level-II functionary on his computer along with the call. It is envisioned that in normal cases, the entire spill over questions from the first level will get answered at this level. In case, it is not possible to answer, there is a system to revert back to the caller by Post/fax/email or by telephone in 72 hours.

Level-III: The level-III consist of a dedicated cell located at the nodal office. This level receives the questions that have not been answered at the first and the second levels. Appropriate replies to these questions are then framed in consultation with the concerned specialist available within or outside the state, by the nodal cell.

The replies are sent to the farmers promptly by post / email / fax / telephone etc within 72 hours of receipt of the question.

Help-line service started by CSAUAT, Kanpur is yet another novel initiatives to strengthen connectivity between clienetele and information source. It also provides research farmers linkage through telephone. Farmers get information related to cultivation practices, plant protection measures and new technology.

Single Window Delivery System through Agricultural Technology Information Center

Fast and efficient dissemination of suitable technological information from the Agricultural Research System to the Farmers in the field and reporting of farmers' feedback to the research system is one of the critical inputs in Transfer of Technology. The importance of appropriate information package and its dissemination as an input has assumed added emphasis in this “information age”.

The Agricultural Technology Information Centre (ATIC) is a single window support system linking the various units of a research institution with intermediary users and end users (farmers) in decision making and problem solving exercise.

The objectives for establishment of ATIC are:

1. To provide a single window delivery system for the products and services to the farmers and other interested groups as a process of innovativeness in technology dissemination.
2. To facilitate direct access of the farmers to the institutional resources available in terms of technology advice, technology products etc., for reducing technology dissemination losses.
3. To provide mechanism for feedback from the users to the Institute.

At present more than 40 ATICs are working in the country with the major focus of dissemination of research information directly to the end users. The ATICs are to act as single window delivery system for services and products of research for the areas in which the concerned institute is involved. Often the farmers visiting the research institutes are not aware as to whom and where to approach for field problems. It is felt that the facility of a 'single window' approach at the entrance of the

ICAR Institute/ State Agricultural Universities will enable the farmers to have the required information for the solution to their problems related to the areas in which the concerned institute is involved.

Distinctive Features of ATIC

ATIC is intended to provide all basic needs of the farmers through a single window service. This unique system not only serves the farmers but also other stakeholders of the farming practices to provide solution to their location specific problems and make available all the required technological information together with technology inputs and product for testing and use by them. The rationale behind the establishment of ATIC has been:

- Providing diagnostic services for soil testing plant health.
- Supplying research products such as seeds and other planting material, poultry strains, livestock breeds, processed products etc. emerging from the institution for testing and adaptation by various clientele
- Disseminating information through published literature and communication material as well as audio visual aids.
- Providing an opportunity to the institute/SAUs to have resource generation through the sale of their technologies.

Attributes of ATIC: The inbuilt mechanism of ATIC ensures:

- Availability and accessibility of new technologies
- Relevance of new technologies
- Responsiveness of new technologies to the needs of different categories of farmers
- Varied requirements for different categories of farmers and
- Sustainability of such unit within overall institutional framework.

Not only ATIC will help farmers to use modern technology for demand driven agriculture but also help developing viable, responsive and sustainable agriculture with linkages among research, extension and farmers' systems.

Establishment of ATIC is not only beneficial for farmers of surrounding areas but also for the farmers of distant and different states. ATIC at IARI, New Delhi caters to the need of farmers visiting not only from nearby states (Haryana, Punjab, Uttar Pradesh and Rajasthan) but also from distant states like (Assam, Manipur, West Bengal, Bihar, AP, MP, Himachal Pradesh, Maharashtra, Gujarat, etc.) (Figure-1). This novel mechanism of single window delivery should be further strengthened with modern communication infrastructure for effective information flow.

Figure-1: State-wise farmers' visits to ATIC at IARI, New Delhi (2009-10)

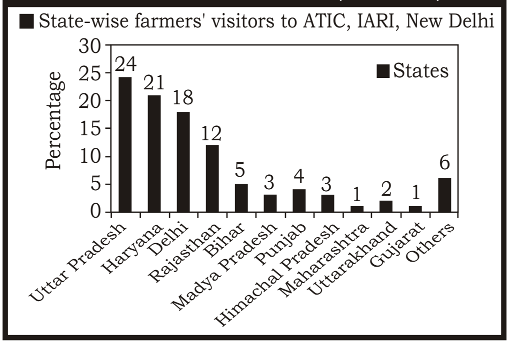
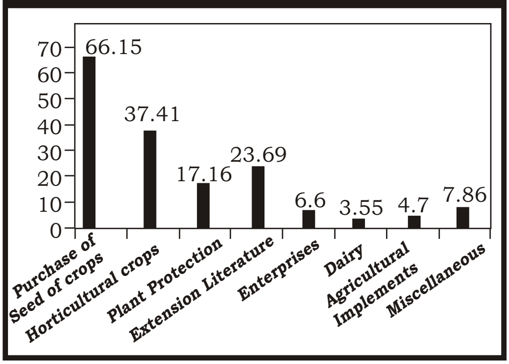


Figure-2: Purpose-wise telephone calls received at ATIC (2009-10)



The content analysis of received telephone calls revealed that a majority of them (66.15 per cent) inquired about availability and purchase of seeds of crops followed by planting materials of horticultural crops (37.41 per cent), availability of extension literature about farm production (23.69 per cent) and plant protection (17.16 per cent). Less than 10 per cent of them had queries related to enterprises, dairy, agricultural implements and other miscellaneous areas like soil testing facilities, marketing, etc. It is evident that the farmers could efficiently gain information and knowledge through the facilities of ATIC. However, the farmers need to be educated about availing the telephonic delivery services of ATIC of their area for solving their farm related problems. At the same time the ATICs need to strengthened and equipped with trained manpower and infrastructure to support the information demand of farmers.

Capacity building for effective deployment and utilization of ICT

Will the implementation of ICT based information and technology dissemination strategy be effective and feasible considering the enormous knowledge and skill gaps with respect to their accessibility and use? Will there not be another phenomenon of knowledge divide in the society? Will the strategy be able to maintain equity in opportunities for information and knowledge among different groups and communities? How the illiterate will benefit from computer assisted ICT tools and services? Will the social order and customs come in the way of accessibility of ICT services for women and downtrodden in rural society? Many such perplexing questions make one to ponder on the feasibility as well as sustainability of ICT led communication strategy. However, the reality is that deployment of ICT tools and services is inevitable for ensuring quality and timely information flow, facilitating informed decision-making and pragmatic actions and enhancing resource efficiency and output productivity and thus catalyzing the process of attainment of developmental goals. Under such scenario the immediate task is of capacity building of all the stakeholders involved in implementation and utilization of ICT for agricultural and rural development.

A large number of people at various levels need to be trained to manage the changed environments with ICT applications for efficacy, client satisfaction as well as fruitful harness of their potential benefits by the client. Capacity building drive must find priority place in nation's endeavour towards massive launch of ICT projects.

The various factors in implementation and utilization of ICT mediated information and technology dissemination for rural and agricultural development need to develop certain competencies and acquire requisite new knowledge and skills for proper use of ICT services and make judicious choice of media and information as well as take informed decisions.

Capacity building framework

Efforts and programmes are afoot for training manpower for handling the hardware and software of ICT, particularly the computer-aided system. However, a systematic and focused approach with framework highlighting the channels and linkages of sub-systems involved in generation, dissemination and utilization of knowledge and information through ICT is required to facilitate capacity building programme.

The capacity building framework suggested here highlights the importance of developing competencies among people across the process of knowledge generation and treatment as well as their transmission, acquisition, assimilation and utilization. At the outset it is imperative to identify the key players and their roles followed by determination of gaps in key competency areas (viz., knowledge, attitude, skill and action) and an intensive assessment of their training needs.

As the implementation of newer ICT services are in formative stage, with some of the expected gaps and some drawn from evaluation studies of ICT projects, a set of competency areas in respective sub-systems are enlisted below in table-1 for consideration in capacity building programme:

Table-1 Complementary Areas

Extension Professional	Subject matter specialist	IT service providers	Clientele group
➤ Usage of ICT tools ➤ Message treatment ➤ Content development ➤ Effective communication skill with virtual medium ➤ Networking skills ➤ Competency for monitoring and risk and impact assessment ➤ Business planning and development skills ➤ Researching and documentation skills ➤ Change management skills	➤ Usage of ICT tools ➤ Message treatment ➤ Content development ➤ Effective communication skill with virtual medium ➤ Exposure to rural entrepreneurship ➤ Business planning and development skills ➤ Research and documentation skills	➤ Usage of ICT tools ➤ IT skills ➤ Networking skills ➤ Communication skills ➤ Behavioural skills ➤ Training skills ➤ Basic understanding of rural livelihood systems ➤ Exposure to rural entrepreneurship ➤ Business planning and development skills ➤ Documentation skills ➤ Change management skills	➤ Risk orientation ➤ Attitudinal and motivational orientation ➤ Skills to facilitate transition from physical to virtual mechanism of information dissemination and acquisition ➤ ICT tools application related skills ➤ Entrepreneurial orientation ➤ Documentation skills

Gender sensitiveness in capacity building programme

Considering the significant role of women and emerging issue of gender bias, gender mainstreaming in agricultural and rural development has been an important agenda among the extension professionals and development practitioners. Hence, of the women should lag behind in harnessing the benefits of ICT services for their development, adequate measures must be initiated for their empowerment in ICT application and utilization. According to O'Farrell (2003), extension and development interventions must consider gender perspective in ICT applications and has suggested the following key areas for capacity building:

1. Training of women and school girls for efficient use of ICT based services.
2. Training and motivation campaign for leadership development to initiate ICT services user and facilitation groups in area.
3. Capacity building for developing and testing of content orientation towards gender sensitivity.
4. Training of extension and ICT professionals, subject matter specialists, service providers, local leaders and community change agents towards gender roles and issues as well as their application in implementation of ICT based services.
5. Networking among groups, associations and communities across the regions for collective dialogue, strategic alliance for developmental initiatives and entrepreneurial ventures.

Challenges in capacity building in ICT

ICT is an emerging area and evolving at an ever swifter rate, which leave many redundant if failed in regular self-renewal and upgradation with newer and advanced skills. Being more knowledge demanding, capacity building in this area is really a challenging task particularly with clientele with low literacy rate and society with poor infrastructure set up. Some of the notable challenges include:

1. Non-availability of adequate infrastructure
2. Lack of client-centric hardware and software
3. High cost of ICT tools
4. Lack of trained manpower in remote areas
5. Lack of grassroot training as well as training facilities
6. Long training period due to vast and diverse content
7. Training sites being far from villages
8. High cost of training
9. Lack of awareness about benefits of ICT and lack of

motivation to acquire skill for their use

10. Prevailing risk perception about newer ICT tools and contentment with conventional media and information source.

Suggestive measures

1. Enhanced role of Extension

Extension organizations and professionals have a very vital role to play in aligning the appropriateness of ICT tools and services as well as the orientation of service providers with clientele's perspective. It is highly imperative to have prior assessment of the appropriateness, feasibility, compatibility across the culture and language, accessibility, cost-effectiveness and sustainability of ICT tools for their effective deployment and utilization.

The skills and resources need to be assessed and harnessed while planning and implementing the ICT based interventions in rural areas as the context, conditions and capabilities are vital factors for augmentation of developmental change. Hence extension could facilitate the dialogue among the clientele groups, service providers and the subject matter specialists for developing relevant and easy to retrieve and understand as well as implementable content.

Extension organizations should take lead in first getting their own manpower well equipped with necessary IT skills to extend enabling hand for deployment of IT project for agricultural and rural development. Further, since the ICT mediated services are not necessarily agriculture specific, extension personnel should adopt mechanism to facilitate flow of information in holistic development perspective including knowledge and information on health, e-governance, education etc.

Extension methods could be deployed for speedy awareness and transfer of ICT related technical know-how and do-how. Most importantly, it is essential to make concerted efforts towards development of favourable attitude towards ICT tools and ignite willingness to improve their style of communication by being more change-prone and trendy. Though attitude formation is often repeated subject for extension professional but one should not loose the sight of its importance in propelling any developmental endeavours. Forsythe and Shi (2003) investigated the relationship between risks and customers' on-line behaviour. Extension has a pivotal role to play in capacity building of service providers and clientele group for efficient implementation and use of ICT services.

2. **Supportive measures of Government to propel ICT implementation includes**

- Creation of ICT unit at block level to facilitate need assessment and conduction of training programmes
- Additional budget on capacity building programme in areas of ICT
- Promotion of projects based on public-private partnership mode
- Promotion of community initiatives towards ICT implementation with adequate credit and infrastructural support system
- Enhancing the role of NGOs in promotion of ICT usage among women and children
- Enhancing focus upon computer literacy drive in rural areas

Conclusion

Ensuring rural connectivity is high on planners' agenda. That the application of ICT in agriculture and rural development is inevitable because of its several merits is a priority commitment for the government to hasten its stride towards attainment of the long cherished developmental goals. However, considering the primacy of prerequisite skills for effective harness of its potential benefits, concerted approach is essential for training need assessment and capacity building of all the major stakeholders. There needs to be a framework and government assisted infrastructure support system to carry out capacity building programme with major emphasis in rural areas.

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Trends in Indian Dairy Herd Composition

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With 108.5 million tones of milk in 2008-09, India is the largest producer of milk in the world. Of late, milk production in India has witnessed decelerating trends. The main objective of this paper is to ascertain strengths and weaknesses of milk production system across the state through time series data. The major source of data is livestock censuses. As state wise data are readily available from 1966 onwards, the period of analysis is from 1966 to 2007 for 14 major milk producing states in the country. These 14 major states together accounting for about 97 per cent of bovine milk production in the country during 2009-10. The choice of 1966, also marked the base period of beginning of concerted efforts such as establishment of National Dairy Development Board (NDDB) in 1965 to develop dairy sector in the country.

Female Bovines - in Absolute Number

As per 2007 Livestock census, highest number of female bovines were noticed in the Uttar Pradesh (29.7 million or 14.8 per cent) distantly followed by Madhya Pradesh (19.2 million or 9.5 per cent), Rajasthan (18.2 million or 9.1 per cent), Andhra Pradesh (16.8 million or 8.4 per cent) and Maharashtra (13.2 million or 6.6 per cent). These five states accounted for about 48.4 per cent of total female bovines in the country.

Species wise in 2007 highest number of indigenous cattle were noticed in Madhya Pradesh (11.2 million) closely followed by West Bengal (10.1 million), Uttar Pradesh (9.9 million), Rajasthan (7.8 million), and Orissa (6.1 million). These five states accounted for 45.1 per cent of total indigenous cattle in the country. The lowest number of indigenous cattle at 0.1 million was noticed in Kerala. So far as crossbred cattles are concerned, highest number was noticed in Tamil Nadu (6.0 million) distantly followed by Maharashtra (2.6 million), West Bengal (2.1 million), Karnataka (2.0 million) and Bihar (1.6 million). These five states accounted for 54.5 per cent of total crossbred female cattles in the country. The lowest number of

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crossbred female cattle was noticed at 0.4 million in Madhya Pradesh. In regard to number of buffaloes, the highest number was noticed in Uttar Pradesh (18.4 million) distantly followed by Andhra Pradesh (11.2 million), Rajasthan (9.8 million), Gujarat (7.8 million) and Madhya Pradesh (7.5 million). These five states have 63.8 Per cent of total female buffaloes in the country. However, lowest number of buffaloes at only 33,000 was noticed in the state of Kerala.

