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**K. K. RAVINDRAN**  
Managing Editor

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*The opinions/views expressed in the Land Bank Journal are not necessarily the official views of the National Cooperative Agriculture & Rural Development Banks' Federation.*

## **EDITORIAL**

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Continuing delay on the part of Central Govt to implement the Revival Package for Long Term Cooperative Credit Structure is highly unfair and objectionable. The Vaidyanathan Task Force II recommended this package in 2006 which was also announced by the Finance Minister in the Union Budget 2008-09. The dillydallying by the Ministry in this matter is a unique instance of bureaucratic process blocking a political decision for such a long time. A few months back when it was believed that the revival scheme was finally going to be implemented after crossing all hurdles, the Ministry has come up with the master stroke of proposing merger of institutions in the Long Term Cooperative Credit Structure with the Short Term Cooperative Credit Structure as a condition for implementing the scheme. Neither the Vaidyanathan Task Force II nor the Chaturvedi Committee which was appointed by the Ministry for a second opinion after the scheme got cabinet approval, made such a suggestion. Even the officials of Ministry in any of the several rounds of consultations they had with the State Govts on the report of Vaidyanathan Task Force II proposed this as a condition for implementing the scheme. The background and purpose of this condition at this stage, therefore, remain a mystery. This move makes a mockery of the recommendations of Vaidyanathan Task Force and the announcement made by the Finance Minister in the Union Budget based on that. In fact, the merger proposal is not a new idea. It was first proposed by Hazari Committee appointed by Reserve Bank of India in 1976 which was rejected both by Central and State Govts. Even Vaidyanathan Task Force after discussing the advantages of integrating LT and ST structures if it happens, rejected it as unimplementable. The experience of Andhra Pradesh which is the only State where both the structures were integrated in 1995 proved the dangers of integrating both the structures beyond any doubt. After merger the operations of the combined structure confined mainly to advancing of short term loans. Moreover, the entire operations of the structure

got paralysed considerably for more than a decade after that, due to unresolved staff issues. If integration makes a pretty strong structure, the DCCBs and PACSs in Andhra Pradesh should not have any of their present problems even after implementing the revival package for STCCS. The proposal moved by the Ministry is to carry out merger with Short Term Cooperative Credit Structure after recapitalization and restructuring of Long Term Cooperative Credit Structure, on the presumption that the Short Term Cooperative Credit Structure is already recapitalized and reformed. This, however, is not the case. In many States including Uttar Pradesh, Punjab, Kerala where LT structure is strong, the revival package is not implemented for ST structure. The combined structure after merger in such States, therefore, will still be saddled with losses and structural issues which are left unaddressed in the ST structure. The Conference of Principal Secretaries of Cooperation convened by the Federation recently was of the view that merger would not be a feasible option as it involves the danger of abolition of all units of LT structure when there is a pressing need for increasing the network of financial institutions in rural areas. The Conference also rejected the argument in favour of merger that duplication of functions by institutions in the LT and ST structures with jurisdiction over the same area is undesirable. This is not a valid ground for merger as large number of public and private sector commercial banks co-exist in the same locality competing each other which in fact results in general improvement in their services. In the same way, it will be advantageous for rural masses who primarily depend on cooperatives for credit and other financial needs to have the option of approaching any of the two separate streams of rural cooperative credit structure. Merger, therefore, is not a solution to the financial and structural issues either in the LT or ST credit structure. The Ministry of Finance, therefore, should desist from the move to put merger as a condition for implementing the revival package for LT structure and should not put further hurdles in the way of implementing the Package for LTCCS as recommended by Vaidyanathan Task Force II.

**K. K. Ravindran**  
**Managing Editor**

## बिजनेस कॉरेस्पॉण्डेंट और बिजनेस फेसिलिटेटर

रोज़गार, आर्थिक विकास, गरीबी उन्मूलन तथा सामाजिक समरसता के लिए यह आवश्यक है कि गरीबों और समाज के कमजोर वर्गों की वित्तीय सेवाओं तक पहुंच हो. वित्तीय सेवाओं तक पहुंच हो जाने से गरीबों का सशक्तीकरण होगा, वे बैंक में खाता खोल सकेंगे, बचत और निवेश कर सकेंगे, अपने घरों का बीमा करवा सकेंगे तथा कर्ज लेकर विकास कर सकेंगे जिससे गरीबी की ज़ंजीरें टूटेंगी.

भारत के बैंकिंग ने इस ज़रूरत की पहचान पहले ही कर ली थी और गत दो दशकों में इसमें कुछ मूलभूत परिवर्तन भी हुए हैं. नब्बे के दशक में बैंकिंग क्षेत्र में शुरू हुए सुधारों से प्रतियोगिता बढ़ गई है, नई पीढ़ी के प्राइवेट सेक्टर बैंक बने हैं तथा विभिन्न वित्तीय उत्पादों, सेवाओं तथा वितरण चॅनलों में प्रौद्योगिकीय शुरुआत हुई है. प्रौद्योगिकी में हाल ही में हुए विकास से, डिलीवरी चैनलों तथा वित्तीय सेवाओं, दोनों की पहुंच ने बैंकिंग को पारंपरिक ईंट पत्थरों की बिल्डिंगों में कार्यरत स्टाफ और शाखाओं से आगे ले जाकर एटीएम, क्रेडिट/डेबिट कार्ड, इंटरनेट बैंकिंग तथा ऑनलाइन मनी ट्रांसफर की दुनिया तक पहुंचा दिया है.

लेकिन यह एक कटु सत्य है कि इस नवीन प्रौद्योगिकी तक पहुंच, केवल समाज के कुछ खास वर्गों तक ही सीमित है. वास्तव में आभिजात्य ग्राहक वर्ग की प्रौद्योगिकी जैसी कुछ ऐसी प्रवृत्तियां विकसित हुई हैं जो कि बाजार के खास वर्गों को ही हासिल हो पाई हैं. इससे आधुनिक वित्तीय सेवाओं की पहुंच कुछ वर्गों तक ही सीमित रह गई है. यह विभाजन लगातार बढ़ रहा है-जहां एक ओर उच्च तथा ऊपरी मध्यम वर्ग के लोगों के लिए

व्यक्तिगत वित्त के कई विकल्प मौजूद हैं वहीं दूसरी ओर जनसंख्या का एक बड़ा हिस्सा ऐसा भी है जिसकी पहुंच बुनियादी बैंकिंग सुविधाओं तक भी नहीं है, इसी का नाम वित्तीय निरावेशन है. बहुत कम आय पर गुज़ारा करने वाले इन लोगों की पहुंच मुख्यधारा के वित्तीय उत्पादों, जैसे बैंक खातों, कम लागत के ऋणों, धन संप्रेषण एवं भुगतान सेवाओं, वित्तीय परामर्श सेवाओं, बीमा सुविधाओं इत्यादि तक भी नहीं है. निरावेशन का एक अन्य महत्वपूर्ण पहलू जिसका समाधान ढूँढने की ज़रूरत है वह है “सामाजिक निरावेशन”-जो एक ऐसी स्थिति का दुष्परिणाम है जहां लोगों को जीवनभर अपनी जिंदगी से कुछ नहीं मिलता क्योंकि जन्म से ही वे हाशिए पर होते हैं और यह एक पीढ़ी से दूसरी पीढ़ी यूं ही चलता रहता है. यह कम आय से उत्पन्न गरीबी से भी ज़्यादा मारक है.

भारत जैसे देश में जहां अधिकांश जनसंख्या गांवों में रहती है, वित्तीय निरावेशन के भौगोलिक पहलू भी हैं. गांवों तक पहुंच न होना, दूरियां तथा उर्पयुक्त बुनियादी सुविधाओं का अभाव. भारत की अधिकांश जनता गांव में ही बसती है, अतः औपचारिक वित्तीय सेवाओं तक इनकी पहुंच बना पाना एक गंभीर मसला है.

गरीब जब अपने गांवों अथवा कस्बों से विस्थापित होते हैं, तब अपने परिवारों को धन भेजने के लिए उन्हें प्रेषण प्रणाली की आवश्यकता पड़ती है. ऐसी स्थितियां तब आती हैं, जब शहर में विस्थापित मजदूरों को गांव में अपने परिवार को धन भेजना होता है अथवा गांव में माता-पिता को शहर में अपने बच्चों को धन भेजना होता है. प्रेषण के कुछ अन्य मामलों में सरकार के भुगतानों का लेखाओं में अंतरण अथवा विविध प्रकृति के प्रेषण होते हैं.