Speaking in terms of proportion of indigenous female cattle in total bovines, the highest proportion 81.1per cent was noticed in West Bengal closely followed by Orissa (78 per cent) and Madhya Pradesh (58.7 per cent). The lowest proportion of indigenous cattle at 4.6 per cent was noticed in the state of Punjab. So far, proportion of the crossbred cattle is concerned; the highest proportion was noticed in Kerala at (92 per cent) distinctly followed by Tamil Nadu (60 per cent) and Maharashtra (20 per cent). However, the lowest proportion of crossbred cattle was noticed in the state of Madhya Pradesh (2 per cent).

As regards to proportion of buffaloes in total female bovines, the highest proporation at 82.6 percent was noticed in Haryana closely followed by Punjab (77.1per cent), Andhra Pradesh (66.4 per cent), Gujarat (63.6 per cent), Uttar Pradesh (62 per cent) and Rajasthan (53.5 per cent). The lowest proportion of buffaloes was however noticed at 2.1 per cent in the state of Kerala.

Growth of Female Bovines

The number of female bovines increased by an average compound annual growth rate of 1.6 per cent from 118 million in 1966 to 201 million in 2007. Species-wise the number of crossbred female cattle grew by average rate of 7.1 per cent from 5 million in 1982 (bifurcation of indigenous and crossbred cattle was published first time in 1982) to 26 million in 2007. However, number of indigenous female cattle initially grew by 0.7 per cent from 86 million in 1982 to 92 million in 1992. Since then, the number of indigenous female cattle has fallen by 0.2 per cent per annum to 89 million in 2007. On the whole, cattle both indigenous and crossbred taken together increased by 1.2 per cent from 79 million in 1966 to 115 million in 2007. In case of female buffaloes the number registered average annual growth of 2.1 per cent from 38 million in 1966 to 86 million in 2007. In short, in 1966, of the total female bovines, 79 million or 66.9 percent were cattle, distantly followed by 38 million or 33.1 per cent buffaloes. However, in 2007, of the total 201 million bovines, cattle constituted 57.4 per cent or 115 million (of which 26 million or 23 per cent were cross bred female cattle) and 42.6 per cent or 86 million were buffaloes. This indicates that female bovine stock in India has undergone a metamorphosis changes from about 7 female cattle and 3 buffalo in every 10 female bovines in 1966 to around 6 female cattle (4 indigenous + 2 crossbred) and 4 female buffaloes in 2007.

State-wise information as presented in Table-1 reveal that during 1966-2007, the highest average compound annual growth rate of female bovines at 2.9 per cent was noticed in the state of Bihar closely follows by Gujarat (2.8 per cent) and West Bengal (2.7 per cent), Andhra Pradesh (1.8 per cent) and Haryana & Rajasthan (1.7 per cent each). Remaining major states registered growth of female bovines lower than that of all India average of 1.6 per cent except Uttar Pradesh, which also has 1.6 per cent. Kerala, Orissa and Punjab witnessed negative growth during the period under review. This apart, moderate to substantial fall from the peak level was also noticed in the states of Karnataka and Tamil Nadu in recent censuses. So far growth in number of indigenous cattle is concerned, except Madhya Pradesh, Uttar Pradesh, Rajasthan and West Bengal, all the states have witnessed negative growth. Most pronounced being in the state of Kerala ((-) 9.7 per cent) distinctly followed by Punjab ((-) 3 per cent), Tamil Nadu ((-) 2.3 per cent), Gujarat ((-) 1.7 per cent), Haryana ((-) 1.8 per cent) and Maharashtra ((-) 1.1 per cent). In case of crossbred cattle lower than average growth was noticed in five states viz Punjab (-0.3 per cent), Kerala (0.8 per cent), Uttar Pradesh (2.6 percent), Haryana (5.4 per cent) and Karnataka (7 per cent). As regards to female buffaloes, the highest growth was noticed in Gujarat (3.1 per cent) followed by Andhra Pradesh & Rajasthan (2.9 per cent each), Bihar (2.7 per cent), Uttar Pradesh (2.1 per cent), Maharashtra and Gujarat (2.2 per cent each), Madhya Pradesh (2.6 per cent) and Uttar Pradesh (2.1 per cent). Remaining states recorded lower than average growth of 2.1 per cent per annum, most striking being in Kerala ((-) 5.5 per cent) and Tamil Nadu ((-) 0.9 per cent).

Trends in Young Stock

Young stock of female bovines increased by an average rate of 1.9 per cent per annum from 41 million in 1966 to 74 million in 2007. In terms of percentage it moved up from 34.3 per cent in 1966 to 36.7 percent in 2007. Species-wise, in 1966 young stock constituted 34.8 per cent in case of cattle and 31.8 per cent for buffaloes. However, in 2007, young stock formed 36.8 per cent for cattle (36.4 percent for indigenous cattle and 38.4 percent for cross bred cattle) and 36.5 per cent for buffaloes. An improvement in young stock ratio may be inter-alia account of lower mortality rate of female calf and consolidation of herd size etc. Plausibly enough, improvement in young breedable stock ratio is one of the positive developments in Indian dairy sector, as this ensures better replacement in the dairy sector. State wise in 2007, the highest proportion of young stock at 45 per cent was noticed in Kerala followed by West Bengal (43.3 per cent), Haryana (41.5 per cent), Tamil Nadu (40.6 per cent), Rajasthan (37.9 percent), Uttar Pradesh (37.8 percent) and Gujarat (37.3 percent) and Orissa & Andhra Pradesh (37.1 per cent each). Remaining states registered ratio of young stock lower than that of all India average of 36.7 per cent. The lowest young breedable stock ratio was however noticed at 32.1 percent in the state of Maharashtra. Favourable growth of young stock (1.9 percent) along with lower growth of breedable stock (1.2 per cent) suggest that consolidation is apparently, taking place with younger herd in Indian Dairy stock. In short, in India average age of female bovine is declining with concomitant advantage in the form of higher yield etc.

Breedable Stock

The number of breedable animal increased by 1.1 percent per annum from 77 million in 1966 to 126 million in 2007. State wise, on the pattern of number of female bovines, the highest number of breedable animals in 2007 was noticed at 18 million in the state of Uttar Pradesh, distantly followed by Madhya Pradesh (12.1 million), Rajasthan (11.1 million), Andhra Pradesh (10.3 million) and Maharashtra (8.7 million). These five states accounted for 49 per cent of total breedable animals in the country. In 2007, the proposition of breedable stock to total bovines ranged from 53.3 per cent in Kerala to 60.6 per cent in Uttar Pradesh.

Wet (in-milk) Stock

Interesting enough, over the period of time proportion of in-milk wet stock to breedable stock has moved up from 43.9 percent in 1966 to 63 per cent in 2007. Conversely the proportion of dry stock to breedable stock has declined from 46.9 percent in 1966 to 27.7 percent in 2007. These two developments are the healthiest features of Indian dairy sector. Species-wise proportion of in-milk cattle to breedable animals has recorded improvement from 40.5 percent in 1966 to 59.4 percent in 2007. In case of indigenous cattle in milk animals as a proportion of breedable animals moved up from 44.6 per cent in 1982 to 56.7 per cent in 2007. Similarly, in case of crossbred cattle in-milk proportion moved up from 59.3 percent in 1982 to 68.4 percent in 2007. So far, buffaloes are concerned the proportion of in-milk buffaloes recorded rise from 50.6 per cent in 1966 to 67.5 per cent in 2007. In short, in 2007 the highest proportion of in-milk stock to breedable stock was noticed in crossbred cattle (68.4 percent) followed by buffaloes (67.5 per cent) and indigenous cattle (56.7 per cent). Conversely, lowest proportion of dry stock was observed in case of crossbred cattle 23.6 percent followed by 24.6 percent in case of buffaloes and 32 per cent in case of indigenous cattle. State-wise highest in-milk to breedable stock ratio was noticed in the state of Uttar Pradesh (67.29 percent) closely followed by Kerala (67.28 percent), Punjab (64.6 percent), Haryana (62.7 percent), Gujarat (61.2 per cent) and Andhra Pradesh (61.1percent). The lowest in-milk to breedable stock ratio at 49.2 per cent was observed in the state of Orissa. Consequently, highest dry to breedable stock ratio was noticed in the state of Orissa (38 percent), Maharashtra (37.9 percent) and Rajasthan (34.9 percent). Interestingly, growing in-milk to breedable stock ratio is one of the important factor that has directly contributed to the growth of milk production in the country.

Milk Production

The consistent time series milk production figures are available from 1982 onwards. Bovine milk production has increased at an average compound annual growth rate of 3.6 per cent from 981 lakh kg/day in 1982-83 to 2766 lakh kg/day in 2007-08. However, since 1992, growth of milk production is on slide. As regard the milk produced by type of bovine, highest average growth at 6.9 per cent was noticed in case of crossbred cows distantly followed by buffaloes 3.4 per cent. The lowest growth in milk production at 2.6 per cent was noticed in the case of indigenous cows.

Table 1 : Average compound Annual Growth Rate of Female Bovines in the major states 1966-2007.

(Percent per annum)

State	Indigenous Cattle*	Crossbred Cattle*	Buffaloes	Total
Bihar	(-) 0.3	20.6	2.7	2.9
Orissa	(-) 1.0	7.1	(-) 0.2	(-) 0.1
West Bengal	1.0	7.9	0.2	2.7
Haryana	(-) 1.8	5.4	2.3	1.7
Punjab	(-) 3.0	(-) 0.3	1.0	(-) 0.8
Rajasthan	0.2	13.8	2.9	1.7
Uttar Pradesh	0.9	2.6	2.1	1.6
Andhra Pradesh	(-) 1.4	11.1	2.9	1.8
Karnataka	(-) 0.5	7.0	1.4	1.1
Kerala	(-) 9.7	0.8	(-) 5.5	(-) 1.4
Tamil Nadu	(-) 2.3	10.1	(-) 0.9	1.3
Gujarat	(-) 1.9	15.7	3.1	2.8
Madhya Pradesh	1.1	10.8	2.6	1.6
Maharashtra	(-) 1.1	8.6	1.7	0.9
All India	0.3	7.1	2.1	1.6

Note: * Figures refers to the period 1982 to 2007.

Milk Yield

Speaking in terms of yield per wet animal, the highest yield of 7.9 kg/day was noticed in Punjab followed by Kerala (7.2 kg/day), Haryana (6.2 kg/day), Tamil Nadu (5.0 kg/day), Gujarat (4.4 kg/day), Rajasthan (4.7 kg/day) and Uttar Pradesh (3.9 kg/day). The remaining states have lower than average yield of 3.8 kg/day, the lowest being at 1.9 kg/day in Orissa (Table 2). It is interesting to notice that from both measures yield per breedable animal and yield per wet animal for as many as six states viz., Kerala, Punjab, Haryana, Gujarat, Tamil Nadu and Uttar Pradesh had more than average yield at the national level.

As compared with yield per wet animal yield per breedable animal is indeed a better measure of gauging the performance as this takes into account a number of factors like proportion of dry animals (inter calving period), milk produced by wet animals and other non performing animals of the herd. Viewed from this measure, average yield per breedable animal is on a rise from 1.1 kg/day in 1982 to 2.3 kg/day in 2007, in case of buffaloes rising trend was noticed with 2.1 kg/day in 1992 to 2.9 kg./day in 2007. Similarly, in case of indigenous cows, moderate rise was noticed from 0.7 kg/day in 1992 to 1.1 kg/day in 2007. However, yield of crossbred cows has fluctuated between 3.4 kg/day

Table 2. State-wise Average Milk Yield Per Breedable Stock in 2007-08

(Kg/Day)

State	Yield per breedable stock			
	Indigenous	Crossbred	Buffalo	Total
Bihar	1.5 (2.9)	2.7 (6.2)	2.1 (3.8)	1.9 (3.7)
Orissa	0.8 (1.1)	4.0 (5.4)	1.8 (2.7)	1.3 (1.9)
West Bengal	1.1 (2.0)	3.6 (5.5)	3.6 (4.8)	1.6 (2.7)
Haryana	2.3 (4.6)	4.6 (7.0)	4.4 (6.3)	4.2 (6.2)
Punjab	2.7 (4.2)	8.6 (9.0)	6.4 (7.8)	6.7 (7.9)
Rajasthan	1.3 (3.5)	2.2 (6.8)	2.8 (5.2)	2.1 (4.7)
Uttar Pradesh	1.5 (2.5)	4.7 (7.0)	3.2 (4.3)	2.7 (3.9)
Andhra Pradesh	1.2 (1.8)	3.9 (7.2)	2.6 (3.8)	2.4 (3.5)
Karnataka	1.1 (2.2)	3.3 (5.8)	1.5 (2.5)	1.7 (3.0)
Kerala	5.4 (2.7)	7.0 (7.8)	4.9 (6.1)	6.9 (7.2)
Tamil Nadu	1.6 (2.8)	3.3 (6.3)	2.3 (4.1)	2.7 (5.0)
Gujarat	2.3 (3.5)	4.7 (8.2)	2.8 (4.4)	2.8 (4.4)
Madhya Pradesh	0.9 (1.8)	3.0 (5.9)	2.1 (3.5)	1.4 (2.6)
Maharashtra	0.8 (1.5)	4.5 (6.5)	2.5 (3.6)	2.2 (3.5)
All India	1.1 (2.1)	3.8 (6.5)	2.9 (4.4)	2.3 (3.8)

Figures in parentheses are average yield per wet animal as per Basic Animal Husbandry Statistics (2008) of DAHD for the year 2007-08.

to 3.8 kg/day during the period under review.

State-wise in 2007 highest yield per breedable stock was noticed in the Kerala (6.9 kg/day) closely followed by Punjab (6.7 kg/day), Haryana(4.2 kg/day), Gujarat (2.8 kg/day), Tamil Nadu & Uttar Pradesh (2.7 kg/day each) and Andhra Pradesh (2.4 kg/day). The remaining seven states have the lower than national average of 2.3 kg/day, lowest being in Orissa (1.3 kg/day). Species-wise in case of indigenous cows, the highest yield per breedable stock at 5.4 kg/day was noticed in Kerala distantly followed by the Punjab (2.7 kg/day), Haryana & Gujarat (2.3 kg/day each), Tamil Nadu (1.6 kg/day), Uttar Pradesh & Bihar (1.5 kg/day each) and Rajasthan (1.3 kg/day). The lower than average yield at national level was observed only in three states viz. Madhya Pradesh (0.9 kg/day) and Orissa & Maharashtra (0.8 kg/day).

So far crossbred cows are concerned, the highest yield per breedable was noticed in the Punjab (8.6 kg/day) followed by Kerala (7.0 kg/day), Gujarat & Uttar Pradesh (4.7 kg/day), Haryana (4.6 kg/day) and Maharashtra (4.5 kg/day). The lower than average yield was observed in six states viz. West Bengal (3.6 kg/day), Karnataka &

Tamil Nadu (3.3 kg/day). Madhya Pradesh (3.0 kg/day), Bihar (2.7 kg/day) and Rajasthan (2.2 kg/day). Bihar figures are perhaps on account of reporting of abnormal increase in number of crossbred cows in 2003 & 2007 livestock census.

As regards to buffaloes, the highest yield per breedable animal was observed in Punjab (6.4 kg/day), followed by the Kerala (4.9 kg/day), Haryana (4.4 kg/day), West Bengal (3.6 Kg/day) and Uttar Pradesh (3.2 kg/day). The remaining states had the lower than average yield of 2.9 Kg/day, the lowest being at 1.5 kg/day in Karnataka.

Perspective

The foregoing analysis revealed that almost all the parameters (barring incidence of dry animals) under scrutiny are looking up. The favourable growth of young stock with comparative low growth of breedable stock suggest that Indian Dairy herd has young breedable animals as at now vis-à-vis in past. The sliding ratio of dry stock along with a rising ratio of wet animals also placed Indian Dairy Sector on sound footing. Though milk production and milk yield per breedable animal have registered moderate rise in absolute terms yet the decelerating growth rate of these two parameters is a cause of concern. The favourable growth of young stock vis-à-vis breedable stock revealed that consolidation process has set in for Indian dairy sector with better replacement leading to younger herd. Only three states, viz., Haryana, Maharashtra and Orissa, recorded fall in their peak level female bovines. However, barring Orissa, fall in number of female bovines or in milk stock did not adversely impact their milk production. This was possible as a result of better herd composition with high yielding younger breedable stock and higher wet ratio.

Evidently, demand led white revolution of late sixties has pushed up milk production mainly through intensive use of inputs. There is an urgent need to usher in technology led second white-revolution through metamorphosis changes in genetics of animals by selective breeding and proper feeding to cope up with growing demand for milk in the country.

Further compared to 1966, six states, viz., Bihar, West Bengal, Haryana, Rajasthan, Uttar Pradesh and Gujarat recorded improvement in their share in total female bovine stock in 2007. The remaining states witnessed decline in their share during the period under review. The share of Kerala declined significantly during these two points of time.

Banks in general and Cooperative Agri. & Rural Development Banks in particular have to fund for Second White Revolution as they have done in case of Green Revolution.

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Press Release

To all IRU member organisations

Franky Depickere:

New President of the International Raiffeisen Union (IRU)

Paris/Bonn. Franky Depickere, Managing Director of Cera, Belgium, has been elected as new President of the International Raiffeisen Union (IRU), Bonn / Federal Republic of Germany, on October 1, 2010 by the IRU Board of Directors. Mr. Depickere is succeeding to Dr. Christian Konrad, President of the Austrian Raiffeisen Federation (Osterreichischer Raiffeisenverband - ORV), Vienna/Austria. The IRU Board of Directors appointed Dr. Konrad as honorary IRU President. Mr. Depickere is the seventh President of the IRU since its foundation in 1968.

The Board of Directors elected as Vice-Presidents:

- Dr. Hilmar Gernet, Director Politics and Society of Raiffeisen Switzerland,
- Dr. Christian Konrad, President of the Austrian Raiffeisen Federation (ORV),
- Dirk J. Lehnhoff, member of the Board of Directors of the German Cooperative and Raiffeisen Confederation (DGRV), Federal Republic of Germany,
- Etienne Pflimlin, President of the National Confederation of Credit Mutuel, France,

The following personalities also belong to the IRU Board of Directors:

- Giorgio Clementi, Vice-President of Federcasse, Italy,
- Masashi Ehara, President of the IE-NO-HIKARI Association, Japan,
- Guy Hoffmann, member of the Board of Directors of the Raiffeisen Bank Luxemburg,
- Dr. Piet Moerland, Chairman Executive Board of Rabobank Nederland, The Netherlands,
- Ilhami Teke, President of the Central Union of Agricultural Credit Cooperatives, Turkey and
- Dr. Chandra Pal Singh Yadav, President of the National Cooperative Union of India.

NEWS & NOTES

131st Board Meeting of the Federation

The 131st meeting of the Board of Management of the National Cooperative Agriculture & Rural Development Banks' Federation was held on 8th December 2010 at Jim Corbett National Park, Uttarakhand. The meeting was chaired by Shri K. Sivadasan Nair, MLA, Chairman, Federation. Shri Suraj Bhan, Chief General Manager, NABARD, attended the meeting as a special invitee.

Chairman in his introductory address informed the Board members that the revival package was undergoing finalization with further modifications as suggested by the Ministry of Agriculture, and was expected to be cleared by the Cabinet before the budget. The Board decided that SCARDBs should assess the number of PCARDBs with recovery above 50% as on 30.6.2010 and those in the recovery range of 40-50%, 30-40% and below 30% for taking steps to maximize the number of PCARDBs for revitalization support as per eligibility norms being prescribed in the package. The Board of Management confirmed the proposal for holding 4 Zonal Seminars on “ARDBs Preparedness for Revival” (during Jan-Feb' 2011).

Shri Suraj Bhan, C.G.M., NABARD, said that the major share of NABARD's allocations of refinance is still given to ARDBs in view of its role in capital formation in agriculture. He said that NABARD will continue to give preference to ARDBs in allowing refinance, subject to recovery and other norms.

Banking License for LT Cooperative Credit Structure, Formulation of business development plans for next five years, Review of progress in the area of interim recovery drive, Deposit mobilization, Introducing Short term loan products, Interest rates on NABARD refinance etc. were the important subjects discussed in the meeting.

Currency War

The term 'currency war' was used in recent times by Brazil's finance minister Guido Mantega in the first week of October this year reacting to China's attempt to protect the yuan from rising too quickly against the dollar. It comprises competitive measures by governments to improve their trade by maneuvering exchange rates. Countries such as China, Brazil, South Korea and Japan have taken measures to devaluate their currencies which would help them boost exports and create jobs. An attempt by the government to prevent its currency from appreciating too steeply and too fast against competing nation is what is seen as currency war between different countries

When competitors devalue their respective currencies, domestic exporters tend to lose out on the price advantage on their exportable as buyers prefer to buy from a cheaper currency. This in turn hurts income as well as the jobs in the export sector and the prospects for the economy. The central bank at such times tries to intervene buy dollars and create an artificial demand for the dollar, devaluing the value of the rupee in the process and retain some price advantage for the exporter. But buying dollars involves a fiscal cost as the central bank has to pump in equivalent amount of rupees and again mop it up by selling bonds. These bonds need to be serviced by the government. This would, in turn, worsen the fiscal position.

Currency wars are a part of what is described as a 'beggar thy neighbour' policy attempts by a country to solve its economic problems by causing worse difficulties in other markets. When all countries engage in such policies, it turns out to be a race to the bottom. As countries compete to devalue their currencies to save the interest of their exporters, it collectively reduces demand for foreign goods, something that world economies cannot afford at a time when the process of global recovery from the after affects of the crisis of 2008-09 is still underway. Also , competitive currency devaluation is happening at a time, when some of the developed economies have a soft money situation, wherein monetary regulators are on a quantitative easing spree, lowering their interest rates, which is making emerging economies trying to regulate their inflation an arduous task, as direction of the capital flows has turned towards them. There is also the fear of a bubble, which will burst once developed economies are back on track and the flow of capital shrinks. This shrinking is expected to be first reflected in the currency markets. The United States is looking for global support at forums such as the G20 to the IMF, so that there can be collective pressure on China to ease up on the Yuan.

RBI Divests Stake in NABARD

Amid debate over whether the Reserve Bank of India should hold stake in lending institutions or only be a regulator, the central bank has sold almost all its holding in the National Bank for Agriculture and Rural Development (Nabard), to the Central Government.

"The RBI divested its stake amounting to ₹ 1,430 crore in Nabard on October 13, 2010. With this, the RBI's holding in Nabard has come down to one per cent of shareholding in the bank. The Central Government now holds 99% of the stake," the central bank said in a statement here. The move comes more than three years after the central bank sold its entire stake in the country's largest lender State Bank of India to the government.

The RBI held 72.5 % of equity in Nabard, amounting to ₹ 1,450 crore. The remaining shareholding worth ₹ 550 crore was with the Centre.The Union Cabinet, in May 2008, had approved the RBI's proposal to transfer its share holding in NABARD to the government. Now, the only major institution where the RBI holds a stake is the National Housing Bank (NHB). The central bank holds 100% stake in the housing finance regulator. NABARD is the apex rural and farm development bank, whose role is to promote credit growth in these areas. In its biggest ever cash purchase, the government in July, 2008, acquired the RBI's entire 59.73 % stake in State Bank of India at over ₹ 35,531 crore. The move was in line with the Narasimham Committee II report which held that it was inconsistent with the principles of effective supervision that the regulator was also an owner of a bank. On the same principle, it was decided that the government would also acquire RBI's shareholding in NHB and Nabard. For buying stake of RBI in Nabard and NHB, the government had earlier this year, provided for ₹ 1,900 crore in the first supplementary demand for grants.

Applying the Concept of Prudence in Accounting

Prudence is exercised by everyone in day-to-day life. Prudence, according to the Oxford Dictionary, means "careful to avoid undesired consequences, circumspect, discreet". It implies that the person should behave carefully and diligently in such a manner as an ordinary knowledgeable person would behave in the given circumstances. Prudence could be used as a synonym for the concept of conservatism. Prudence is generally exercised by an entity while entering into any transaction. Every entity lays down its policies based on certain principles. One such principle is prudence, which is one of the considerations for setting up accounting policies by an entity. This principle is aimed at avoiding recording of unrealized gains and to be on guard for losses likely to arise.

This principle is applicable while valuing current assets such as inventories, receivables, current investments, and so on. Prudence also requires provisions to be made for the likely event of a loss such as provision for doubtful debts.

<u>Inventories:</u> Based on prudence, the accounting standard states that inventories should be valued for the purposes of the financial statements at cost or net realisable value, whichever is lower. By so doing, the entity is recognising the possibility of the loss likely to arise due to drop in the selling price of the commodity.

<u>Fixed assets held for sale:</u> Same principle of prudence has also been adopted in the Accounting Standard on Fixed Assets in case of fixed assets held for sale. By definition, fixed asset is one which is held for use in the generation of income. If the management either discards the asset or holds it for sale, it is no more used for generation of income. Since the fixed asset is held for sale, it changes its nomenclature and is on par with current assets. Consequently, depreciation cannot be charged on such assets.

The fixed assets discarded or held for sale should be carried in the financial statements at book value or net realisable value, whichever is lower. The excess of book value over net realisable value is to be treated as a loss and is to be expensed out through the profit and loss account.

<u>Current investments:</u> AS-13 dealing with investments classifies investments as current investments and long term investments. This standard also ropes in prudence by laying down that the current investments be carried to the financial statements at lower of cost or net realisable value. A retail investor purchases 2,000 shares of a listed company in October 2009 at ₹ 40 each. The market price of that scrip as on March 31, 2010, is ₹ 220. The investor sells these shares in April 2010 at ₹ 245 each. Based on prudence and to comply with the

requirement of AS 13, these shares are carried to the financial statements as current investments at cost price of ₹ 80,000, the market price being ₹ 4,40,000 notwithstanding. Going by the facts of the case, the share price moved from ₹ 40 to ₹ 220 during the earlier accounting year and to ₹ 245 in the current accounting year. The upward movement of the price is ₹ 25 during the current year 2010-11. But the entire profit of ₹ 205 per share (₹ 245 less the cost price of ₹ 40) is recognized during the year 2010-11. Profits attributable to that accounting year (2010-11), strictly going by the movement of share prices, is only ₹ 25 and not ₹ 205 as recorded in the financial statements. Under these circumstances, one may wonder whether the financial statements are giving a true and fair view as on March 31, 2010. Since AS-13, one of the components of the broad accounting framework, requires such an accounting treatment, the financial statements are reported to be showing a true and fair view.

Receivables

Since there is no accounting standard issued on accounting for receivables, there is no such enforceable provision, but the concept of prudence would play a significant role.

Merchant Discount Rate

It is the invisible charge that consumers pay to banks in establishments that accept payment cards. It is invisible because the payment is made by a merchant to his bank in the first instance. But like all input costs, the cost of transactions too has to be recovered by the merchant from goods and services. The revenues earned from a credit card transaction are shared among four players. First is the credit card issuing bank, which gets the lion's share of the revenue. Second, part of the money also goes to the bank that has installed the point of sales terminal the electronic swipe machine through which the customer's account is debited and the merchant's account is credited. The bank which has installed the POS terminal is also called the acquiring bank. A portion of the revenue also goes to the payment company such as Visa, MasterCard or American Express. Currently, for any merchant, the cost of processing a payment received by a card ranges from 1.5-1.75%. Around 80% of what he pays goes to the bank that issues the credit card. Another 15% goes to the bank that has set up the POS terminal and roughly 5% goes to the payment service provider. For a bank, the cost depends on whether it is a credit card or a debit card. In the case of a credit card, a bank has to recover the money that it expends by way of free credit period for the cardholder, the cost of printing and mailing statements and the reward programme that cardholders are entitled to. In case of debit cards, the costs are a fraction of what they are for the issuing bank. For the acquiring bank, the costs are largely the same for nearly all transactions.

Zero-Coupon Bonds

A Zero-Coupon bond (also called a discount bond or deep discount bond) is a bond bought at a price lower than its face value with the face value repaid at the time of maturity. There is no coupon or interim payments, hence the term zero-coupon bond. Investors earn return from the compounded interest all paid at maturity, plus the difference between the discounted price of the bond and its par (or redemption) value. In contrast, an investor who has a regular bond receives income from coupon payments, which are usually made semi-annually. The investor also receives the principal or face value of the investment when the bond matures. Zero-coupon bonds may be long or short-term investments. Long-term zero coupon maturity dates typically start at 10 years. The bonds can be held until maturity or sold on secondary bond markets.

Empowerment of Rural Women Is one of The Central Issues In Developing Countries All Over The World.

"Income generation for rural women is an important aspect in agriculture production. Unless rural women are not trained to be independent interms of economic income a country cannot progress," says Dr. M. Shivamurthy, Professor, Department of Agricultural Extension University of Agricultural Sciences (UAS), Gandhi Krishi Vigyan Kendra (GKVK), campus, Bangalore.

A scientist from GKVK, extension unit initiated a training programme for two self help women groups in Tumkur district, Karnataka. The Department of Biotechnology, Government of India funded the project from 2008. About 40 women in Gramdevathe Mahila Swasahaya Sanga group in Dodderi and Sri Rama Mahila Swasahaya Sanga group in Jayanagara villages in Madhugiri taluk of Tumkur district located in the southern part of the Karnataka underwent training in manufacturing a bio input called Trichoderma. The self help groups' established two production units, producing about 1,200 kg of Trichoderma a year. The group has so far generated an income of ₹ 84,000 annually by selling the bio input at the rate of ₹ 70 a kg. "For the first time in Karnataka this type of exercise is being initiated to inculcate the production techniques of a highly sophisticated biotechnology among illiterate schedule caste women". Usually the big companies in agriculture manufacture bio inputs for crops and sell them at a premium price for farmers. But these tribal women broke the trend as they started manufacturing and selling their own bio input at a comparatively lesser cost. "It also enhances the availability of fresh, quality bio-agents at lower cost by reducing the transaction cost for the benefit of farmers.

Two units

The two production centres also function as education centres for interested farmers and women from adjoining villages and are also being visited by bank officials, government agricultural extension workers, and several NGOs'.

Marketing

GKVK also trained the women in marketing their products through progressive farmers, Krishi Vigyan Kendras (KVKs'), research farms and seed dealers. A private seed company entered into an agreement with the groups in buying their products." Barathiya Agro-Industries Foundation BAIF (BIRDK), an NGO, is also supporting these two SHGs' to market the bio input. For more details contact Dr. M. Shivamurthy, Principal Investigator & Professor, Department of Agricultural Extension, UAS,GKVK, campus, Bangalore-560 065, email: murudaiah.shivamurthy@ gmail.com and mobile: 09449044975.