सौजन्यः- मुजना

नई तकनीक और बैंकिंग कार्यों का कम्प्यूटीकरण होने से बाजार में प्रेषण के नए उत्पाद शुरू किए गए हैं जिससे प्रेषण की गति में वृद्धि हुई है। लागत में किफायत आयी है तथा भुगतान और निपटान प्रणाली की कार्यकुशलता में वृद्धि हुई है।

### वित्तीय समावेशन - नए उत्पाद

वित्तीय समावेशन के दायरे से आबादी का जो हिस्सा बाहर है, उनके लिए उनकी विविध आवश्यकताओं के अनुकूल उत्पादों की आवश्यकता है। फिलहाल बैंक जो उत्पाद और सेवायें देते हैं, उनसे इन आवश्यकताओं की प्रभावी ढंग से पूर्ति नहीं होती है।

बढ़ रही प्रतिस्पर्धा के साथ ही बैंकों को वित्तीय मध्यस्थों पर मिलने वाले मार्जिन के कम होने के मामले में बैंक अधिक सतर्क होते जा रहे हैं। इसलिए बैंक देश के भीतरी भूभाग/दूरदराज के स्थानों में अपनी भौतिक उपस्थिति बढ़ाने के विकल्प के बारे में संकोच कर रहे हैं क्योंकि इसकी वजह से उनकी पूंजिगत और परिचालन लागत अधिक हो जाती है। वर्तमान वितरण प्रणाली में दूर-दराज के स्थानों में रहने वाले छोटी राशि वाले ग्राहक वित्तीय सेवाओं में बहुत कम प्राथमिकता पाते हैं। अतः ऐसी व्यवस्था का होना आवश्यक है जो अनियमित और छोटी राशि का लेनदेन करने वाले असंख्य ग्राहकों की जरूरतों का ध्यान रख सके और साथ ही यह भी सुनिश्चित किया जा सके कि जमाकर्ताओं के हितों की पूरी रक्षा हो। ऐसी व्यवस्था तभी संभव है जबकि ६ लाख से भी अधिक गांवों में ऐसे संपर्क बिन्दु हों जो कि फ्रेंट एंड पर ग्राहक इन्टरफेस के रूप में सेवा दे सकें और जिन्हें बैंक स्तर पर उचित प्रौद्योगिकी का समर्थन उपलब्ध हो। इन संपर्क बिन्दुओं को विजनेस फैसिलिटेटर या विजनेस कॉरेस्पॉण्टेंट के रूप में अभिहित किया जा सकता है।

दूर-दराज और बीहड़ क्षेत्रों में बैंक नहीं पहुँच पाते हैं। उन्हीं क्षेत्रों के निवासी होने के कारण विजनेस फैसिलिटेटर/विजनेस कॉरेस्पॉण्टेंट उन क्षेत्रों में बैंक के प्रतिनिधि के रूप में कार्य कर सकते हैं और स्थानीय निवासियों को वित्तीय सेवाएं, उनके अनुकूल समय पर उन्हीं के गाँव में उपलब्ध करा सकते हैं।

### विजनेस फैसिलिटेटर (बीएफ)

प्रारंभ में केवल वे व्यक्ति ही बीएफ के रूप में कार्य कर सकते थे जो कि बीमा एजेंट रह चुके हों क्योंकि किसी सामान्य व्यक्ति को बीएफ के रूप में तैनात नहीं किया जा सकता था। लेकिन अब इसे व्यापक बनाया गया है और इसमें से सेवानिवृत्त अधिकारी अर्थात् सरकारी कर्मचारी जैसे पोस्ट मास्टर, स्कूल टीचर और हेंड मास्टर शामिल किए गए हैं। अब भूतपूर्व सैनिकों/बैंक के सेवानिवृत्त स्टाफ को बैंक अपने बीएफ के रूप में नियुक्त कर सकते हैं।

इन बीएफों द्वारा बैंकिंग के प्रति पैदा की गई जागरूकता को मोबाइल आउटलेटों जैसी उपयुक्त बैंकिंग सेवाएं उपलब्ध कराकर बैंकों को व्यावसायिक लाभप्रदता प्राप्त करनी चाहिए।

### विजनेस फैसिलिटेटर निम्नलिखित कार्य करेंगे-

1. उधारकर्ताओं की पहचान करना और उनके लिए उपयुक्त कार्यकलाप,
2. ऋण आवेदन-पत्रों को एकत्रित करना और प्रारंभिक प्रोसेसिंग करना,
3. बचत और अन्य उत्पादों के बारे में जागरूकता पैदा करना और धन के प्रबंधन पर जानकारी देना तथा ऋण के बारे में परामर्श प्रदान करना,

४. आवेदन-पत्र की प्रोसेसिंग करना और बैंक को आवेदन-पत्र प्रस्तुत करना,
५. स्वयं सहायता समूहों/संयुक्त देयता समूहों का संवर्धन और पोषण,
६. मंजूरी के बाद की मॉनिटरिंग,
७. स्वयं सहायता समूहों, संयुक्त देयता समूहों, ऋण समूहों, अन्य समूहों की मॉनिटरिंग, और सहायता करना, तथा
८. वसूली के लिए अनुवर्ती कार्यवाई करना.

#### **बिजनेस कॉरेस्पॉण्डेंट (बीसी)**

भारतीय रिज़र्व बैंक ने वर्तमान में बीसी के रूप में कार्य करने की अनुमति दिए गए व्यक्तियों के अतिरिक्त

- (i) किराना दुकान मालिकों
- (ii) पी.सि.ओ. (पब्लिक कॉल ऑफिस) परिचालकों,
- (iii) भारत सरकार/ बीमा कंपनियों की छोटी बचत योजनाओं के एजेंटों,
- (iv) ऐसे व्यक्ति जो पेट्रोल पंप के स्वामी हों,
- (v) सेवानिवृत्त अध्यापकों और
- (vi) अच्छा कार्य करने वाले बैंकों से जुड़े स्वयं सहायता समूहों के प्राधिकृत कार्यकर्ताओं को भी बिजनेस कॉरेस्पॉण्डेट के रूप में नियुक्त किए जाने हेतु अनुमति दी है.

बीसी की क्षमता निर्माण करने से संबंधित सुविधाएं उपलब्ध कराने वाले विशेषज्ञता प्राप्त संस्थानों को निधियां भी उपलब्ध कराई जा सकती हैं. यह वित्तीय

सहायता वित्तीय समावेशन से वंचित क्षेत्रों/समाज के सेक्टरों को प्राथमिकता के आधार पर उपलब्ध कराई जा सकती है.

राज्य स्तरीय बैंकर्स समिति का संयोजनकर्ता बैंक प्रायोगिक आधार पर स्मार्ट कार्ड और अन्य संबंधित तकनीक का उपयोग करते हुए बीसी के माध्यम से सरकारी अदायगियों के भुगतान कराने के लिए संबंधित राज्य सरकारों से विचार-विमर्श कर सकते हैं.

बीएफ/बीसी लिए तैयार किए जाने वाले प्रशिक्षण मॉड्यूलों को प्रांतीय भाषाओं और सांस्कृतिक भावना को ध्यान में रखकर सचित्र रूप में तैयार किया जाए.

बीएफ मॉडल के अंतर्गत बताए गए कार्यकलापों के अतिरिक्त बीसी का कार्यक्षेत्र और उनके द्वारा किए जाने वाले कार्यकलाप में निम्नलिखित शामिल होंगे:

- १ छोटी ऋण राशि का वितरण,
- २ मूल राशि की वसूली और व्याज का संग्रहण,
- ३ छोटी राशियों की जमा का संग्रहण,
- ४ माइक्रो बीमा/पारस्परिक निधि उत्पाद/पेंशन उत्पाद/अन्य तीसरे पक्ष के उत्पाद, और
- ५ छोटी प्रेषण राशियों/अन्य भुगतान लिखतों की प्राप्ति और सुपुर्दगी.

बीसी द्वारा किए जाने वाले कार्यकलाप, बैंक कारोबार में सामान्य रूप से किए जाने वाले कार्यकलापों के भीतर होंगे, लेकिन उन्हें बैंक परिसर से भिन्न स्थानों में ऊपर उल्लिखित इकाईयों के जरिए किया जाएगा.