Corporates May Turn To Urban Co-op Banks for Loan Funds

Financially sound Urban Co-operative Banks may soon be able to attract large borrowers of good standing as the Reserve Bank of India proposes to do away with the constraining factor that requires borrowers to subscribe to the shares of these banks. Hitherto, unless the doors of public and private sector banks were closed for them, corporate borrowers refrained from approaching UCBs. For secured loans, borrowers are required to subscribe to a bank's share capital to the extent of 2.5 per cent of the value of the loan. In the case of unsecured loans, the subscription is five per cent of the loan value. The subscription to the share capital is, however, subject to a cap of ₹ 5 lakh. Always looking to cut costs, approaching UCBs is the last option for corporates due to the share subscription clause. A corporate wanting a loan of ₹ 2 crore actually gets ₹ 1.95 crore as loan as ₹ 5 lakh goes towards share subscription of the UCB. In order to curb political and state bureaucratic interference in the functioning of UCBs, the RBI appears to have found a via media. It proposes to withdraw the existing restrictions for granting multi-state status to UCBs having a minimum net worth of ₹ 50 crore. Once a UCB turns into a multi-state co-operative bank, it will be governed by the liberal Multi-State Co-Operative Societies Act and interference by local politicians and registrar of state co-operative societies could be minimized. Further, the RBI, will allow extension of the area of operation beyond the state of registration for UCBs with a minimum net worth of ₹ 50 crore.

Teaser Rates

Teaser loan rates are special home loan rates that are called so, as the banks attract customers by offering them lower rates of interest in the initial years and then, in the longer run, the rates are shifted from fixed to floating rates or the market-adjusted rates. SBI came out with its own teaser loan called the Easy Home Loan . This scheme offered loans at 8% in the first year and then 8.5% in the next two years. From the third year, the borrower could go for a fixed rate or a floating rate, which s/he would have to make it clear while buying the loan. With the scheme gaining popularity, other lenders such as ICICI Bank and HDFC were forced to offer similar schemes. RBI's concern over teaser rates has to be seen in conjunction with its concern over the sudden rise in real estate prices, which have jumped 60% in less than two years in some centres. RBI fears that teaser rates, coupled with the wealth effect, might facilitate individuals to make expensive bets on property. If interest rates rise sharply after two years, many borrowers might find it difficult to afford to pay their instalments and if there is a simultaneous correction in real estate prices, it could also lead to a rise in defaults. To reduce these risks, RBI raised the standard provision on teaser loans from 0.40% to 2% on the same grounds.

Banks want Cap on Indirect Farm Credit Hiked

With over half of the 49 public and private sector banks not meeting the total agriculture credit (comprising direct and indirect credit) target in the financial year ended March 31, 2010, banks have moved the Reserve Bank of India to allow them greater leeway in indirect agriculture credit so that the target can be achieved.

Banks are having a problem meeting the direct agriculture lending target which among others includes crop loans, advances up to ₹ 10 lakh against pledge/ hypothecation of agricultural produce for up to one year, and loans granted for pre- and post-harvest activities due to a host of factors. These include the lurking fear among field staff that they could be held accountable if farmers do not repay loans on expectation of the Government announcing a debt waiver and relief scheme, difficulty encountered during recoveries and shortage of specialist agriculture officers.

Agricultural credit target is currently pegged at 18 per cent of ANBC (Adjusted Net Bank Credit) or OBE (Off. Balance Sheet Exposures), whichever is higher.

Of the total agricultural advances target of 18 per cent, direct agricultural lending is pegged at 13.5 per cent and indirect lending is capped at 4.5 per cent. So, if a bank's ANBC works out to Rs 1 lakh crore in the previous year, its agriculture credit target in the current year will be ₹ 18,000 crore (direct advances: ₹ 13,500 crore and indirect advances: ₹ 4,500 crore). The penalty for not achieving the agriculture lending target is that banks have to invest the shortfall in low yielding Rural Infrastructure Development Fund of the National Bank for Agriculture and Rural Development.

Underscoring the fact that indirect agriculture finance creates infrastructure such as warehouses/ cold storages, irrigation facilities, and agro-processing units and that credit to this segment is rising, banks have mooted that the cap of 4.5 per cent for indirect agriculture lending should be upped to six per cent within the overall agricultural lending target of 18 per cent.

Cash Reserve Ratio

The part of the total deposits that is maintained in cash by banks is referred to as CRR or Cash Reserve Ratio. Reserve requirements are a part of prudential guidelines to ensure that there is some liquid cash to fall back on if ever a bank faces financial difficulties. Banks in India keep these reserves with the Reserve Bank of India. The minimum percentage of CRR is also determined by the bank regulator, which is RBI in India. Currently, the CRR stands at 6% of Time and Demand Liabilities. CRR is an important tool for RBI to implement the monetary policy and manage inflation. When the system is flush with funds, RBI may increase CRR to mop up surplus liquidity and when the system is short of funds, the central bank may reduce CRR to release more cash into the system. RBI increased CRR from 5.75% to 6% in the month of April, 2010.

Enhance Pvt Role in Grain Storage: Panel

A parliamentary committee has asked the government to consider incentivizing private players to set up grain storage facilities as it prepares to implement the right to food. The government will require around 620 lakh tonnes of foodgrain annually to implement the food security law. The official procurement stood at 539.75 lakh tonnes in the recent marketing year.

"The government should provide soft loans at affordable rates and subsidies to private players to set up godowns," said the parliamentary committee on estimates in its report on ministry of consumer affairs, food and public distribution. Rotting of grain in a number of states due to lack of storage facilities had led to a furore in Parliament and the Supreme Court reprimanded the government on the issue. The committee said it was high time that the government streamlined the entire chain of procurement , storage, transportation and distribution of food grains to ensure timely availability. "Construction of proper godowns for storage must be completed on (a) war footing to prevent further loss".The panel also asked the Centre to ensure better enforcement of the Essential Commodities Act. The government could check the huge difference between the farm gate and retail prices by curbing the activities of various middlemen and better utilisation of the Essential Commodities Act.

Profitability, Asset Quality May Take a Hit

Indian banks' apparently growing strength may be concealing a possible weakness that is setting in below the surface on slow growth in profits, deposits and a rise in bad loans , says the Reserve Bank of India's annual report on the trends and progress of banking in India. The central bank said it is disappointed with the Indian banks' slow progress in financial inclusion that poorly compares with Asian peers, but said even the statistical achievements so far do not translate into significant gains for society. Net profit growth rate has fallen by two-thirds in the fiscal year ended March 2010 from a year earlier. Deposits growth rate declined for the third year in a row, which partly is a fallout of the strategy of the central bank itself that kept policy rates lower than inflation rate.

"There were some emerging concerns with regard to the second important soundness indicator of banks of non-performing assets," said the report. "There was a slowdown in the growth of balance sheets of public sector banks as well as old private sector banks." The net profit of all commercial banks rose to 8.3% in 2009-10 over the previous year against a rise of 23.5% in 2008-09 . While net profit amounted to ₹ 57,109 crore, operating profit amounted to ₹ 1,22,419 crore, up 10.4% over the previous year. The net interest margin, a key parameter for profitability, declined due to poor credit offtake and subdued interest rate environments. The report notes that every indicator of profitability, including return on assets, return on equity and the net interest margin and spread (the difference between the return and cost of funds), declined at the aggregate level in 2009-10.

On financial inclusion, RBI said banks had opened 5.06 crore no frills accounts, but they remained cosmetic. "While no-frills accounts have grown phenomenally, an important challenge before the banking system is to keep these accounts operational , as many such accounts are found to be dormant since the poor often find it difficult to save and deposit money into these accounts".

RBI said bank deposits which constituted around 78% of total liabilities , decelerated for the third consecutive year since 2007-08 . One of the factors responsible for decline in the deposits growth was low interest rates for the major part of the year. Meanwhile, PSU banks' share of credit to capital markets, real estate and commodities fell while that of foreign banks increased. It advised banks to support the process of economic recovery in the short-term. In the medium to long-term , RBI said there was a need to transform banks to become more efficient and vibrant so as to ensure a more sustainable and inclusive economic growth.

Current Account Deficit

The current account position refers to the net current position of cross-border transactions of goods and services. This also includes net factor income (such as interest and dividends) and net transfer payments (such as foreign aid). If outflows outstrip inflows, the economy is said to be facing a current account deficit. If the current account is in surplus, then it increases a country's net foreign assets by the corresponding amount. The converse is true in respect of a deficit. Both government and private payments are included in the calculation. It is called the current account because goods and services are generally consumed in the current period.

Current account inflows arise out of sale or purchase of goods and services, and hence permanent in nature. Capital account inflows arise when there is inflow by way of equity or debt into the country. But what sets the two apart is that while current account inflows are permanent and irreversible, capital inflows are reversible depending on the nature of such inflows, like whether they are for long term or short term. While long-term flows are FDIs, external commercial borrowings and NRI deposits, short-term flows are essentially portfolio flows and short-term trade credit.

Conventional economic thinking is that a country should be in a current account surplus, and the surplus ideally should be used to offset debt creating capital flows. However, over the years as most economies have gone for full convertibility of their respective currencies allowing free cross-border movement of capital, the economic thinking has changed in this regard. Some economists consider it acceptable to have a certain level of deficit in the current account as it helps a country's policymakers to manage the foreign exchange inflows.

As regards India, after having a surplus for a few years, the current account has been in a deficit for more than five years now. Senior policy makers like former RBI governor C Rangarajan have said it is fine for the economy to have a current account deficit of up to 2.5% of its GDP. By that measure, the current account deficit levels were not a concern. However, of late, there are concerns in certain segments of the market that the current account deficit is threatening to touch almost 4% of the GDP, which in turn puts some pressure on the country's external sector balance sheet.

How to Get MFIs Back on Track

The case for better regulation of the microfinance industry is becoming difficult to ignore. The moral edge the industry enjoys through providing loans to the poorest is being rapidly eroded. With borrowers often required to pay over a third of what they borrow as interest every year, the rates are near-usurious. These rates are often necessitated by rising administrative costs, including astonishingly high salaries of top management.

The success of microfinance is based on local mechanisms that offer a great deal of flexibility based on local knowledge. It is this flexibility that allows for lending decisions based on knowledge about specific individuals. Any form of bureaucratic interference that reduces this flexibility is bound to kill the main strength of microfinance. This weakness of State control is accentuated in India by the nature of the functioning of several State governments. The creation of bureaucratic hurdles brings with it the almost inevitable costs of corruption. This has the potential to increase administrative costs substantially. And, even if such expectations of increased corruption are dismissed as being cynical, there is the experience of governments using loan melas as a political instrument. It would not be too great an effort on the part of State governments to ensure that microfinance firms that lend to the followers of the ruling party are given preferential treatment.

Caught between the vagaries of a free-for-all market and a government machinery with its own agenda, the way out for microfinance would be for it to get back to why it succeeded in the first place. Local lending based on knowledge of specific individuals has been around for centuries. Moneylenders have been known to function on this principle. Systems of combined saving and lending, such as local chit funds, are also based on knowledge of the individual.

The trouble was that these traditional systems had serious costs. The moneylender's usurious rates of interest were often the least of his borrowers' problems. And chit funds ran the risk of collapsing if there were defaults. Microfinance was the promising alternative that offered funds at the doorstep of the poor. For this system to work it had to have very low defaults.

This was ensured by the intimate knowledge about the borrower available to the local representative of the microfinance firm. The lending in groups also ensured that other members of the group would exert pressure on a potential defaulter. In other words the core strength of microfinance was its ability to self-regulate.

It is this core strength that has been weakened by the rapid and unregulated growth of the industry. As microfinance moved from being a part of the development agenda to becoming a source of profit, there was immediate upward pressure on interest rates. Maximising profits required raising interest rates to the highest levels that individuals were willing to bear. These rates were probably capped only by the usurious rates of the moneylender. And, as microfinance firms had access to far greater amounts of capital than the local moneylender, they could charge these near-usurious rates on a much larger scale.

The way forward would be to restructure microfinance firms in a way that strengthens the borrowers and reduces the power of national and international capital. Indian microfinance could be restructured to create a large number of local institutions dominated by borrowers.

When and How to Rein in Capital Flows

As economies globalise, a direct consequence is liberalisation of financial sector. This means giving foreigners the opportunity to invest in the domestic economy through various routes. These investments can be very sensitive to the global political and economic situation. During times of crisis, these flows become volatile. If the domestic economy does not have the capacity to absorb the flow of capital, controls are imposed. Huge capital inflows also cause the exchange rate to appreciate hitting the global competitiveness of the economy.

Any economic mechanism that limits the free movement of capital or money across borders is considered as capital control. There are two kinds of controls: direct or administrative controls and indirect or market-based controls.

Direct controls consist of measures that would prohibit, or have a discretionary approval procedure for, cross-border capital transactions. Indirect controls discourage particular kind of capital movements by making them more costly. The Tobin Tax, levied on conversion of one currency into another, thereby dissuading short-term speculative currency flows. Other measures are quantity restrictions that limit the amount of inflows through a particular route such as debt or equity.

India currently has capital controls in place for the amount of investment into government and corporate debt. There are presently no taxes on foreign investment on the portfolio side.

RBI Releases Discussion Paper on Entry of New Banks in Private Sector

The Reserve Bank of India on August 11, 2010, released on its website, the Discussion Paper on "Entry of New Banks in the Private Sector". The paper seeks views/comments of banks, non-banking financial institutions, industrial houses, other institutions and the public at large on the following aspects:

- Minimum capital requirements for new banks and promoters contribution
- Minimum and maximum caps on promoter shareholding and other shareholders
- Foreign shareholding in the new banks
- Whether industrial and business houses could be allowed to promote banks
- Should Non-Banking Financial Companies be allowed conversion into banks or to promote a bank
- Business model for the new banks

Going by the discussion paper on the entry of new banks in the private sector, the Reserve Bank of India does not seem to be in favour of allowing individuals to promote banks. According to the RBI, the experience of over the last 17 years has been that banks promoted by individuals, through banking professionals, either failed or merged with other banks or had muted growth. Ten banks were set up in the private sector after the 1993 guidelines and two new banks after the 2001 revised guidelines. Out of these, four were promoted by financial institutions, one each by conversion of cooperative bank and NBFC into commercial banks, and the remaining six by individual banking professionals and an established media house. The bank that was converted from a cooperative bank (Development Credit Bank), has taken some time in aligning itself to the commercial banking and is still endeavouring to stabilize itself.

RBI changes Securities Portfolio Norms

In order to plug loopholes in the manner commercial banks are managing government securities portfolios, the Reserve Bank of India (RBI) has changed the existing norms. RBI has now said if the value of sales and transfers of securities to/from held to maturity (HTM) category exceeds 5% of the book value of investments held in HTM category at the beginning of the year, bank should disclose the market value of the investments held in the HTM category. Also, it should indicate the excess of book value over market value for which provision is not made. This disclosure is required to be made in 'notes to accounts' in banks' audited annual financial statements. Going by the existing norms announced on July 1, 2010 on "prudential norms for classification valuation and operation of investment portfolio by banks", securities acquired by banks with the intention to hold them up to maturity may be classified under HTM category. Banks are, however, allowed to shift investments to/from HTM with the approval of the Board of Directors once a year. Such shifting is normally allowed, at the beginning of the accounting year and no further shifting to/from HTM is allowed during the remaining part of that accounting year. However, the central bank has said many banks are resorting to sale of securities held under HTM category, that too frequently, to take advantage of favourable market conditions and to book profits. "RBI has reiterated that securities under HTM category are intended to be held till maturity and accordingly are not required to be marked to market.