## पैक्स और अन्य प्राथमिक समितियों का बिजनेस कॉरेस्पॉण्डेंट के रूप में उपयोग

हमारे यहां वड़ी संख्या में प्राथमिक कृषि ऋण समितियां तथा प्राथमिक सहकारी समितियां हैं जहां वित्तीय सेवाएं प्रदान करने वाले आउटलेट नहीं हैं। इनमें से कई समितियां ऐसे जिलों में हैं, जहां जिला मध्यवर्ती सहकारी बैंक निष्क्रिय या समाप्तप्राय स्थिति में हैं। ऐसी प्रकृति समितियों की पहुंच यदि वाणिज्यिक बैंकों तक हो जाए तो वे अपने सदस्यों को मूल्यवान सेवाएं दे सकती हैं। भारतीय रिज़र्व बैंक ने बीएफ/बीसी मॉडल के अंतर्गत सहकारी समितियों को पहले ही पात्र संस्थाओं के रूप में सूचीबद्ध कर लिया है।

इन परिस्थितियों में सहकारी समितियाँ इस अवसर का उपयोग कम से कम उन राज्यों में कर सकती हैं जिन राज्यों ने बैद्यनाथन समिति की सिफारिशों स्वीकार कर ली हैं।

बैंकों को इस बात की अनुमति दी गई है कि वे बीएफ/बीसी को समुचित कर्मीशन/शुल्क का भुगतान करेंगे। प्रारंभ में यह परिचालनात्मक मार्जिन पर प्रतिकूल प्रभाव डाल सकता है लेकिन समय के साथ कारोबार करने से इस व्यवस्था के समर्थ और स्वयं के पैरों पर खड़े होने की आशा है। इसके अतिरिक्त, बैंक और बीसी के बीच होने वाले करार में विशिष्ट रूप से उन सेवाओं के लिए ग्राहकों से सीधे कोई शुल्क लेने की मनाही होगी,

जिन्हें वे बैंकों की ओर से प्रदान करा रहे हॉं। बीसी के साथ होने वाली व्यवस्था में निम्नलिखित विनिर्दिष्ट होंगे:

- १ मध्यस्थों द्वारा नकदी रखने की सीमा और साथ ही हर ग्राहक के भुगतान और प्राप्ति की सीमा निश्चित होगी।
- २ लेन-देनों के संबंध में यह अपेक्षा होगी कि दिवस की समाप्ति पर या अगले कार्य दिवस को उन्हें हिसाब में ले लिया जाये और उन्हें बैंक की बहियों में दिखाया जाये।
- ३ ग्राहक के साथ होने वाले सभी करारों/संविदाओं में विशिष्ट रूप से इस बात का उल्लेख होना चाहिए कि बीसी की किसी भी भूल-चूक या बीएफ/कर्मीशन के लिए बैंक जिम्मेदार होगा।

उन्हीं विशेषीकृत संस्थाओं को निधियां प्रदान की जाएं जो बीसी की क्षमता के निर्माण में इनपुट प्रदान कर सकती हैं। ऐसी निधि सहायता को समाज के सबसे अधिक वंचित क्षेत्रों में प्राथमिकता के आधार पर प्रदान किया जा सकता है, जिसे वित्तीय समावेशन संवर्धन और विकास निधि से पूरा किया जाएगा।

स्मार्ट कार्ड या अन्य संगत प्रौद्योगिकी का प्रायोगिक आधार पर प्रयोग करके एसएलबीसी के संयोजक बैंक बीसी के जरिए सरकारी भुगतान करने के बारे में संबंधित राज्य सरकारें के साथ चर्चा कर सकते हैं।

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## **Rural Prosperity through Rural Tourism in Rajouri Distt. of Jammu & Kashmir**

Prof.S.K.Gupta<sup>1</sup>  
Mohd.Aslam<sup>1</sup>  
Fearooz Ahmad<sup>2</sup>

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### **Abstract**

*Tourism is today projected as an engine of economic development and also a tool for eliminating poverty, curbing unemployment and above all upliftment of the downtrodden section of the society. Apart from having a diverse religious heritage, India also has diverse physical features along with ancient monuments, places of religious interests, museums, sanctuaries, temples and Forts etc. Every region has its distinct feature and can be identified with its handicrafts, fairs, folk dances, varied culture and its people.*

*An Endeavour has been made to study the potential of rural tourism in district Rajouri of Jammu & Kashmir State. The study has revealed that there are number of problems like poor infrastructure, weak transport system, Lack of publicity, lack of professionalism etc, which are being faced by the tourists. The researchers have suggested few recommendations viz. availability of basic facilities, good transport system, creation of awareness and focus on hospitality standards etc. for exploiting the full potential of rural tourism in the study area. In brief, promotion of rural tourism will generate employment and this would in turn lead to the socio-economic development of the state.*

### **Introduction**

Rural tourism focuses on participating in a rural lifestyle. It can be a variant of ecotourism. Agriculture is becoming highly mechanized and therefore requires

less manual labor. This is causing economic pressure on villages, leading to an exodus of young people to urban areas. There is however, a segment of urban population that is interested to visit the rural areas and understand

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their perspective. This segment has been rapidly growing in the past decade and has led to Rural tourism becoming a good business prospect.

Day by day tourism is emerging and becoming the major source of employment and revenue generation for the people in India. It is one of the largest service industry with a contribution of 6.23% to national GDP and 8.78% in total employment in India (as per 2010 census) and at present, the third largest foreign exchange earning sector. It has received the status of an industry because it employs a large number of skilled and unskilled people, promotes national integration and above all generates foreign exchange. The industry employs a large number of people in hotels, travel agencies, air lines, and cultural activities. Tourism promotes the traditional handicrafts and provides the tourist with an insight into the rich and diverse cultural heritage of our country.

There are different types of tourism like Eco-Tourism, Pilgrimage tourism, Medical tourism, Heritage tourism, Adventure tourism, and Wildlife tourism, Cultural and Rural

tourism. Rural tourism is essentially an activity which takes place in the country side and is multi-faced. However rural tourism is experienced oriented and the rural locations are sparsely populated and are in the nature's lap. It meshes with seasonality and local events and is based on preservation of culture, heritage and traditions.

In Jammu and Kashmir, tourism has developed into a major industry and has got an important place in the state. The contribution of this sector to state economy is about 21% in the year 2011. Rajouri is one such area which has the potential for growth and development of rural tourism as it has villages with well conserved traditions, culture, and folk fore, wildlife and natural heritage. All these natural elements put in value together with investments in infrastructure have determined an increasing demand for Rajouri's rural destinations and thus can become one of the prominent places for rural tourism. Rural tourism provides employment, encourages handicrafts, facilitates transportation etc. and ultimately increases the income of the rural people.

## **Objectives of the study**

1. To understand the potential of rural tourism in the study area.
2. Identification of the problems and constraints in rural tourism.
3. To suggest few measures and recommendations for bringing about improvements in rural tourism.

## **Profile of the study area**

Rajouri district of Jammu and Kashmir State is located in the foothills of Peer-Panjal range of Himalayas'. The district has an area of 2630 sq. meter with a total population of 4.786 lakhs as per 2001 census. Out of the total area of the district only 56400 Ha. is available for cultivation. The small size of land holdings coupled with poor irrigational facilities, results in a low yield of productivity. In addition, hill ranges also hampers the growth in other sectors.

## **Research methodology**

The study is based on secondary data. However personal interview method was used to have a deep knowledge of the problem, besides discussing the study subject with the officials working at the grass-root levels and local people. The study also made a dialogue with the

tourists, who were on their visit to different areas of the district.

## **Analysis and discussions**

The study was conducted to explore the potential of the rural tourism in Jammu & Kashmir State and analysis of data revealed that the district has lot of potential for rural tourism. The tourism sector in the district has got tremendous fillip during the last five years with the identification of tourist destinations. The tourists visiting the various places and spots in the district were facing problems like lack of way side amenities, neat and clean eating points, public conveniences and resting places etc. The study further disclosed that there are different tourist places in district which have the potential of rural tourism. These places are as under:-

### **Thanamandi**

This is an important historical place from the time of Mughals who used to stay here during journey from Delhi to Kashmir and vice versa. The climate of this place is very charming, in fact a health resort. It is also famous for its artistic wooden products. The famous shrine of Shahdara Sharif is 6 Km from this place.

### **Dhandidhar fort**

It is a historical monument located on a hill in the vicinity of Rajouri town. This fort was probably constructed by Mughal King during the reign of Emperor Jahangir nearly 400 years back. It is just 2 Km Away from Rajouri presenting panoramic and impressive view of the entire area.

### **Shahdara sharief**

It is the shrine of Baba Ghulam Shah in the lap of mountains which is well connected with 30 Km. black topped road from Rajouri Town. The shrine commonly known as Shahdara Sharief is a popular tourist spot in, Rajouri District thousands of pilgrims visit the shrine daily.

### **Mangla goddess**

At this place there is one cave existing on the pattern of Mata Vashno Devi and bears much religious importance. Large numbers of devotees from different parts of the district visited this shrine. In view of the existing inflow of the devotees a Sarai has been constructed. The majestic and ancient shrine of the goddess Mangla is a place of the people and is situated on a hillock at Bhawani

Nowshera and is 70 Km from Rajouri.

### **Chingus**

The famous Chingus Sarai designed with Mughal architect style located about 2,000 feet above sea level and on the right bank of nallah and just on the Jammu-Poonch highway is a spot of historical interest. It is said that the entrails of the Mughal emperor Jahangir were buried inside this Sarai when he passed away while returning from Kashmir. It is around 35 Km from Rajouri.

Beside above places there are some more spots which seem to be a part of paradise due to its natural beauty and there is a need to develop these also with a view to develop the rural tourism in the study area.

### **Samot sar**

Samot Sar is around 40 to 50 km away from Rajouri. It is an oval shaped blue water lake with one km length situated at an altitude of 3,550 meters on the northern end of Badjari Marg. Budhal, the Lake has a lot of natural beauty and can become one of the visiting resting places for the tourists if the area is developed.

### **Chandan sar**

Chandan Sar is a bean shaped lake, two kms.in circumference and full of iceberg till end of July, is situated at an altitude of 3,800 meters. It is day's trekking from Ravi Walli marg, 40 to 50 km away from Rajouri. The area has a lot of beauty and good, source of attraction for tourists if explored

### **Divya sar**

Divya Sar is a typical lake of one km in length like an Indian earthen lamp and hence named as "Divya Sar". Situated at a height of 3,600 meters on peer-panjal range 60 km away from, Rajouri towards Budhal side.

### **Sukh sar**

An oval shaped lake situated at an altitude of 3,000 meters in lap of peer panjal towards Darhal. Sukh Sar is a small sized lake. The area can be developed as a tourist spot.

### **Gum sar**

This is another small lake at the foot of Dhakyar peak at an elevation of 3,600 meters. Dhakyar peak is the highest peak in this range. It is a premedical mountain with height of about 4,660 meters. The ice bergs float on this lake like a row of swans and give a charming look.

### **Koteranka**

Koteranka is a beautiful place situated 50 Km away from Rajouri in north eastern side. It is a beautiful valley situated in the lap of mountains. The Ans river flow through the valley. If a dam is constructed on this river it can be a source of hydroelectricity, besides rearing if trout fish and ultimately a place of attraction for tourists. The Koteranka valley resembles like Kashmir valley so it has the potential for the development of rural tourism.

### **Problems and constraints**

Rajouri, the study area has a lot of potential and scope for the development of rural, yet the number of tourist, who are visiting the area is not encouraging on account of a number of problems and constraints. A few to mention are as under:-

#### **1. Infrastructural problems**

There is a lack of basic infrastructure in the area. The tourists do not prefer to visit these spots because of lack of basic amenities like drinking water, toilet and bathroom facility and availability of regular electric supply and also because of security threats.

## **2. Transportation problems**

There is a problem of transportation in the area. The tourists are not satisfied with the travelling arrangements available in the state. They often complain about uncomfortable seats, bad roads, unhealthy eating points etc.

## **3. Lack of publicity**

Lack of proper publicity appears to be another reason for low tourism in the area.

## **4. Lack of professionalization**

The behavior of the people towards tourists is not good. The people neither satisfy the needs and wants of the tourist like food items and other things nor they behave properly, in result, the tourists do not prefer to visit the study area. In addition, the staff has less exposure to hospitality standards.

## **Suggestions/recommendations**

Tourism growth potential can be harnessed as a strategy for Rural Development leading to the development of a strong platform around the concept of Rural Tourism which can definitely be useful for a State like Jammu & Kashmir which attracts a high number national and international tourists every year.

Rajouri can become a growth centre of rural tourism if the following suggestions and recommendations are put in use. It can become a beautiful hub for tourists and adventure lovers and a source of regular income for the people and finally a good source of revenue to the state economy.

### **1. Availability of basic facilities**

As there are abundant natural resources and potential for rural tourism, there is a great need for providing the basic facilities to the tourists and visitors, so that they may stay comfortably, like running of Luxury buses, construction of more rest houses, bathrooms, good eating points etc. In addition Pahari food like maize Roti, Lassi and Green Saag (vegetable) can be used as a source for attracting the tourists in the area. The famous Rajamsh Dal normally known as "Motthi" can be a good source of attraction for more tourists in the area.

### **2. Promotion of cultural and sports programs**

The rural cultural and sports activities like folk dances, rural wrestling, (kushti) bull fight, stone lifting (normally known as bugdher) etc should be organized frequently and promoted to attract the

tourists.

### **3. Road links to upper riches**

The connectivity of the road in upper riches must be given prime focus. The roads should be maintained properly, so that tourists and visitors can travel easily and comfortably.

### **4. Proper awareness**

Proper awareness should be given to the people about rural tourism. Public meetings, group discussions etc. should be organized for creation of awareness among the general public.

### **5. Focus on hospitality standards**

Proper training should be given to the grass route staff to handle the tourists properly and to give a warm reception to them.

### **6. Special Holiday Packages**

The government should offer special packages at discount rates for tourists during school holidays, which can result in increasing the number of tourists in the area.

### **7. Private Participation**

Private participation should be encouraged for better results. It can

go a long way in the motivation of tourists to visit the study area for rural tourism.

Besides, there are other factors which are shifting the trend towards rural tourism like increasing levels of awareness, growing interest in heritage and culture and environmental consciousness. In the developed countries, this has resulted in a new style of tourism of visiting village settings to experience and live a relaxed and healthy lifestyle.

### **Conclusion**

In conclusion, it can be said that Rajouri has a high potential and scope for development of rural tourism due to its peculiar physical features and beauty. On one aspect, it has the small vallies and on the other, it has treasure of misty meadows and alpine lakes in the lap of Peer-panjal. There is a great need of the government support so that Rajouri can become a glooming hub and heaven of rural tourism. If the government and the local people more actively participate, it can become a hub of rural tourism and ultimately a good source of revenue for the people of J&K state.

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<b>Sr.No.</b>	<b>Name of the Scheme</b>	<b>Period</b>	<b>Scale of finance</b>
1.	Minor Irrigation	9 years	₹ 36,000 to 1,50,000
i.	WCS/UGPL	-do-	90% of the project cost
2.	Farm Mechanisation	5-9 Years	85% of the cost of the Machinery
3.	Purchase of Agriculture Land	10 Years	Upto Rs. 10.00 Lacs
4.	Horticulture/Plantation	5-9 Years	₹ 40,000 to 1,55,000 per Acre
i.	Medicinal & Aromatic Plants	-do-	90% of the project cost
5.	Animal Husbandry	5-7 Years	90% of the project cost
6.	Rural Godowns	Upto 10 Years	75% of the project cost

#### **Non Farm Sector**

<b>Sr.No.</b>	<b>Name of the Scheme</b>	<b>Period</b>	<b>Scale of finance</b>
1.	Rural Housing	Upto 10 Years	Upto ₹ 5.00 Lacs
2.	Marriage Palaces	Upto 10 Years	90% of the Project Cost
3.	Community Halls	Upto 10 Years	90% of the Project Cost
4.	Village Cottage Industry	Upto 10 Years	90% of the Project Cost
5.	Public Transport Vehicles	Upto 10 Years	85% of the Project Cost
6.	Rural Educational Infrastructure	Upto 10 Years	90% of the Project Cost
7.	Other SSI Units	Upto 10 Years	90% of the Project Cost

#### **Rate of Interest**

The Loans for the purpose of non-farm sector, Rural Housing and Purchase of land are being advanced @ 13.25% p.a. w.e.f. 1.4.2011. All other loans are being advanced @ 12.25% p.a. w.e.f. 1.4.2011 and a rebate of 25% w.e.f. 1.12.2010-31.3.2012 is allowed on all slabs to regular paymasters.

#### **Note:-**

For further details, kindly contact The Haryana State Coop. Agri. & Rural Dev. Bank Ltd., Panchkula or the District Co-op. Agri. and Rural Dev. Banks at District level and its branches at Tehsil & Sub-Tehsil level in the State.

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## **Capacity building and strengthening Of agricultural co-operatives in support of food And better livelihood security**

Dr Daman Prakash\*

The Asia-Pacific Region accounts for nearly half of the world's population. India and China together are home to over 75% of the Region's population. Majority of the Asian people depend upon land and agriculture for their livelihood.