Cabinet approves Amendments to the Multi-State Co-operative Societies Act, 2002

The Union Cabinet on Sept. 16, 2010 approved the introduction of the Multi-State Co-operative Societies (Amendment) Bill, 2010 in the Parliament. The proposed amendments are intended to enhance the public faith in the cooperatives and to ensure better accountability of the management towards its members and the law of the land. The Amendments are based on recommendations made by the High Powered Committee (HPC) on Cooperatives constituted by the Government of India under the chairmanship of Shri Shivajirao Patil. Shri H.K. Patil, president, NAFCUB, was also a member of the HPC. Also, based on the experience of implementation of the MSCS Act, 2002, interaction and feedback received from various stakeholders including the multi-state cooperative societies, a need was felt to further amend the multi-state Co-operative Societies Act, 2002 to keep the legislation in tune with the changing economic policies and to facilitate the multi-state cooperative societies to take advantage of the new and emerging opportunities. In the Bill, it is proposed to define active member to ensure the members' active participation in the affairs of the society. Time bond decision by the society for admitting members is proposed to prevent inordinate delay by the society in admitting members. A clause is proposed to be inserted for ensuring that the members make their payment due to the society to be eligible for exercising their rights as a member. It is also proposed to allow the MSCS to refund full or part of the share capital subscribed by the Government to reduce/eliminate Government control of these cooperatives. To ensure presence of experts on the board, it is proposed to provide that the co-opted directors should have experience in the field of banking, management, finance or specialization in any field relating to the objects and activities undertaken by the MSCs. The Directors will also be required to disclose the interest of their relatives in the affairs of the society. It is proposed to give freedom to the Board to constitute an Executive Committee and other committees or sub-committees as specified in the bye-laws. It is also proposed that every society shall be required to constitute an Audit and Ethics Committee of the Board. The existing restriction on borrowings by the society is proposed to be relaxed. The proposed amendments also include provisions for filing of applications, documents, inspections, payment of fees, charges and issuance of certificates of registration and maintenance of documents by central Registrar in electronic forms. It also provides for cancellation of registration if obtained by mis-representations of facts, submission of false or misleading information, suppression of material facts or fraud etc. Reservation of seat for the SC/ST and women on the Board, constitution of interim Board of experts for rehabilitation of a sick society, election authority for conduct of election and Cooperative Rehabilitation and Reconstruction Fund for rehabilitation and development of cooperative societies have also been proposed. The proposed amendments also include provision for Cooperative Information Officer and Appellate Authority to provide information to the members about the affairs and management of the society; penal provisions for non filing of returns; non-admission of new members by the administrators when the board is under supersession; obligation on the part of a Multi-State Co-operative Society to make available its products and services to its members and their patronage by the members, etc. The objective of Multi-State Co-operative Societies (MSCS) Act 2002 is to facilitate the organization and functioning of the cooperative societies having jurisdiction in more than one States. The Act facilitates voluntary formation and democratic functioning of multi-state cooperative societies as member driven institutions based on self-help and mutual aid and to enable them to promote their economic and social betterment and provides for functional autonomy.

IFFCO to set up ₹ 1k cr Dairy in collaboration with NZ's Fonterra

The world's biggest farmers' cooperative, IFFCO, will set up a dairy with more than 40,000 imported high-yield cows in partnership with New Zealand's dairy major Fonterra to produce high quality milk that will be sold to premium customers. India is considering relaxing a three-decade-old regulation on import of milch animals for commercial use to facilitate this dairy venture to take off. The first phase of the over ₹ 1000 crore project will be located in IFFCO's Nellore Kisan special economic zone. It will sell the country's most quality-sensitive, expensive milk to A-list institutions and individual customers under the 'Kisan' brand.

Use Technology to Make NPAs More Transparent, Govt tells Banks

The Finance Ministry has asked government banks to shift to a system where non-performing assets (NPAs) are identified by technology. The aim is to avoid human interference. The ministry has told the government banks to put the system in place by March 2011. "Since most banks are on the core banking solution (CBS) platform, the government is of the view that classifying NPAs using CBS should not be a problem for banks,". The country's largest lender, State Bank of India (SBI), and large banks like Union Bank of India, have told the ministry that they calculate NPAs on the CBS platform. While most government banks have achieved 100 percent CBS, some, such as the Central Bank of India and Punjab and Sind Bank, are yet to move fully to CBS. According to industry sources, the move is aimed at curbing the human hand in recognizing NPAs, which delays identification of NPAs.

RBI Calls Bankers Meet to Test Nat Grid Efficiency

The Reserve Bank of India (RBI) wants to know how equipped banks are to support the proposed National Intelligence Grid (NatGrid) a project proposed by the home ministry, which will house database intelligence report to counter terrorism. NatGrid is expected to collect information from different sources and authorities on individual record like land record, bank account, income tax record and insurance cover and this data will be available real time to intelligence agencies and thus help the home ministry to counter terrorism. Senior officials from banks say they would be asked to share data with NatGrid on individual account holders. As it is, banks are asked to undertake Know Your Customer (KYC) exercise, wherein the bank does due diligence of the account holder's credentials, including his income history and social background. The KYC is done with the intention of preventing fraud and anti-money laundering activity. Home Minister P. Chidambaram had indicated that NatGrid, which is headed by Mr. Raghu Raman, would be in place by may 2011 and 11 agencies will have access to this database. At the same time, NatGrid will also ensure that the database is not leaked.

RBI Tells Banks To Levy Reasonable Minimum Balance Penalty

Banks have been told by the Reserve Bank of India to be more transparent and levy reasonable penal charges. The Central Bank is concerned at the rising number of complaints by customers on steep charges by banks if the minimum balance in a savings account dips even marginally. The minimum balance required by some banks for a savings account on a quarterly basis can be as high as ₹ 10,000. Penalties can run upto ₹ 750, excluding taxes. During a meeting with bankers after its mid-term policy review, RBI emphasized the need for fairness in service charges. The central bank said instances had been brought to its attention whereby customers were penalised on flimsy ground. "Sometimes, even if the minimum balance requirement falls short by ₹ 100, complaints have been lodged that some banks charge over ₹ 500". In June 2010, RBI had constituted a committee to look into the issue of banking services to small and retail customers, including pensioners. Headed by M. Damodaran, former Chairman of the Securities & Exchange Board of India, it will also suggest a mechanism to expedite grievance redressal. The panel will give its final report by January 14, 2011. During the interaction, banks were also asked to structure charges so that these do not become a deterrent to small customers.

NABARD Launches Subsidy Scheme

NABARD, has launched a capital subsidy-cum-refinance scheme for installation of solar off-grid (photovoltaic and thermal) applications. Its Executive Director, Prakash Bakshi, said, "Under the scheme, the borrowers will get 30% capital subsidy and bank loan at 5% interest per annum for installing solar devices in their premises." He said NABARD was also encouraging banks to set up demonstration solar home light (SHL) units in about 20 of their branches, with 50% subsidy from NABARD. The average cost of an SHL is about ₹ 13,500, with a loan of about ₹ 10,000 per unit. The advantage is that villagers see a live demonstration of the effectiveness of the SHL when they visit the branch.

Universal Distinctive Bank Account Numbering Scheme For Indian Banks

Institute for Development and Research in banking Technology (IDRBT) has sent a Working Paper prepared by them on "Universal

Distinctive Bank Account Numbering Scheme" for Indian Banks recommending the importance of maintaining a unique account number structure across all banks in India. The Working Paper mainly focuses on the imperative need for a uniform account numbering structure in the Indian context. As we know, one of the most important identifiers in banking transactions is the account number, assigned to every account maintained with a bank branch. Over the last few years and as a sequel to large scale IT implementation in bank, the structure of the account number has undergone change to such an extent that currently, there is no uniform account numbering structure. The Working paper suggests various approaches and its merit and demerit, which are also discussed in detail. IDRBT has requested IBA to give its views/comments on the report. Accordingly, IBA has circulated the Working Paper amongst its member banks seeking its valuable views/comments so that a consolidated industry view could be sent to IDRBT in the matter.

Return Of Dividend Warrants For Want Of Payee's Signature

A Bank customer in a letter to the Reserve Bank of India had stated that paying banks are returning the Dividend Warrants to the customers for want of payee's signature. Although Dividend Warrants are 'Not negotiable"/ "Not transferable" and also crossed "accounts payee" and the name of the bank and Savings Bank Account Number of the customer is printed on the Dividend Warrants, the Dividend Warrants are still returned by the paying bank for want of payee's signature. The customer has further stated that since paying banks are insisting for payee's signature, the very purpose of special crossing of Dividend Warrant is defeated. He requested RBI to examine the issue and correct the anomaly. RBI referred this matter to IBA for its comments in regard to the practice followed in the banks in the matter of collection of Dividend Warrants. The matter was considered by the Legal & Banking Operations Committee of IBA at its meeting held on 15th October 2010. The Committee took note of the views furnished by member banks and observed that generally the practice was that the company issuing dividend warrants / interest warrants etc. incorporates the name of the payee along with the name of the bank and his account number on the face of the payment instrument and the payment instrument is crossed "A/c payee". Thus the instruction to the paying banker is that the instrument can be collected only to the account of the payee. That being so, taking signature of the payee on the reverse of instrument was not needed and does not serve any additional purpose. The Committee noted that in the instant case where the complaint has been referred to the RBI, the concerned paying bank had returned the Dividend Warrant unpaid for want of payee's signature for the reason that the company issuing the Dividend Warrant has insisted for the payee's signature on the reverse of the instrument. After deliberating the issue at length, the Committee was of the view that IBA should write to RBI stating that there is a need for taking up this matter with apex trade bodies such as, FICCI, CII and Association of Mutual Funds for advising their corporate members to desist from insisting on payee's signature on the reverse of the payment instrument on the ground that the collecting bank collects only "Accounts Payee Instruments" of the customers and hence such a requirement of getting the payee's signature on the reverse of the instrument was not needed. IBA conveyed the above views of the Committee to the RBI.

HC Need Not Pass Orders That Affect Working Of Banks : Supreme Court

The Supreme Court has allowed the appeal of Reserve Bank of India and observed that a court dealing with bail of bank executives accused of fraud should not order release of funds to depositors. In this case, RBI vs General Manager, some top executive of a cooperative bank were being prosecuted. Some of them were granted bail. The depositors moved the Gujarat high court for cancellation of their bail. While the high court did not cancel bail, it passed an order to the bank to distribute amounts to the poor depositors, who had invested less than ₹ 10,000. RBI appealed to the Supreme Court stating that the order was beyond the scope of a bail application and infringed the provisions of the Banking Regulation Act. Agreeing with this, the Supreme Court stated that "it was not open to the high court to pass orders, which could affect the working of banks all over the country."

Nominee Of Bank Account Does Not Get Succession Rights

The Supreme Court (SC) has clarified that nominee of a depositor in a bank does not get ownership of the money in the account after death of the depositor. The nominee gets exclusive right to receive the money lying in the account. It gives him all the right of the depositor as far as the depositor's account is concerned, according to Section 45ZA of the Banking Regulation Act. But the banking law is not concerned with succession. The money in the account will form part of the estate of the deceased depositor and devolve according to the rules of succession. In this case, Ram Chander vs Devender Kumar, one son was the nominee of his mother. After her death, he claimed he was the owner of the money in the account, to exclusion of his brother. The same rule will apply to government savings and other investments.

HC Wants Co-operative Sector To Be Brought Under RTI Act

Considering the "Increase in number of scams" in the cooperative sector, the central government should think of bringing the cooperative banks and societies under the purview of Right to Information Act, the Bombay High Court has suggested. The suggestion is significant, as currently cooperative banks cannot be compelled to reveal any information, as they are not "local or public authorities." A division bench of Mr. Justice J.P. Deodhar and Mr. A.B. Chaudhary was dealing with the question whether Agricultural Market Produce Committees are covered by the information Act. A single judge of the High Court had ruled early this year that APMC must reveal information under RTI. APMC of Wardha, in Vidarbha, filed appeal against this ruling as APMC's lawyer said that it was not a "Public authority" under the RTI Act, 2005.

Earlier Ruling : The lawyer relied on a judgment in the case of Punjabrao Deshmukh Coop. Bank, where another bench had held that cooperative banks were not a public authority. However, the division bench noted in the ruling last week that APMC is constituted by the government itself, under APMC Act (unlike coop. bank), so it was certainly a public authority, and must reveal information sought under RTI. Further, the court noted, "Before parting with the judgment, looking at the increase in number of scams in the cooperative credit societies and banks due to frauds by the persons within the society or the bank causing severe losses to the poor depositors, it would be far better to cover all the cooperative active credit societies/banks etc. under the RTI Act.

Interest Subsidy to Banks

The Government of India has since 2006-07 been subsidizing short term crop loans to farmers in order to ensure the availability of crop loans to farmers for loans upto ₹ 3.00 lakh, at 7% p.a. This Interest Subvention Scheme has been further continued for 2010-11 for Public Sector Banks, Regional Rural Banks and Cooperative Banks. This year an additional subvention of 2% is available to farmers, who repay on time. Thus, the effective rate of interest for such farmers will be five per cent per annum for 2010-11. The Interest Subvention Scheme of the Government of India is available only for short term crop loans. The Scheme ensures the provision of short term crop loans to farmers upto ₹ 3 lakh at 7% per annum.

Bank Pays up for Delaying Real Time Funds Transfer

A Chennai branch of the Central Bank of India compensated a Limited company after the former failed to transfer ₹ 14,00,000 under Real Time Gross Settlement (RTGS) system, violating Reserve Bank of India (RBI) rules and disrupting work at the company. The RBI has issued standing instructions that under RTGS, any amount above ₹ 1 lakh should be transferred from bank to bank immediately or within two hours. This time-saving method enables companies to make high-value transactions with absolute faith placed on the bank concerned that it would carry out the request. A delay of more than two hours may scuttle financial commitments and create sudden liabilities, which can harm the party waiting for funds. “The Company asked the Central Bank of India, Thyagaraya branch, to send ₹ 14,00,000 to Canara Bank in Ghaziabad. But the bank didn't send the money, resulting in chaos and violence in the Company's Ghaziabad unit”. The bank transferred the funds after five days. Since the money was not transferred in “Real Time”, the company could not give salary to its workers in Ghaziabad. “The disappointed workers protested near the Personnel Manager's office and they got violent, resulting in loss of many hours of productivity.

A spokesperson of the bank said they had made a mistake in entering the account number before effecting the RTGS transfer.

RBI asks Banks to Fund Self-Help Group directly.