Agriculture continues to be the engine of economic growth in most developing countries of the Region. The success of the Green Revolution was experienced in several Asian countries where the rapid adoption of modern agricultural technology resulted in dramatic gains in productivity. However, despite significant achievements in food production, problems of food and nutrition security, poverty alleviation and regional imbalances still persist. Small farmers in the region have common features being e.g., seasonal producers, fragmented buyers and suppliers unable to exploit economies of scale, and dominated by household economies where functions such as consumption, investment, work and social activities are undifferentiated and unspecialized.

While on the one hand the WTO regime is opening up new opportunities for the farming community in the world market place, the large majority of small and marginal farmers, who are not yet organised enough to take advantage of the world market perceive the new order as a threat to their livelihood. Lack of resources, inadequate market access, poor knowledge of post-harvest processing and value-addition and weak infrastructure tend to put small farmers at a disadvantage in a competitive global market. This is further compounded by low levels of education and lack of group organisation which weakens their bargaining capacity. To enable small farmers to reap the fruits of liberalisation and globalization, governments must play a proactive role in empowering them to take advantage of the opening up of market opportunities.

Experience shows [especially from the Japanese and Korean agricultural sector] that the strength of small farmers lies in group mobilisation for meeting

\* Senior Consultant at the IFFCO Foundation

diverse agricultural needs including land leasing, accessing inputs, pooling resources, sharing information, agro-processing / marketing of produce and above all credit and thrift groups for consumption and production loans.

Agriculture plays a significant role in national economies and a considerably large number of people depend on agriculture. In 2008, for instance, 66.8% of the total land was under agriculture in Bangladesh, 56.9% in the case of India while only 12.7% was the case in Japan. In China also just 13.1% of the total land was under agriculture. On an average 15.9% of the total land was under agriculture in Asia-Pacific region. 58% of agricultural land was under irrigation in the case of Bangladesh, 54.4% in Japan and the lowest, 14.8% was in the case of the Philippines. On an average 37.9% of agricultural land was under irrigation in the Region, which has improved from 32.6% in 1998.

93% of the national population in Nepal was involved in agriculture, 62% in China and just 2.4% in the case of Japan. The regional average was 49.8% in 2008 as against 55.1% in the year 1998 which indicates that more people were moving out of agriculture. As to the status of agricultural produc-

tion indices in Asia during 1998-2008, 3.9% was the highest in Bangladesh [moving from 84% to 135 in 2008 index], 3.7% in the Philippines [moving from 89 in 1998 to 132 index in the year 2008] while the regional index was 3.0% growth.

As to key commodity food grains [wheat and paddy rice] there has been a steady growth in the region. Wheat production has gone up considerably. However, the regional production has been just 0.8% growth in wheat. In the case of paddy rice, there has been a considerably growth in the case of the Philippines [5.2% during the period 1998-2008]. While Bangladesh achieved 3.3% growth, the regional average has been 1.3%. The increase in the production of paddy rice 3.1% in Thailand, 2.7% in Sri Lanka and just -0.6% in Japan.

### **Three Services of Agricultural Sector**

The agricultural sector provides three main services to all societies. They are: [a] food security; [b] management of natural resources; and [c] maintenance of the vitality of the rural communities and a thriving countryside. Ironically, in most developing countries, the farmers and fisherfolks remained marginalized, hence, co-operatives among this sector must be

strengthened to ensure their role towards maintaining food security, protection of the environment and cushioning the impact of the globalisation.

In many developing countries co-operatives are accorded considerable official recognition as instrument of socio-economic development. They are, therefore, consciously promoted, supervised and controlled by government at varying degrees. The degree of control, however, depends on the financial capabilities of members of the Co-operative Movement. Such co-operatives, thus, does not really meet with the guidelines of the Principles of Co-operation but it is assumed by the promoters that such co-operatives will get converted into real and genuine institutions after the members gain experience in running such institutions on democratic lines and in accordance with the Principles of Co-operation.

### **Capacity Building Efforts in Agricultural Cooperatives**

Capacity building efforts at national and local level should begin with a practical-oriented evaluation and they should take into consideration key elements such as the following:

- Work with methods and techniques which are specifically designed for co-operatives;
- Support the development of capacities at local level;
- Observe and learn from good practices and experience gained by others;
- Convince the members and others about the utility of co-operative enterprises.
- Give emphasis to the development of human resources;
- Adopt tools and methods to Web environments, facilitating growth and modernization of co-operatives.

Capacity building means an answer to at least the following areas of intervention, aiming at sustainable development of small-holder farmers and reduction of poverty in rural areas:

- Membership mobilisation and education;
- Organisational development;
- Capital formation in co-operatives;
- Leadership development for men and women;
- Sustainable agriculture production;
- Capitalisation of the farming family;
- Business development;

- Entrepreneurial opportunities for women;
- Market access and sales;
- Financial services; and
- Policy development and advocacy.

Training of people is usually designed to improve performance and raise productivity as well as efficiency. In the Co-operative Movement, education and training can be geared to improving the knowledge of basic business principles either in the management of the co-operative enterprise or in the running of their members' businesses. Co-operative education can also be used to propagate co-operative principles and practices as well as to expand the spread of the Movement.

Members of co-operatives have much to learn in order to sustain their membership and the Movement. Members have to know and understand their rights and obligations. This enables them to avail themselves of opportunities offered by the co-operative enterprise and to address themselves to their role as customer and 'stakeholder' in the co-operative organisation. Education is as important to the outsider as it is to members. Public response to the co-operative idea determines the growth of the movement also.

Continuing education is essential for the co-operative leadership. Every organisation requires an enlightened, knowledgeable leadership to function effectively. Co-operative leaders such as presidents, treasurers, secretaries and other members of committees of management do not only need to be conversant with co-operative rules and principles. It is necessary for them to be familiar also with basic management techniques and possess adequate knowledge of the particular business of the co-operative concerned. Education of leaders enhances the knowledge.

In the Region there are around 280,000 agricultural co-operatives, which means that there are as many managers. Arranging training and development for them is an enormous task which needs a broad-based infrastructure. Many of the countries have their own training and development arrangements in the form of training institutes, centres and colleges which offer a variety of training programmes for managers. The variety of training needs are also very broad. The resources at the command of co-operatives are rather limited. However, all the countries do recognise the need for human resource development.

## **Initiatives in Capacity Building**

Some of the initiatives in the sector of capacity building for agricultural co-operative sector are the following:

- National level co-operative training centres run by the co-operative unions and government, e.g., Japan's IDACA [Institute for the Development of Agricultural Co-operation in Asia], It is a technical arm of the Japanese Agricultural Co-operative Movement under the umbrella of JA-Zenchu [Central Union of Agricultural Co-operatives]. India's National Council for Co-operative Training's institutes of co-operative management including one national level management institute; NCDC's Topic Training Centre; Bangladesh's Co-operative Training College and the Academy of Rural Development; Philippines' NATCCO's training structures and the ACCI [Agricultural Credit and Co-operative Institute of the University of the Philippines]; Nepal's Co-operative Training Centre; Sri Lanka's National Institute of Co-operative Development; and Thailand's Co-operative Training Centre.
- In addition to the above, several national and international initiatives are also available to agricultural co-operatives in the Region e.g., ICA's international training programmes which are available to the Movements; Colombo Plan's training programmes; NEDAC's Regional Study-cum-training programmes; and several other bi-lateral and multi-lateral programmes offered by various agencies in the Region.

tural co-operatives in the Region e.g., ICA's international training programmes which are available to the Movements; Colombo Plan's training programmes; NEDAC's Regional Study-cum-training programmes; and several other bi-lateral and multi-lateral programmes offered by various agencies in the Region.

Study tours to some selected countries in the Region will enhance the knowledge of agricultural co-operative development and good policies and regulations for development through professionalism and business planning and management are good tools for capacity building of agricultural co-operatives. In the same way, documentation of success stories of agricultural co-operatives are important in agricultural co-operative societies. NEDAC has been trying to develop these practices in some way but with obvious resource constraints.

## **Recommendations**

Based on the foregoing, some of the recommendations which may be considered for various stakeholders including co-operatives and their members are as follows:

- Co-operatives should provide integrated services to the members as multipurpose business institu-

tions and they should undertake business development planning for diversification of their business with a view to sustain themselves and the members' interest in their own co-operatives;

- Co-operatives should not shy away from being in partnership with other private and government business ventures;
- Co-operatives enter into agro-processing activities to generate employment and income for their members;
- Promotion of proper leadership should be encouraged through education and awareness programmes so that the members may take keen interest in the affairs of their societies and members should be exposed to the successful co-operative institutions in order to broaden their knowledge;
- Managers and board members of co-operative societies should be inducted for training and refresher courses in order to improve their knowledge and enhance capacities to take proper decisions. Professionalisation is the 'mantra' to stay in the competitive market;
- Realistic business development plans should be developed for a systematic development of co-operatives;

- Institutions like NEDAC should, in concert with its member-countries, offer training opportunities to progressive members of Managing Committees and managers of co-operative institutions;

Farmers' organisations including co-operatives have potential of supporting farmers for farm productivity and income enhancement through information, extension, value-chain and capacity building. With reasonable planning and diversification, agricultural co-operatives are capable of ensuring livelihood security of smallholders. For this, co-operatives themselves need strengthening and revitalization and require reasonable autonomy and freedom from government and other external controls.