Alarmed at micro-finance institutions' exposure to self-help groups (SHGs), the Reserve Bank of India has asked public and private-sector banks to step up lending to SHGs. This directive also comes at a time when micro-finance institutions (MFIs) have been asked to reduce their high rate of interest being charged from their customers. Speaking at a Dharwad District Consultative Committee meet recently, an RBI official said that both public and private sector banks were too “lethargic” in financing and refinancing SHGs, which has “led to MFIs taking advantage and becoming aggressive lenders at high rate of interest”. According to a report released by Sa-Dhan, which has 264 members, the total loan outstanding for all 264 MFIs that reported to Sa-Dhan is ₹ 18,343.9 crore reaching out to 2.67 crore active borrowers, and an additional ₹ 4,200 cr of outstanding portfolio is being managed by MFIs on behalf of banks and other financial institutions, taking the total outstanding portfolio managed by MFIs to about ₹ 22,544 cr. In contrast, NABARD report on the 'status of microfinance in India 2010” says that during 2009-10, banks in India financed 15.87 lakh SHGs, including repeat loan to the existing SHGs, with loans of ₹ 14,453.30 crore, registering a growth of 17.9% over the previous year in loans disbursed. As on March 31, 2010, 48.51 lakh SHGs had outstanding bank loans of ₹ 28,038.28 crore, a growth of 23.6% in bank loans outstanding against SHGs. The RBI official said that with active help from NABARD, Central and State agencies, public and private sector banks should “aggressively fund SHG projects directly instead of present practice of using MFIs as middlemen”. As banks have access to cheap credit, they should take advantage and fund SHGs at village level, he suggested. With banks now on a wait-and-watch mode as far as lending to MFIs goes, the present crisis in Andhra Pradesh could well present them good avenues to reach out to SHGs better. “Banks can offer direct linkage to SHGs at within 12 per cent, and even after including the SHG margin of 3 per cent, credit is available at around 15 per cent, which is much lower than the high rates of interest that MFIs charge”.

UIDAI Proposes Online Food Accounts

The Unique Identification Authority of India (UIDAI) expressed its keenness to join hands with the Department of Food and Public Distribution to reform the Public Distribution System (PDS) by opening online food accounts using the unique identity number (christened 'Aadhaar'). “PDS can leverage the Aadhaar authentication and we are keen to engage with PDS. Aadhaar-linked authentication will enable individual entitlements. Aadhaar auuthentication shifts the system from a push to a pull model and we need to apply a replenishment model in PDS,” UIDAI Chairman, Nandan Nilekani said. Technologies such as Global Positioning System should be for tracking of movement of PDS commodities, bar coded ration coupons, measures to digitise the ration card database and smart-cards for beneficiaries, biometric identification, “Food and Agriculture Minister Sharad Pawar said while addressing the conference.

Building a Sustainable Future with Rural Women

International Day of Rural Women, formerly known as World Rural Women's Day, takes place annually on 15th October to recognize, acknowledge and support the multiple roles that rural women play.

This year celebrations are focused on the acknowledgement of the contribution of rural women to building a sustainable future, all over the world.

The theme draws attention to the need and on-going search for a new paradigm of socioeconomic development; one that is more equitable and just for all - women and men of all generations. At the same time, the Day highlights the fundamental role played by world rural women to achieve more just and equitable development objectives through their daily activity. The key however is that on this International Day we are invited to reflect upon the situation of rural women and take action.

Gender equality is a fundamental factor for the socio-economic well-being of all. It has particular importance in terms of global economic recovery and global development. Yet, despite the gains made so far and the efforts and political commitment of the international community, visible and invisible obstacles continue to persist that prevent rural women from fully exploiting their capabilities. These barriers equally deny them their right to be recognized as the driver and the main actor in rural development.

Rural women face a number of constraints. Rural women have limited or no access to natural, infrastructural, technical and financial resources due to both cultural and legal constraints; rural women are not heard since they have no voice; and rural women mainly work in the informal sector and in subsistence agriculture.

As a consequence, their access to education and basic social services is compromised. According to United Nations data, rural female farmers produce more than 50% of global food production, but earn only one third of global income. At the same time, the number of rural women that live with less than US $ 1.25 per day has doubled since 1970. Women farmers own 2% of the total land and only 5% of agricultural resources are addressed to them. Moreover they receive 1% of all agricultural credit. Finally, women farmers represent two thirds of all illiterate people.

The impact of the current crisis on rural women is not yet fully understood, although it is expected that rural women will be most adversely affected by rising of international food prices and persistent economic volatility. This is likely to bring about huge job losses.

To face this dramatic situation and identify solutions, actions will be needed at least on two levels. Policy-makers must take action to ensure that policies can promote and support, among other, the self-empowerment of rural women, At the same time, bottom-up initiative should be enhanced. Studies and practice have over and over again confirmed that when the rural women improve their livelihoods through economic and social associations, it has long term positive effects on their families and their communities; it ensures them food security and safety.

All over the world, rural women have joined forces to form self-help groups and organisations. They have established or joined agricultural co-operatives to meet their socioeconomic needs and aspirations. In many countries there are stories of how rural women cooperators empowered themselves, and by doing so were able to bring about the much needed change from the bottom-up.

In other words, the co-operative form of enterprise presents a viable model for rural women to gain access to key productive factors, to increase their bargaining power thus enter the so-called formal economy and start working their own way out of poverty.

The role of rural women co-operators is vital. Rural women not only contribute to feeding the world in a safe and sustainable way but also promoting a true development and contribute to building peaceful and socially cohesive communities.

On this International Day of Rural Women let us honour rural women - who are often in very difficult situations - for their remarkable contribution. Let us recognise their role in planting and preserving the seeds which make the world a better place to live, for both the present and future generations.

The ICA and its Gender Equality Committee strongly encourage all ICA members, cooperatives and other organisations, especially those active in or working with rural areas, to celebrate International Day of Rural Women. Be committed and reflect upon the contribution of rural women in member societies; identify and seriously implement gender equality policies and programmes. These actions are no doubt one of the most significant and enduring contributions to making an impact on the lives of millions of rural women around the world.

Credit Card With Keyboard To Prevent Fraud

In a bid to prevent online shopping fraud, US global payments technology company Visa's European arm has designed a new credit card which is complete with a keypad and digital number display. The new Visa Code Sure Card is of the same size as a conventional credit card but features a miniature keyboard and screen used to generate a constantly changing series of unique security passwords required to authorise purchases over the Internet. The card can only be a person who knows the PIN and it will generate a new password each time an Internet purchase needs to be authorised. The same card can be used to generate secure passwords to allow customers to access their online bank accounts.

Committee to Examine Financials of RRBs Recommends Recapitalisation of 82 Banks

A Committee under the Chairmanship of Dr. K.C. Chakrabarty, Deputy Governor, Reserve Bank of India was constituted in September, 2009 to examine the financials of Regional Rural Banks (RRBs) with respect to Capital-to-Risk-Weighted Assets Ratio (CRAR). The Committee has, inter-alia recommended the following.

- 40 RRBs need to be recapitalized out of 82 RRBs.
- Total amount of recapitalisation is assessed at ₹ 2,200 crore and to be released in two instalments i.e. ₹ 1,337.50 crore in 2010-11 and ₹ 862.50 crore in 2011-12.
- The amount of recapitalization to be shared by the shareholders i.e. Central Government, concerned State Governments and the concerned Sponsor Banks in proportion to their share.
- Need for an additional amount of ₹ .700 crore for North Eastern and Eastern Region RRBs, if they are not able to achieve the required minimum CRAR despite infusion of the assessed amount.
- The amount of recapitalisation to be released is subject to MOU being signed by the Chairman of RRB with NABARD regarding achievement/performance parameters specified.

Electronic Payments On The Rise: RBI Report

India has finally begun to catch up with the developed world. The use of electronic means, as opposed to using paper, for making payments has gone up sharply in the last three years, according to the latest annual report of the Reserve Bank of India. In value terms, the share of electronic transactions has gone up from 80.4 per cent in 2007-08 to 88.3 per cent in 2009-10. In volume terms, however, because individuals are yet to adopt electronic means for making payments in a big way, the share remains low at 35.3 % in 2009-10. In 2007-08, it stood at 27.1 %.

Electronic transactions have received a boost due to the advances in information technology that have brought about significant changes in payment channels. While card-based payments have been in use for quite some time, more recently, Internet/mobile phone-based products and the use of these channels for transactions have been gaining momentum and popularity, according to the report. The RBI says: “There is a need to focus on IT security,” This is still rather weak in India. The RBI also said that there is a need to improve the quality of data submitted by the banks as increasingly these figures are used for decision making at the central banks. The adoption of IT-based solutions has resulted in the collection and storage of huge volumes of data in the banking sector, the RBI said.

Cheque Return Memo should mention “Date of Return', RBI reminds UCBs

In a notification RBI/2010-11/190 DPSS.CO.CHD.No. 485 / 03.06.01/ 2010-11 dated Sept. 1, 2010 addressed to all banks, including UCBs RBI has said, “As you are aware the 'Cheque Return Memo' that should accompany a cheque dishonoured/returned for any reason is a critical documemnt, more so in case recourse to legal action is necessitated. The procedure for handling dishonoured cheques including return/dispatch thereof to the payee has been advised, vide Reserve Bank circular DBOD.BC.Leg.No.113/09.12.001/ 2002-03 dated June 26, 2003.

“Rule 6 of the Uniform Regulations and Rules for Bankers' Clearing Houses (URRBCH) also prescribed that instruments returned unpaid should have a signed/initiated objection slip on which a definite and valid reason for refusing payment must be stated. Format of the Return Memo (including the field for indicating the Date of Return) and the Model List of Objections is contained in Annexure D to the URRBCH.

“Certain instances of banks not mentioning the date of return on the Cheque Return Memo have been brought to our notice. Keeping in view the larger interests of customers and to ensure that uniform practices are adopted, banks are hereby advised to indicate the 'date of return' in the Cheque Return Memo without fail.”

RBI Modifies Procedural Guidelines For NEFT/NECS/ECS Transactions

According to the NEFT / NECS / ECS Procedural Guidelines as also the relevant circulars / instructions issued by RBI from time to time, member banks need to afford credits to beneficiary accounts or return transactions (uncredited for whatever reason) to the originating / sponsor bank within the prescribed timeline. Any delays in doing so attract penal provisions specified therein. Now, RBI vide its notification RBI/2010-11/188 DPSS (CO) EPPD No.477/04.03.01/2010-11 dated September 1, 2010 has modified procedural guidelines as given below to make penal provisions uniform across retail electronic payment systems.

NECS / ECS-Credit........" Destination Bank would be held liable to pay penal interest at the current RBILAF Repo Rate plus two per cent from the due date of credit till the date of actual credit for any delayed credit to the beneficiaries' account. Penal interest shall be credited to the Beneficiary's Account even if no claim is lodged."

NEFT Paragraph 6.7 "In the event of any delay or loss on account of error, negligence or fraud on the part of an employee of the destination bank in the completion of funds transfer pursuant to receipt of payment instruction by the destination bank leading to delayed payment to the beneficiary, the destination bank shall pay compensation at current RBI LAF Repo Rate Plus two per cent for the period of delay. In the event of delay in return of the funds transfer instruction for any reason whatsoever, the destination bank shall refund the amount together with interest at the current RBILAF Repo Rate plus two per cent till the date of refund."

Paragraph 6.8 is also being substituted as under

"During the NEFT operating hours, originating banks should endeavour to put through the requests for NEFT transactions received by them, either online or across the counters, preferably in the next available batch but, in any case, not exceeding two hours from the time of receipt of the requests. In the likelihood of any delay/possible delay in adhering to this requirement, the originators/customers should be informed of the delay/possible delay and the reasons for the same." The changes in the Procedural Guidelines, which are applicable with immediate effect.

National Innovation Council with focus on inclusive growth to be set up

Prime Minister has approved the setting up of a National Innovation Council to prepare a road map for the Decade of Innovation 2010-

2020. The National Innovation Council would be headed by Shri Sam Pitroda, Advisor to the Prime Minister on Public Infomration Infrastructure and Innovations. The Council has been given the mandate to evolve an Indian model of innovation focusing on inclusive growth and creating an appropriate eco-system conducive to fostering inclusive innovation. It will delineate appropriate policy initiatives within the government required to spur innovation. It will also promote the setting up of Sectoral Innovation Councils and State Innovation Councils.

While encouraging all important sectors of the economy to innovate, it will take special efforts to facilitate innovation by micro small and medium enterprises. Innovation in public services delivery and encouraging multi-disciplinary and globally competitive approaches for innovations would be focused on by the Council. The National Innovation Council would have as its members Dr. K. Kasturirangan and Shri Arun Maira, Members of the Planning Commission, Dr. Ramesh Mashelkar, Former Director General of CSIR, Shri Kiran Karnik, former President, NASSCOM, Dr. Devi Prasad Shetty of the Narayana Hrudyalaya, Shri R. Gopalakrishnan, Executive Director, Tata Sons, Ms. Kiran Mazumdar Shaw, Chairperson, Biocon, Shri Shekhar Kapur, Film Director, Shri Saurabh Srivastava, Chairman, CA Technologies, Shri Anil K. Gupta, Professor IIM Ahmedabad, Prof. Sujatha Ramadorai, Professor, TIFR, Shri Chandrajit Banerjee, Director General, CII, Shri Amit Mitra, Secy. General FICCI, Dr. Samir Brahmachari, Director General, CSIR and Shri Sanjay Dhande, Director, IIT Kanpur, Shri R. Gopalakrishnan, Addl. Secy. In PMO would be the Member Secretary of the Council.

Study conducted to review MGNREGS

Centre for Research in Rural and Industrial Development (CRRID) had conducted appraisal of Mahatma Gandhi National Rural Employment Generation Scheme (NREGS) in selected districts of Himachal Pradesh (Sirmaur), Punjab (Hoshiarpur) and Haryana (Sirsa). The main objective of the study was to identify efficient management practices, procedures, processes, factors for better performance and to suggest interventions and strategies for dissemination of positive impact of the Act and suggest strategies for dissemination of those practices and factors that can help to check the shortcomings of the scheme. Main findings of the study are :

i) Economic conditions of the wage earners have improved. Workers need not to go outside the village for work.
ii) People's faith in Panchayats has increased (reported in Sirmaur). Flow of funds to Panchayats has increased (reported in all the three districts),
iii) Agricultural productivity has increased due to Mahatma Gandhi NREGA.
iv) Overall development of the area due to construction of link roads, pulia and bridges etc.
v) Women belonging to poor strata of the villages are getting jobs and their wages are same as of men,
vi) Lack of awareness, inadequate staff, need for formation of vigilance committees and more transparency and accountability.

With a view to address the constraints indicated in the report, the following steps have been taken:

i) Awareness generation through intensive IEC activities involving print as well as electronic media.
ii) States have been directed to appoint adequate dedicated staff with the implementing authorities. Administrative expenses limit under the Act has been enhanced from 4% to 6% from which salary expenses of such dedicated staff is met.
iii) Vigilance and Monitoring Committees at State and District level have been set up.
iv) The Ministry has accorded utmost importance to the organisation of Social Audits by the Gram Panchayats and issued instructions to the States to make necessary arrangements for the purpose.
v) Payment through accounts of NREGA workers has been made mandatory to infuse transparency in wage disbursement.

What is RTGS?

The acronym "RTGS" stands for Real Time Gross Settlement. RTGS system is a funds transfer mechanism where transfer of money takes place from one bank to another instantly. "Gross settlement" means the transaction is settled on one to one basis without bunching with any other transaction. Considering that money transfer takes place in the books of the Reserve Bank of India, the payment is taken as final and irrevocable. The minimum amount to be remitted through RTGS is ₹ 2 Lakh. There is no upper ceiling for RTGS transfer. RTGS is different from Electronic Fund Transfer (EFT) & National Electronic Fund Transfer (NEFT).

EFT and NEFT are electronic fund transfer modes that operate on a deferred net settlement (DNS) basis which settles transactions in batches. In DNS, the settlement takes place at a particular point of time. All transactions are held up till that time. For example, NEFT settlement takes place 6 times a day during the week days (9.30 am, 10.30 am, 12.00 noon. 1.00 pm, 3.00 pm and 4.00 pm) and 3 times during Saturdays (9.30 am, 10.30 am and 12.00 noon). Any transaction initiated after a designated settlement time would have to wait till the next designated settlement time. Contrary to this, in RTGS, transactions are processed continuously throughout the RTGS business hours. The details of the existing service charges and the revised service charges are given below:-

System	Value Band	Customer Charges	
		Existing	Revised
RTGS	₹ 1 lakh to ₹ 2 lakhs	₹ 25	--
	Above ₹ 2 lakhs to ₹ 5 lakhs	₹ 25	₹ 25
	Above ₹ 5 lakhs	₹ 50	₹ 50
NEFT	Upto ₹ 1 lakh	₹ 5	₹ 5
	Above ₹ 1 lakh to ₹ 2 lakh	₹ 25	₹ 15
	Above ₹ 2 lakhs	₹ 25	₹ 25

Know thy enemies

'Malware' short for malicious software is an umbrella term that refers to any software program deliberately created to perform an unauthorised, often harmful, action. A virus is a program that replicates, i.e. it spreads from file to file on one's system and from PC to

PC. In addition, it may be programmed to erase or damage data. But, unlike a worm, it needs a host file to which it attaches itself and spreads along with the file.

A worm is a computer program that replicates, but does not infect other files. Instead, it installs itself once on a computer and then looks for a way to spread to other computers. A worm is designed to copy itself (intentionally move) from PC to PC, via networks, the Internet etc. A Denial-of-Service (DoS) attack is designed to hinder or stop the normal functioning of a Web site, server or other network resource. One common method to achieving this is to flood a server by sending it more requests than it is able to handle. This will make the server run slower than usual (and Web pages will take much longer to open), and may crash the server completely (causing all Web sites on the server to go down).

Phishing is a very specific type of cybercrime designed to trick you into disclosing personal financial details. Cyber criminals create a fake Web site that looks just like a bank's Web site (or any other Web site where online financial transactions are conducted e.g. eBay). They then try to trick a person into visiting this site and typing in his confidential data, such as his login, password or PIN.

A rootkit is a term that describes a collection of programs used by a hacker to evade detection while trying to gain unauthorised access to a computer. The term originated in the Unix world, although it has since been applied to the techniques used by authors of Trojans that run under Microsoft Windows to conceal their actions. When installed on the system, rootkits are not only invisible to users but they are also designed to escape detection of security software as well.

A Trojan is a program that poses as legitimate software but when launched will do something harmful. Trojans can't spread by themselves, which is what distinguishes them from viruses and worms. Today, Trojans are typically installed secretly and deliver their malicious payload without one's knowledge. Much of today's crimeware comprises different types of Trojans, all of which are purpose-built to carry out a specific malicious function. The most common are Backdoor Trojans, Trojan Spies, password stealing Trojans and Trojan Proxies that convert one's computer into a spam distribution machine.

Changes in ARDBs

I Shri Narayan Rupini, MLA, has assumed charge as President of the Tripura Cooperative Agriculture & Rural Dev. Bank Ltd., w.e.f. 28th September 2010.

II Shri S.G. Hegde, IAS, has assumed charge as Registrar of Cooperative Societies and Administrator, of the Karnataka State Cooperative Agri. & Rural Dev. Bank Ltd., w.e.f. 25th October 2010.

III Capt. Tejinder Singh Virdi, has assumed charge as Managing Director of the Punjab State Cooperative Agril. Dev. Bank Ltd., w.e.f. 1st November 2010.

IV Shri D. Ramesh Sinha, has assumed charge as Chief General Manager of the Andhra Pradesh State Cooperative Bank Ltd., w.e.f. 1st December 2010.

V) Shri Chokkabasavannagowda has assumed charge as President of the Karnataka State Cooperative Agri. & Rural Dev. Bank Ltd., w.e.f. 7th December 2010.

VI) Shri Indreswar Gayan, has assumed charge as Executive Director of the Assam State Cooperative Agri. &, Rural Dev. Bank Ltd., w.e.f. 10th December 2010.

AGRICULTURAL NEWS

Banks To Tap Farm Business As Corporate Interest Takes Root

Banks have chalked out major plans to tap into agri business at a time when corporate interest, technology and premium for value-addition are giving a new dimension to agriculture. SBI, the country's biggest state-owned bank, which would be launching agriculture commercial branches (ACBs), is focusing on this segment. Today, the stress is on value-addition and sectors such as agri processing are gaining ground. High-tech agriculture like commercial floriculture is seeing a lot of interest. The focus of its 400 ADBs, which the bank pioneered in the early 1970s, has been to provide traditional products like crop loans. Canara Bank , which operates a chain of 10 specialised agriculture finance branches, is looking at setting up agriculture marketing cells across its branches.

Mangalore-headquartered Corporation Bank , which has an agriculture finance branch at Coimbatore, is exploring the option of setting up agriculture finance cells in its branches. They are keen to provide finance for the construction of warehouses or even fund against warehouse receipts. Currently, the bank's agri finance has a business of over ₹ 100 crore. Private banks too have identified agriculture as a focus area. Axis Bank , India's third largest privately owned bank, has set up 12 agri business centres, 15 commodity business centres and 66 agri clusters with specialist officers providing better co-ordination, speedy sanction and monitoring the portfolio.

Decontamination Of Pesticide Residues In Food

We can minimize our exposure to pesticide residues by choosing our foods and taking some simple steps to prepare them. Wash fruits and vegetables using drinking water to remove any dirt and reduce any traces of certain pesticides. Many, though not all, pesticides are water soluble and can be washed off under running water. Surface residues are amenable to washing operations. This also reduces the number of bacteria present on the surface of the produce. Wash vegetables like cauliflower, broccoli, cabbage, spinach and green beans with hot water containing 2 per cent common salt to remove residues and kill the larvae, if any. Scrub potatoes and carrots if you intend to eat the skin. Scrubbing with a soft brush can help remove contaminants in crevices. Wash and scrub melons or squash; the rinds are not consumed but rind can contaminate the melon flesh during slicing. Carrot, bhendi, brinjal, cabbage and cauliflower, can be washed with 1 per cent tamarind solution. Peel and trim fruits like mango, citrus, apple, pear, peach and kiwi and vegetables like gourds to reduce dirt, bacteria, and pesticides, if needed and likely to have high levels of pesticide residue. Discard outer leaves of leafy vegetables. Drying oven, solar or freeze drying, storage, cleaning, hulling, husking, polishing and grinding of grains degrade the residue levels (hulls of the cereal grains contain majority of the pesticide residues from field treatments). Steaming and cooking of grains and vegetables eliminate most of the residues. Juicing of fruits like grapes reduces the residue level. Processes such as centrifugation and filtering further reduce the residues. Soaking is fine to loosen dirt and debris, but running water is most effective to remove pesticide residues as well as dirt and bacteria. Make a diluted form of hydrochloric acid with four tablespoons of salt and juice of half a fresh lime. Soak fruits and vegetables five to ten minutes in it and rinse well. Trim fat from meat and skin from poultry and fish, since some pesticides residues collect in fat. Buy organically produced food commodities as far as possible.

Judicious Combination Of Manures, Fertilizers Ensures Food Security

"Though organic farming today seems a desirable proposition in increasing food production it is not entirely feasible because enough organic manures are not available in our country to meet the requirements," says Dr. K. Kumaraswamy, former Professor of Soil Science, Tamil Nadu Agricultural University, Coimbatore. If one wants to do organic farming one is free to do it. Organic methods cannot replace conventional farming for improving food security. With an increasing population and a precarious food situation, our country cannot afford to take risks by relying only on organic farming," he adds.

Total organic farming is possible only under subsistence farming as practiced in our country under traditional low-productive agriculture a few decades back. “It might also be possible under certain special situations such as horticultural farming where sufficient organic manures like farm yard manure or composts are available for recycling, and the consumer would be ready to pay an extra premium for the 'organic products' to compensate for their comparatively lower productivity and higher cost of production”.

From about 50 million tonnes in 1950 to more than 220 million tonnes today, our country has progressed a long way in increasing food production. “It would be unwise and unremunerative proposition to cultivate crops sans fertilizers, using manures alone. What is needed is a judicious combination of organic manures and fertilizers, and not exclusive use of either,” says Dr. Kumaraswamy.

It is true that the quality of the agricultural produces, such as flowers, vegetables and fruits, improves when organic manures are supplied rather than fertilizers. But intensive agriculture on commercial high-productive scale cannot be sustained for long through total organic farming. “It is because yield levels tend to drop drastically without fertilizers, as the demands of crops for certain nutrients such as nitrogen, phosphorus, and potassium in comparatively higher amounts cannot be met by organic manures alone.

Although indiscriminate use of fertilizers and chemicals pollute the environment, the practice does not warrant exclusion of fertilizers altogether from the soil fertility management programmes, as the consequences of such withdrawal tends to be disastrous”. The distortion in soil fertility and deterioration in soil health are due to improper and indiscriminate use of fertilizers. This can be corrected only with proper and judicious manure fertilizer schedules based on soil fertility evaluation results.

Integrated soil fertility management using manures, fertilizers, and bio-fertilizers alone can facilitate restoration, improvement and maintenance of soil fertility, guarantee agricultural production at higher levels with high-quality produces. Agriculture at high levels of productivity can be made sustainable only through such integrated ways using manures, fertilizers and bio-fertilizers in judicious combinations.

The philosophy of sustainable agriculture will become a bitter irony, if fertilizer use is reduced or excluded in the name of quality improvement of produces or environment protection, as such exclusion would lead to subsistence farming over the years in the near future. Fertilizers supply one or a few nutrients only, and not enzymes, vitamins and growth regulators that are essential for the improvement in the quality of the produces. This is the reason for the better quality of the produces obtained with the application of manures and not due to differences in the nature and properties of the nutrients supplied through manures and fertilizers.

Neither organic nor inorganic but ISFM (Integrated Soil Fertility Management) must be the set rule of sustainable high-productive, good-quality agriculture, if we are to ensure food security in the years to come.

Management Of Papaya Mealybug In Mulberry

Papaya mealy bug is an exotic pest. The pest sucks the sap from tender shoot and leaves resulting deterioration in leaf quality followed by premature drop and stunted growth of plants. The black sooty mould developed on the honey dew excreted by pest, pollutes the entire garden and makes the leaves unfit for feeding silkworms, in case of severe infestation. The pest has high reproductive potential, i.e. one female can lay up to 600 eggs, and the progeny completes the lifecycle in a shortly less than a month period. Dense, waxy secretions around the body protect the pest from adverse environmental conditions and pesticides. Papaya mealybug remains as a minor pest in many countries due to presence of adequate population of its natural enemies.

Whereas, indiscriminate application of toxic chemical destroys the natural enemy complex and the pest flares-up after developing resistance to most of the pesticides. The toxic chemicals also cause health hazards to humans and other beneficial organisms including silkworms. Farmers prefer mainly chemical measures to obtain instant results without perceiving their adverse impact. Hence, emphasis on integrated application of following non-chemical practices is also a need of hour for effective control.

Collection and burning of infested plant parts, pruned stems, and the weeds harbouring the pest. Multiple cropping must be avoided to prevent shifting of the pest to pruned gardens at the time of sprouting. Using rain guns or sprinklers instead of flood irrigation helps control the pest. Spray of strong jet of water in infested garden by diverting a portion of irrigation water through small hose dislodges and washes out the pest population.

World Bank Loan For Maharashtra Farm Project

The World Bank granted a $100-million loan to the Maharashtra for implementation of the Maharashtra Agricultural Competitiveness Project, which aims to increase productivity, profitability and market access for the farming community in the State. The agreement was signed by representatives of the Central and State Government and the World Bank. The project aims to strengthen farmers' capacity to respond to market demands by providing technical knowledge, market intelligence and market networks to support diversification and intensification of agriculture production, a World Bank note said. “Rather than farmers searching for markets, the project will help in bringing markets to the farmers,” said Mr S.K. Goel, Principal Secretary for the Department of Cooperation and Marketing. It will also support agriculture technology transfer, facilitate networking amongst farmers and agri-businesses on emerging marketing opportunities, provide market intelligence using information and communication technology (ICT)-based applications.

The second component of the project is for improving farmer access to markets. It will promote alternative market opportunities by establishing farmer groups, a warehouse receipts system, upgrading local rural markets, piloting e-trading platforms, and modernising existing wholesale markets and livestock yards, The project will be financed by a credit from the International Development Association, the World Bank's concessionary lending arm, which provides interest-free loans with 35 years to maturity and a 10-year grace period.

Agriculture Machinery Makers Bullish On Indian Market

A growing shortage of farm hands and smaller land holdings are forcing many farmers to mechanise their farms, allowing multinational agri implement companies to tap into Indian market. A 2006 study by consulting firm Zinnov said that the agri equipment market in India would grow at a compounded rate of 5% between 2006 and 2010 to touch $8 billion. Today, a large number of Chinese, Japanese, American and Italian firms has forged alliances with Indian companies. These include Kuboto and Mitsubishi of Japan, Zhejiang Sifang of China, John Deere of the US and New Holland of Italy. With most of these implements eligible for bank funding, financing is also not a major issue. In Punjab, for instance, the state government has been giving subsidies to farmers purchasing farm machineries like tillers and paddy transplantors through a central scheme from the Agricultural Product Pattern Adjustment Programme.

HR Ravindranath, regional manager of Kolkata-based Ganga Motors, which sells the Sifang range of tillers, says Indian farmers prefer to buy their equipment as the product is competitively priced. The market for tillers in India is placed around 45,000 units of which close to 6,000 are sold in Karnataka alone. Potato farmers in Punjab have been aggressively buying a variety of imported implements. These include potato graders from New Zealand's Wyma, potato planters from Italy's Spedo and potato harvetser from Italy's Titunni. However, not all are convinced with the utility of agri implements. Vikram Ahuja of Zamindara Farm Solutions recounts how square balers and rakes (used to collect paddy straw) were found to be economically unviable by marginal and medium farmers. Farmers are often forced to undertake change in planting methodologies.

Punjab Farmer Strikes Gold With Turmeric

In the state that epitomised Green Revolution, a yellow revolution is silently brewing. This movement not only promises to give back the Punjab soil the health its predecessor revolution took away, but also provide loan-ridden farmers a hope of revival. And, showing the way is a marginal farmer in Tira village in Mohali with only two-acre landholding. From one acre, on which he grows turmeric fed on organic manure generated from the vermicompost units that he has set up he earns more than ₹ 2.5 lakh a year.

In 2005, when the appeals of the government, agriculture experts and environmentalists for diversification were falling on deaf ears, 51-year-old Avtar Singh Saini decided to give turmeric a try. "Punjab farmers cannot think beyond paddy and wheat, as these give assured price. He has formed a club of farmers, for farm demonstrations. Saini, who works as a private secretary at Punjab Financial Corporation, says his initiative is a farm-to-kitchen project, as from sowing to processing he does everything himself, and delivers the product at the doorsteps of consumers. "As no middleman is involved, the cost of haldi is less than the market rate".

His organic turmeric has high curcumin content and has been recommended by a PGI doctor for gastrointestinal problems. Dr Dutta, Associate Professor, department of gastroenterology, PGI, says turmeric owes its medicinal properties to the curcumin oil found in it. "Turmeric is most effective when the curcumin content is optimal. It decreases chances of gastrointestinal cancer, and has antibiotic and anti-inflammatory properties.