Strong capacity building programmes should be implemented for strengthening primary co-operatives. Special attention should be given on providing professional information to members to empower them. Co-operatives should not shy away from being in partnership with other private and government business ventures. Co-operatives enter into agro-processing activities to generate employment and income for their members. Promotion of proper leadership should be encouraged through education and awareness

programmes so that the members may take keen interest in the affairs of their societies.

Members should be exposed to the successful co-operative institutions in order to broaden their knowledge. Managers and board members of co-operative societies should be inducted for training and refresher courses in order to improve their knowledge and enhance capacities to take proper decisions. Professionalisation is the

'mantra' to stay in the competitive market. Realistic business development plans should be developed for a systematic development of co-operatives. Regional development governmental and non-governmental institutions like NEDAC should, in concert with its member-countries, offer training opportunities to progressive members of Managing Committees and managers of co-operative institutions.

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## Production Constraints Faced by the Farmers in Adoption of Recommended Rice Technologies

G. Venkata Murali<sup>1</sup>

Dr. P. Rameshkumar Reddy<sup>2</sup>

Dr. V. Sudha Rani<sup>3</sup>

### Introduction

The great stride that India made in agricultural production in last two decades has moved the country from a state of begging bowl to breadbasket. At the same time the population pressure on arable land is built up during these years. As agricultural development relies more and more on advancements in scientific technologies, this necessitated the development of strong dynamic agricultural research. For this purpose as on today, 39 Agricultural Universities and other institutes are functioning in India, which have contributed a great extent to the agricultural research in the country. The major achievements in this direction were green revolution, yellow revolution, blue revolution etc., which have enhanced the country from insufficient to self sufficient in food production. With the advent of new technologies, the farmers should come forward, empower themselves with the latest tools and techniques, effective use of inputs,

safer and precise methods on input application, effective weed and insect control, safer harvesting. The coming together of all the stakeholders is the need of time, and not only the technology need to be developed at fast pace, but also transferred without losing much time. The significance of quick information access, exposure to latest technologies is of prime importance.

In India, rice is the staple food for over 55% of India's population and grown under diverse agro-climatic conditions which covers approximately 42 million ha. India was the second in the world, next to China and first among sub-tropical countries to develop and release the rice hybrids APHR-1 and APHR-2 in 1993 for general cultivation.

The number of emerging technologies is not important. What is important is to what extent, these new agricultural technologies are responsible for increasing agricultural production,

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productivity, farmers' income and what are the problems in adoption of these technologies. Keeping in view of this, the present investigation was undertaken with the objective of to study the production constraints faced by the farmers in adoption of recommended technologies and their suggestions to overcome them.

### **Material and methods**

An explorative research design was adopted for the study, three districts i.e., Krishna, Warangal, Anantapur were selected from the state of Andhra Pradesh. Two mandals were selected from each of the district and three villages were selected from each of the mandal. A total of 4 farmers from each selected village were selected, thus a total sample was 72. The objective was measured by asking the farmers to list out the important constraints they face in adoption of recommended technologies and their suggestion to overcome them. For each problem indicated by the respondent one score was given. Respondents were tabulated based on frequency and percentage.

### **Results and discussion**

Cursory examination of Table 1 revealed the several production constraints faced by the farmers in

adoption of the recommended rice technologies and their suggestions to overcome them.

Lack of knowledge on seedling root dip technique was one of the major production constraints as mentioned by the rice farmers. It was a known fact that, unless the farmers are educated and convinced about the seedling root dip technique, they will not come forward to adopt the recommended technology. Skill demonstration on seedling root dip technique should be conducted was a major suggestion given by the rice farmers. Extension machinery has to work very close with the farmers, advising them on the seedling root dip technique of rice crop and this can be done more effectively with the involvement of farmers.

Unavailability of quality and quantity of recommended rice varieties were another major production constraint as mentioned by the rice farmers. It was the fact that, unless sufficient quantity of good quality seed is available, farmers will not come forward to adopt the latest recommended rice technologies.

Rice farmers expressed improved seed of rice not made available in sufficient quantity is one of the major production constraints. Non supply of good

**Table 1: Production constraints faced by the rice farmers in adoption of recommended rice technologies and their suggestion to overcome them (n=72)**

Sr. No.	Problems	F	%	Suggestions	F	%
1.	High cost of hybrid seed	43	59.72	Hybrid seed should be supplied on subsidized rates	39	54.16
2.	Poor taste of hybrid rice.	16	22.23	Taste of the hybrid rice should be improved	14	19.44
3.	Cooking quality of Vijetha variety is low	18	25.00	Need to improve the cooking quality characters of Vijetha variety	9	12.50
4.	Lack of good price support	32	44.44	Higher price support should be provided for produce	26	36.11
5.	High cost of critical inputs	45	63.88	Timely and adequate supply of inputs at reasonable cost	42	58.33
6.	Lack of awareness on use of pheromone traps	28	38.88	Technical guidance should be provided through demonstrations	15	20.83
7.	Expensive nature of recommended herbicides as well as equipments	39	54.16	Cost of herbicides and equipments should be reduced	23	31.94
8.	Poor contact of extension worker with farmers	26	36.11	Gap between extension worker and farmer should be reduced	19	26.38
9.	Lack of knowledge on seedling root dip technique	56	77.77	Skill demonstration on seedling root dip technique should be conducted	43	59.72
10.	Low yields of early maturity varieties	12	16.66	Varieties with high yield potential and early maturity should be developed	8	11.11
11.	Unavailability of quality and quantity of recommended rice varieties	46	63.88	Improved seed of rice be made available in sufficient quantity	43	59.72
12.	Lack of credit facility to follow recommended operations	42	58.33	Sought Government intervention for providing timely credit facilities	34	47.22
13.	Exorbitant price of pesticide and its ineffectiveness against pests	37	51.38	Continuous monitoring is needed on cost and quality of pesticides	16	22.22

F- Frequency %- Percentage

quality seed material will better adapt for pest and diseases like stem borer, leaf folder, Brown Plant Hopper (BPH), blast and gall midge. Hence, adequate input supply, which is basic problem in the crop production, should be given utmost importance and the government and university should give strong emphasis on timely supply of adequate quantity of seed.

The above and many other problems and suggestions indicated by the respondents deserve adequate attention by the concerned research and extension agencies, if aim is to improve the adoption of the recommended rice technologies. These findings derive support from Srivastava and Singh (1990), Kumar (1995), Adewale J G (2000), Vasantha (2002) and Rai (2006).

## Conclusion

The findings revealed that majority of the rice farmers faced constraints in adoption of recommended rice technologies. Hence, it call for concerted efforts on the part of extension staff to create greater awareness on various aspects of recommended technologies, various extension methods like training programmes, field trips, exposure to mass media and group discussions could have been effectively utilized for brining greater awareness among the farmers about the recommended technologies, which helps to create favourable attitude towards ANGRAU technologies.

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## NEWS & NOTES

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### **RBI allows RRBs, Coop banks to transfer funds online**

To popularize electronic transfer of funds, the Reserve Bank allowed Regional Rural Banks (RRBs) and cooperative banks to participate in the centralised payment systems. With this, all the banks can now transfer funds electronically through real time gross settlement system (RTGS) and national electronic funds transfer (NEFT). At present, the centralised payment systems - RTGS and

NEFT - can be accessed only by members that included public and private sector banks. As an exception, RRBs have been given access to the NEFT system through their sponsor banks. "On a review, it has been decided to expand the sub-membership route to enable all licensed banks to participate in NEFT and RTGS systems," RBI said in a notification.

### **Ajeevika cell to help tackle rural poverty**

The National Bank for Agriculture and Rural Development (Nabard) has launched a dedicated 'Ajeevika" cell to help alleviating poverty in rural hinterlands. The cell aims at enabling women get better access to financial resources at affordable rates and facilitate establishment of sustainable livelihoods.

A dedicated team of officials from Nabard will run the cell. The cell will work in close coordination with the Ministry of Rural Development for furthering the goals of the National Rural Livelihood Mission (NRLM). To start with, the unit will focus on about 600 backward and extremism-affected blocks in 150

districts of the country to be identified by Ministry of Rural Development.

The Ajeevika cell will facilitate convergence of a wide variety of approaches and best practices to mobilise poor households into self-help groups (SHGs) as also livelihood development approaches such as "Wadi" in adivasi communities to ensure establishment of sustainable livelihoods. The cell will also attempt to address supply- and demand-side constraints, besides bridging capacity gaps of the poor communities and strengthening existing livelihood sectors such as agriculture, allied activities and also establish micro-enterprise.

## Non-banks can have own ATMs

At present only banks are permitted to set up automated teller machines (ATMs) in India. The Reserve Bank has since reviewed the policy on ATMs and it has been decided to permit non banks to set up their own ATMs to accelerate the growth and penetration of ATMs in the country. Such ATMs will be in the nature of

white-label ATMs (WLA) and would provide services to customers of all banks. While such WLAs will be owned and operated by non-bank entities, cash management and customer grievance redressal will be in the domain of the sponsor banks. The final guidelines will be issued after taking into account the views of public and stakeholders.

## Grain output set to hit record 252 million tonne in 2011-12

India's grain output is estimated to exceed the previous forecast to hit a fresh peak of 252.56 million tonne this crop year through June on higher-than-expected output of rice and wheat, although coarse cereal and pulse production will trail last year's level.

India, the world's second-largest grain grower, had set a production target of 245 million tonne for the year through June on expectations of a bigger paddy harvest. The country had produced 244.78 million tonne of grain in 2010-11. Rice production is expected to hit a record 103.41 million tonne, compared with 95.98 million tonne last year, while wheat output estimate has been revised up at 90.23 million tonne from 86.87

million tonne. However, the production of coarse cereals and pulses is expected to decline to 41.91 million tonne and 17.02 million tonne from 43.68 million tonne and 18.24 million tonne, respectively, according to the latest estimate. Similarly, oilseed output is estimated to fall to 30.06 million tonne from 32.47 million tonne last year.

According to the latest estimate, cotton production is estimated to rise to a record 35.2 million bales, of 170 kg each, compared with around 33 million bales last year. Similarly, sugarcane production is expected to rise to 351.19 million tonne from 342.38 million tonne last year.

## **Govt launches centre for crop forecast and drought assessment**

The government on Monday launched an integrated centre which will provide estimates of agricultural output and assess the drought situation in the country through latest technologies. Agriculture minister Sharad Pawar launched the National Crop Forecast Centre (NCFC), which will prepare in-season forecasts for selected 11 major crops such as

rice, wheat, sugarcane and maize. The centre, in collaboration with ISRO, will also work towards preparing sub-district level drought assessment in the entire country, an official release said. The department of agriculture and cooperation prepares advance estimates of crop output through various technologies.

## **Intra-bank a/c transfers won't need fresh KYC**

The Reserve Bank of India (RBI) said that the KYC process once undertaken by one branch of the bank should be valid for transfer of the account, within the bank. "It has been brought to our notice that some banks are insisting on opening of fresh accounts by customers when customers approach them for transferring

their account from one branch of the bank to another," the RBI observed. The central bank believes this is not reasonable in view of the fact that most bank branches are now on core banking system (CBS) and KYC records of a particular customer can be accessed by any branch of the bank.

## **Jharkhand farmer spent 14 years digging a 'pond'**

Need is the mother of all inventions, says the old proverb. Today's transformed world has evolved new experiences that modify the old adages too: Denial is the new mother of all inventions. A farmer from Vishnu Pur of Kurua village, Sukhjora Panchayat, Shyamal Chaudhary, requested the Block Development Officer to have a pond dug that would fulfil

the irrigation requirements of the fields. After filing several applications and visiting the officer many a times, a determined Shayamal lost neither courage nor his farming skills. Instead, he took this denial as a challenge and started digging a pond on his own land.

After fourteen years of continuous hard work, he not only

created a pond but gifted it to the community that was going through hard times in the absence of irrigation related facilities. The pond, 100x100 metres long and 22 feet deep, now benefits numerous villages in the vicinity: On his nine bigha of land, Chaudhary produces a variety of vegetables and fruits

like potatoes, onions, bananas and mangoes. He then started fish farming in the pond. Quite happy with outcome of his efforts, Chaudhary feels that his life is blessed as the farmers now have a year-long solution to their irrigation woes.

### **Banks to have 7% Tier I capital under Basel: RBI**

The Reserve Bank of India (RBI) has stipulated that Indian banks will have to maintain Tier I capital, or core capital, of at least 7% of their risk weighted assets on an ongoing basis. The RBI has also tightened the norms to monitor banks' investments, inter-connectedness and cross-holdings in the financial sector services which are beyond the active regulatory purview of the central bank or shadow banking.

Under the existing Basel II framework, banks are required to maintain Tier I capital of at least 6% of their risk weighted assets. In its final guidelines on Basel III capital regulations issued, the RBI said, "The total capital ratio, including

Tier I and Tier II, must be at least 9%, unchanged from the current requirement compared with the Basel III minimum requirement of 8%."

Thus, within the minimum Capital to Risk (Weighted) Assets Ratio (CRAR) of 9%, Tier 2 capital can be admitted maximum up to 2%. The new guidelines are effective from January 1, 2013 in a phased manner and will be fully implemented on March 31, 2018. For the fiscal year ending March 31, 2013, banks will have to disclose capital ratios computed under the existing guidelines, as well as those computed under the Basel III framework, the central bank said.

### **60% of rural India lives on less than ₹ 35 a day**

About 60% of India's rural population lives on less than ₹ 35 a day and nearly as many in cities live on ₹ 66 a day, reveals a government survey on income and expenditure. "In terms of average per capita daily

expenditure, it comes out to be about ₹ 35 in rural and ₹ 66 in urban India. About 60% of the population live with these expenditures or less in rural and urban areas," said Director General

of National Sample Survey Organisation (NSSO) J Dash in his preface to the report. According to the 66th round of National Sample Survey (NSS) carried out between July 2009 and June 2010, all India average monthly per capita consumer expenditure (MPCE) in rural areas was ₹ 1,054 and urban areas ₹ 1,984. The survey also pointed out that 10% of the population at the lowest rung in

rural areas lives on ₹ 15 a day, while in urban areas the figure is only a shade better at ₹ 20 a day.

According to the study, food was estimated to account about 57% of the value of the average rural Indian household consumption during 2009-10 whereas it was 44% in cities. The study reveals that the average monthly per capita consumption of cereals was 11.3 kg in rural areas and 9.4 kg in cities.

### **Nabard Cuts Rural Infra Funding to 4 States**

The National Bank for Agriculture & Rural Development (Nabard) has cut RIDF allocation for states that face stringent borrowing limits under the fiscal responsibility law. Nabard has identified four major states which will be unable to draw funds from the Rural Infrastructure Development Fund (RIDF) for their ongoing projects as their borrowing power is limited by their respective Fiscal Responsibility & Budget Management Acts (FRBM). Some states like Andhra Pradesh found their allocation more than halved while Madhya Pradesh, Odisha and

West Bengal have seen a 12-20 % reduction for this fiscal compared to the size of loans sanctioned last year. We have reduced allocation for some states which are facing stiff borrowing limits so that the fund can be deployed to other states, said Nabard chairman Prakash Bakshi. The drawable funds under RIDF as a percentage of borrowing limit has been high for the four states mentioned above. Such ratios are relatively low for states like Gujarat, Maharashtra and Tamil Nadu, which Nabard considers advanced states.

### **Banks told to give farmers smart cards**

The Reserve Bank of India (RBI) has asked commercial banks, regional rural banks and cooperative banks to issue smart

cards/ debit cards to farmers under the revised Kisan Credit Card (KCC) scheme so that they can access credit with ease. These cards

should be compatible for use in the ATMs, hand-held swipe machines, point of sale (PoS) terminals and mobile banking and be capable of storing, among others, adequate information on farmers identity, assets, land holdings and credit profile.

The RBI circular on the revised KCC scheme says that while there will be no limit on the number of debit or credit transactions, each card will have a credit limit. Every time money is drawn using the

card, it has to be repaid within a period of 12 months, based on which the future credit limit and validity will be adjusted. For long term loans the repayment period is up to five years. It, however, leaves the rate of interest (linked to base rate) and margin to the banks discretion. The RBI has told banks to keep the KCC holder informed of the different insurance options and obtain his/ her consent at the application stage itself. The premium for the insurance will be paid from the KCC accounts.