In a few patients with colitis, on whom this turmeric was tried empirically, the results were very promising, which led to its study in a systematic manner, says Dr Dutta. "If this therapy is found to be effective, it will reduce the cost of therapy from ₹ 50-Rs100 to ₹ 1 a day," she says. When asked why this farm's turmeric was rich in medicinal properties, she says the composition of soil and right environment add to the taste and efficacy of the crop. "If you try to grow medicinal plants fast with the help of fertilizers and pesticides, they lose their chemical potency and subsequently the medicinal efficacy.

A Better Deal To Farmers

In Tamil Nadu, Rallis India successfully demonstrated a 40% jump in pulses yield with proper farm practices. This was replicated by United Phosphorous for sugarcane in south Gujarat. However, we need to increase the awareness among farmers to adopt better practices. Experts from UPL guided farmers on scientific methods such as seed dressing where the seeds are dipped with fungicides before they are sown to prevent soil-borne diseases, the distance at which they should be planted, how much and when water, fertilisers, and what preventive pesticide-sprays should be used. The results made our farm demonstration a live learning example for farmers from all parts of the country," Shroff says.

The production of pulses, for instance, has stagnated over the years, forcing the country to depend on imports. Prices have soared globally, too. Clearly, augmenting domestic production is the key challenge before the technology mission on pulses. A major problem bogging down farm yields is the supply of spurious agrochemical products. Duplicate pesticides, valued at ₹ 1,500 crore, are sold in the domestic market annually. "Those indulging in the supply of spurious pesticides escape with minor penalty. This has encouraged even larger players to indulge in such malpractices. "Spurious products give insufficient pest protection. Farmers lose money buying these products and also their crops to pest attacks, leading to a vicious cycle of debt and poverty". The other problem that the CCFI wants to deal with is the poor public perception of the agrochemical industry, with reports on pesticide residues, many of which are dubious.

The process of negating false claims takes long. In fact, India's agrochemical consumption is abysmally low at below 600 gram per hectare as compared with between 3 kg and 10 kg in advanced countries such as the US or Japan. Raising consumption - right type of agro-chemicals at right time - holds a key to improving farm yields.

NABARD May Soon Fund Indians Setting Up Farms Abroad

The National Bank for Agriculture and Rural Development (Nabard) is likely to extend funding to agricultural enterprises wishing to set up farming estates abroad, according to Dr K.G. Karmakar, Managing Director, Nabard. Mr Karmakar said there are opportunities for Indian farmers to take up agriculture in countries in Africa, Georgia, Ukraine and Ethiopia, among others.

Nabard was also in the process of concluding a deal with an Israeli Fund for research and technology transfer in agriculture, he said. Mr Karmakar also asked the seed industry to come up with specific research proposals especially in pulses and oil seeds and other vegetable oils as there was a definite need. Nabard was keen on furthering research in the seed-industry, he added. Currently, it has three funds R&D fund, rural innovation fund and farmer technology transfer fund with a combined outlay of about Rs 200 crore.

Protect Rice Output From Climate Change: Study

With rise in temperature due to climate change, agricultural scientists have called for speedy development of various stress resistance varieties of rice for sustaining production in future. Rice varieties need to be developed which can deal with a biotic stress which is caused because of high temperature, drought and submergence because of flood and salinity. Besides resistance to pests and diseases need to be altered.

As per the model prediction by climatologists, India will suffer severe climactic changes, including longer drought, lesser amount of total rainfall, that too distributed unequally with very heavy precipitation at shorter duration causing flooding, high temperature flux, higher incidence of tropical storms. CRRI (Central Rice Research Institute) is working extensively to develop rice varieties tolerant to various critical climatic conditions such as flood, high temperature and drought.

CRRI has developed and released several rice varieties tolerant to drought, including Vandana, Anjali, Sadabahar and Virendra. Recently, the institute has developed a variety named 'Sahbhagi dhan' which is highly tolerant to drought and is recommended for release in Orissa, Jharkhand and Chhattisgarh under drought-prone situation.

Besides, in a bid to fight submergence of standing crop, CRRI has developed several submergence tolerant varieties like Savitri, Gayatri, Tulasi, Sarala, Durga and Varshadhan. “In June 2009, they released a variety named 'Swarna Sub1' with a crop duration of only 145 days with higher yield which can withstand complete submergence for 15-17 days without perishing and can grow normally and produce the desired grain yield after the water recedes”.

Completion Of Irrigation Projects Imperative For Farm Growth

It is common knowledge that water is the most critical input for agriculture. Scientific management of water together with other inputs result in enhanced crop productivity. One of the biggest challenges currently confronting Indian agriculture is the low level of input usage leading to low productivity. Water could be an exception though. In many regions, water usage for agriculture has been indiscriminate, while in others it is deficient. The facts are clear. India's precipitation - about 900 mm annually is perhaps the second highest in the world. Water usage is dominated by agriculture and related activities in the form of irrigation that claims almost two-third of the total water demand.

As the economy continues to register robust growth, demand for water has been expanding rapidly with irrigation, industry and domestic needs competing for an increasing share. According to experts, India will be a highly water stressed country from 2020 onwards. Water stress is defined as availability of less than 1,000 cubic metres of water per person per annum. We are rapidly moving towards that alarming situation. In addition to food and nutrition security as also energy security, one must seriously ponder over water security as well.

A substantial amount of water can be conserved and utilised more scientifically if greater emphasis is placed and focussed attention paid to expansion of irrigation facilities. However, a large number of the country's irrigation projects have remained incomplete for several years and there have been heavy time overruns and cost overruns.

According to the information provided by the State governments, total irrigation potential created in the country up to March 2010 is 108.21 million hectares (Mha). Till the end of Tenth Five-Year Plan ended March 2007, 102.7 Mha of irrigation potential is claimed to have been created, but the utilisation was lower at 87.2 Mha. Over the last fifty years, enormous amounts have been spent on creation of irrigation potential. According to the Ministry of Water Resources, total expenditure under Major and Medium Irrigation sector, Minor Irrigation sector and Command Area Development and Water Management (CAD & WM) sector from I Plan to X Plan is an estimated ₹ 2,50,287 crore.

Further, the outlay for these sectors during the first three years (2007-08 to 2009-10) of the XI Five-Year Plan is ₹ 1,25,355 crores. A study undertaken to ascertain the reasons for the gap between the irrigation potential created and the irrigation potential utilised has revealed that a number of factors have contributed to under-utilisation of irrigation potential. The factors include: (a) lack of proper operation and maintenance; (b) incomplete distribution system; (c) non-completion of command area development works; (d) changes from the initially designed cropping pattern; and (e) diversion of irrigable land for other purposes.

The Ministry of Water Resources says the reasons for delay in completion of projects include land acquisition problems, resettlement and rehabilitation problems, delay in obtaining mandatory clearances, contractual problems, litigation, delay in completion of works to be taken up by agencies other than water resources/irrigation department such as railway crossing, shifting of electric line, providing road crossing, shifting of gas pipeline etc. Delay also occurs due to law and order problem, short working seasons in hilly States and northeasten States. Because of cost and time overruns, a large number of irrigation projects are languishing. It is estimated that nearly ₹ 1,00,000 crore would be required to complete the pending irrigation projects. How these will be funded and what will be the timespan is anybody's guess. Non-completion or delay in completion of irrigation projects is exerting a devastating effect on the country's agriculture.

The dependence on monsoon is as high as 60 per cent, while only 40 per cent of land is irrigated. Worse, despite incurring huge amounts of money towards creating what is called 'irrigation potential', the actual area under irrigated cultivation has shown no marked improvement at all. Acreage data of last several years for major field crops rice, wheat, coarse grains, pulses, oilseeds, cotton and sugarcane - show there has been no marked expansion of cultivation of major field crops under irrigated conditions. This raises a serious question about the utility of all the expenditure incurred on 'creating irrigation potential'. Of what use is the creation of irrigation potential if the same is not utilised for agriculture production. Farmers on the field are unable to access irrigation water simply because it does not reach them.

A Crop Whose Growth Is Constrained By Slew Of Factors

Sunflower (Helianthus annuus.) plant originated in western North America and is grown throughout the world because of its relatively short growing season. The world estimated production of sunflower seed in 2008-09 was at 33 million tonnes (increase of 23 per cent from

2007-08) and the area harvested was 23.68 million hectare. Sunflower seeds had a share of 8 per cent of the total global oilseed production (404 mt) in 2008-09, with the highest share of soyabean (55 per cent) followed by rapeseed (14 per cent) and cottonseed (10 per cent).

The average productivity of the sunflower seeds is 600-3,000 kg/ha depending on the climatic conditions and irrigation, which is a critical factor for high yields. The sunflower oil (linoleic sunflower oil) is high in polyunsaturated fatty acids (about 66 per cent linoleic acid) and low in saturated fats, such as palmitic acid and stearic acid and therefore addresses the demands of the consumers as healthy edible oil. The main producers of sunflower seed are Russian Federation (22 per cent) followed by EU-27 (21 per cent), Ukraine (19 per cent) and Argentina (11 per cent) with respective share of the total production in the year 2008-09.

India ranks 11th in the world with a production of 1.16 mt of sunflower seed in the year 2008-09 with rabi season (November-March) accounting for 70 per cent of the annual production. Three states namely Karnataka (43 per cent), Andhra Pradesh (28 per cent) and Maharashtra (13 per cent) account for more than 80 per cent of the sunflower production in India. India ranks fourth in the area under cultivation of sunflower seed in the world with 1.83 million ha after Russian Federation, Ukraine and Argentina. The area under cultivation dropped to 1.48 million ha and the production had dropped to 0.90 mt in 2009-10 (Fourth Advance Estimates). The average yield of sunflower in India is about 650-750 kg/ha, which is approximately half of the world average. This may be attributed to the lower level of area under irrigation at 25 per cent, poor quality seeds, vulnerability to drought and damage due to disease and pests.

Edible oil consumption

In India, edible oil consumption is growing at the rate of 6-8 per cent annually due to the rapid economic growth and increased consumption. Domestic production has stagnated and is unable to meet the domestic demand and thus zero import duty has favoured the import of edible oils. India imported 515,479.78 tonne of sunflower seed oil crude in 2009-10, registering an 84.52 per cent growth from the previous year, the value of the import is at ₹ 208,863.39 lakh for 2009-10. India imports sunflower edible oil mainly from Ukraine, Russia and Argentina. The oil prices in India move largely in line with the international palm oil price movements and domestic demand and supply situations. Sunflower oil being healthier oil commands premium over other edible oils especially palm and soyabean. The branded segment for the sunflower oil is growing at 20 percent annually and providing a vibrant market.

The growth is also constrained by many factors such as pest infestation and diseases such as downy mildew, alternaria blight and leaf spot. The heavy nutrient depletion due to high requirements by the sunflower plant and the shortage of the hybrid and improved certified seeds are the factors for low productivity. Sunflower production follows a systemic weather risk as most of the area is under rain fed irrigation.

The government launched Integrated Scheme on Oilseeds, Pulses, Oilpalm and Maize to provide more flexibility to the States in implementation based on regionally differentiated approach and to promote crop diversification. Also in the present budget, the Government has provided ₹ 300 crore to increase production of pulses and oilseeds, for organising 60,000 pulses and oilseed villages in rainfed areas.

NABARD To Refinance Cooperative Banks At 4% During 2010-11

National Bank for Agriculture and Rural Development (NABARD) has reported that as per Government of India (GoI) policy, crop loan to farmers is being extended by lending institutions w.e.f. 2006-07 @ 7% p.a. (upto Rs.3 lakh crop loan). The Cooperative Banks providing Crop Loans (upto Rs.3 lakh) @ 7% p.a. to farmers were eligible for refinance from NABARD at the rate of 2.5% p.a. for 2006-07 allowing a margin of 4.5% for 3 tier Cooperative structure which is to be brought down subsequently by 0.5% each year to 3% by 2009-10. Accordingly, NABARD had provided refinance at the rate of 2.5%, 3%, 3.5%, 4% p.a. for the year 2006-07, 2007-08, 2008-09 and 2009-10 by increasing refinance rate @ 0.5% p.a. each year. This refinance is being provided at the rate of 4% p.a. for the year 2010-11 also to Cooperative Banks. The Government of India's policy to provide interest subvention for refinance through NABARD for Cooperative Banks is uniform across the country.

RBI Announced Subvention On Short-term Crop Loans For PSBs

In accordance with the announcement made by Finance Minister in his Budget speech Government of India will provide interest subvention of 1.5% p.a. to Public Sector Banks in respect of short-term production credit upto ₹ 3 lakh during the year 2010-11. This amount of subvention will be calculated on the crop loan amount from the date of its disbursement/drawal up to the date of actual repayment of the crop loan by the farmer or up to the due date of the loan fixed by the banks for the repayment of the loan, whichever is earlier, subject to a maximum period of one year. This subvention will be available to Public Sector Banks on the condition that they make available short-term production credit upto ₹ 3 lakh at ground level at 7% p.a.

RBI in a circular, addressed to public sector banks has advised them "to immediately submit their estimates of short-term production credit to farmers upto ₹ 3.00 lakh during the year 2010-11" The circular further said, "Government of India will also provide additional interest subvention of 2% p.a. to Public Sector Banks in respect of those prompt paying farmers who repay their short-term production credit within one year of disbursement/drawal of such loans. This subvention will be available to such farmers on the short-term production credit upto a maximum amount of ₹ 3 lakh availed of by them during the year, from the date of disbursement/drawal of the crop loan upto to the actual date of repayment by farmers or up to the due date fixed by the bank for repayment of crop loan, whichever is earlier, subject to a maximum period one year from the date of disbursement. This additional subvention will be available to Public Sector Banks on the condition that the effective rate of interest on short-term production credit upto ₹ 3 lakh for such farmers will now be 5% p.a.

Task Force On Farmers Outside ADWDRS Recommends Improvement In KCC Scheme

Government of India, Ministry of Agriculture, had constituted a Task Force under the Chairmanship of Chairman, National Bank of Agriculture and Rural Development (NABARD) to look into the issue of a large number of farmers, who had taken loan from private money lenders, not being covered under the Agricultural Debt Waiver and

Debt Relief Scheme, 2008. The Task Force which submitted its Report to the Ministry of Agriculture on June 30, 2010, has made the following recommendations regarding Kisan Credit Card Scheme:

a) Financial literacy and counseling campaign be undertaken to increase awareness among farmers on KCC.
b) Banks be encouraged to educate their branch staff about the KCC.
c) The KCC technology, including the conversion to a smart card with withdrawals and remittances enabled at ATMs, points of sale, and through hand held machines banks need to have Core Banking Solutions in place at the earliest, to enable technology to benefit the farmer.
d) The KCC limit be fixed for five years, based on the bankers' assessment of total credit needs of the farmer for a full year, and that the limit be operated by the borrower as and when needed, with no limits for kharif and rabi, or for stages of cultivation.
e) Each withdrawal under KCC be allowed to be liquidated in twelve months without the need to bring the balances in the account to zero at any point of time.
f) There should be automatic renewal and annual increase on credit limit linked to inflation rate.
g) An increase in limit at farmer request be based on bank review for which the presence of the farmer may be sought.
h) Once issued, banks will review only for the purposes of cancellation of the card.
i) Credit balances in KCC accounts earn interest.

Management information System (MIS) on KCC be redesigned to reflect ground level reality and to provide disaggregate data on new and old clients, on women clients and on small and marginal farmers.