### **IFC, SEWA tie up to provide solar stoves, lanterns to rural women**

The International Finance Corporation, a member of the World Bank Group, announced a partnership with the Self-Employed Women's Association (SEWA) for providing solar stoves and lanterns to its two lakh rural women members in Gujarat. For this, IFC will provide a partial credit guarantee for a \$5-million (about ₹250 crore) loan that ICICI Bank is providing to SEWA-sponsored Grassroots Trading Network for Women (GTNW). The loan will be used for on-lending to SEWA members to purchase cook stoves and lanterns.

Under the IFC - SEWA arrangement, women members will be provided a loan of ₹4,800 to ₹6,000, depending upon the products selected, repayable with 15% interest in 16 installments, for buying solar equipment from the designated suppliers under the "Hariyali" project, said Ms Reema Nanavaty, Director, SEWA. SEWA currently has 13 lakh members across nine States, where the Hariyali project has the potential for expansion, Ms Nanavaty said. The SEWA Bank could not finance its rural members as it is an urban cooperative bank (UCB).

### **Joining hands to become independent**

In April 2011, 20 farmers from Dhira Patra, Bukan Khanwala,

Jhok Hari Har, Basti Natheshah and Sade ke Rahela villages of

Ferozepur district in Punjab joined hands for group farming. They contributed ₹ 60,000 each and formed Dhira Patra farmer help society. Fifteen more joined them soon. A little more than a year down the line, the group is farming on about 10,000 acres of land in this part of Punjab.

These farmers are growing vegetables, paddy and wheat. Till now, the group has invested about ₹ 1.5 crore and submitted projects worth ₹ 2 crore to the Department of Agriculture, Government of India, to start processing of their products on their own. "The Centre gives 80% subsidy to farmers, provided 20% is contributed by the state. But we have decided to contribute this 20% from our own pockets because the state is not helping us out. We can then start manufacturing turmeric powder, flour, masalas and even mustard oil. We are growing all the crops, and want to make products from our farm produces, avoiding middlemen," says

Tirlochan Singh, a member of this society.

The society has also thought of a brand name '5aab' (in Punjabi, five is 'panj', while 'aab' is water; together, the two words give Punjab its name, which literally means the land of five rivers). The women of these farmers' families are trained in making pickles, sauces and juices. The kinnow and rose sharbat, aamla chutney, pickles, tomato sauce made by the self-help group of women here are sold at store. The products have started finding takers as customers can be seen coming from Ferozepur city, Moga and other places too.

Aloe vera gel is a special attraction here, while organic jaggery and many more farm-fresh items can be seen at the store. With a good response to rose squash, the society will be growing roses in its own farms. The society is also selling organic milk and milk products in Ferozepur Cantonment.

## **Karnataka announces ₹ 17.5 cr special package for potato growers**

The Karnataka Government has announced a ₹ 17.5-crore special package for potato growers of seven districts, who have suffered crop loss due to destruction by pests. The Cabinet meeting here approved the special package for farmers of Hassan, Chikmagalur, Belgaum,

Dharwad, Kolar, Chikkaballapur and Bangalore.

The government has estimated that 2.24 lakh tonnes of potato cultivated on 42,249 hectares had been damaged. The government has decided to extend ₹ 5,000 as compensation for one hectare with a

upper limit for two hectares to every farmers irrespective of the land holding, implying that a farmer would get ₹ 10,000 relief.

The Cabinet has decided to extend the comprehensive horticulture development project under implementation in the State to newer areas, investing ₹ 525 crore in the next three years, he said adding that

this year, an expenditure of ₹ 150 crore is planned. Under the scheme, aimed at boosting horticulture crop, the government will encourage mechanised farming, scientific management of pests and creation of marketing network. Adding Karnataka has requested the Centre for ₹ 125 crore assistance for the project.

### **Coop. Banks allowed to Frame FD Conversion Norms**

Reserve Bank of India permitted cooperative banks to formulate policies to check the practice of premature conversion of fixed deposits into other deposit schemes by customers with a view to obtaining higher interest rates. In order to facilitate better asset liability arrangement (ALM) it has been

decided to permit banks to formulate their own policies towards conversion of deposit with immediate effect, RBI said in a notification. Under the current norms, a customer can make pre-mature withdrawal of fixed deposits to invest the amount in other schemes of the same bank without payment of any penalty.

### **Nabard operating surplus soars 28% to ₹1,635 cr**

The National Bank for Agriculture and Rural Development (Nabard) today reported 27.81% jump in net operating surplus at ₹ 1,635 crore for the last fiscal, against ₹ 1,279.21 crore in the previous financial year. Serving special needs, the bank ploughs back the surpluses in its

reserves and other funds and does not pass on anything to the government which owns 99% stake in it with the remaining 1% being held by the RBI. During the fiscal, Nabard's total advances were up 18.27% at ₹ 1,64,969.46 crore, it said

### **Mr. Nair's Farmville spreads the message of organic farming**

For most residents in Peyad in Thiruvananthapuram, S Chandrasekharan Nair is just

another farmer who cultivates rubber alongside a variety of cash crops at his six-acre plot. Nair, however, has

his own Farmville on the internet. Blogging under the tag 'Kerala Farmer' (<http://keralafarmer.wordpress.com/>; <http://keralafarmeronline.com/>; [lang/en/](#)) an amazingly rich source of information to farmers across Kerala on methods and techniques of rubber cultivation.

Nair's blog talks about all that one should know about rubber cultivation. It deals with soil quality, marketing of the product, daily updates on price, and statistics on

production and consumption. He blogs in three languages Malayalam, Hindi and English. Nair tweaked the successful Thumburmuzhi model of waste management in Kerala to make it more cost effective. In the original model, cow dung is used as a source for microbes. But Nair used the slurry from his biogas plant and succeeded in turning waste into manure within 12-13 weeks. At his farm where coconut, tapioca and other vegetable crops are cultivated along with rubber, he makes sure he uses only 'green' manure.

### **Guarantors liable to pay if debtors default : Apex Court**

The guarantor of a loan is liable if the debtor fails to clear it, the Supreme Court has ruled. A Bench of Justices B.S. Chauhan and Dipak Misra also said the guarantor cannot insist that the creditor must first exhaust all remedies against the principal debtor before recovering the debts from surety holders.

There can be no dispute to the settled legal proposition that in view of the provisions of Section 128 of the Indian Contract Act, 1872, the liability of the guarantor/surety is co-extensive with that of the debtor. Therefore, the creditor has a right to obtain a decree against the surety and the principal debtor.

The apex court gave the ruling on

an appeal by Ganga Kishun, who had stood as a guarantor to a bank loan, raised by Ganga Prasad, who had died without clearing it. Ganga Kishun had moved the apex court against the Uttar Pradesh government's decision to recover the loan arrears from him after the death of principal debtor Ganga Prasad. While dismissing Mr. Ganga Kishun's appeal, the apex court, however, faulted the government's decision to auction Ganga Kishun's entire stretch of land for ₹25,000 to recover an arrear worth ₹8,500 only and not confining the auction to only 1/3rd of the land which could have fetched the arrears. The apex court said the financial institutions cannot be allowed to act like property dealers to recover their loans.

“A right to hold a property is a constitutional right as well as a human right and a person cannot be deprived of his property except in accordance with the provisions of statute. Thus the conditions precedent for taking away someone's property or disposing of the secured assets, is that the authority must ensure compliance of the statutory provisions, the Bench said.

The court said the guarantor does not have a right to dictate

terms to the creditor as to how he should make the recovery but said the liability should be shared by the co-sureties if there are more than one guarantor. “Section 146 of the Contract Act provides that co-sureties are liable to contribute equally. Thus in case there are more than one surety/guarantor, they have to share the liability equally unless the agreement of contract provides otherwise,” the Bench said.

### **Reducing input costs through sustainable practices**

The main objective of technology-based agriculture must be to reduce input cost while increasing the yield, particularly for small and marginal farmers. The focus, must shift to educating farmers on the value of waste matter being generated in both their fields and homes, and availability of technologies to convert waste into wealth. It is precisely on these lines that scientists at the Myrada Krishi Vigyan Kendra at Gobichettipalayam, in Erode, Tamil Nadu have been working for the past several years in implementing a project called IFD (Integrated farm development model), also called as LESA (Low External Input Sustainable Agriculture), the project is at present operational in about 32 villages in Erode district.

According to P. Alagesan, Programme Coordinator, IFD is an innovative model especially designed for small-scale farmers for improving farm productivity in a sustainable manner by recycling farm and home wastes. “The main concept of IFD is to integrate the animal and human wastes into useful and productive components for the manufacturing of vermicompost, pest repellents and biogas, thereby reducing input cost for farmers,” he says. For example, in villages, the urine and dung from cattle are usually washed into a drain or the dung is collected, dried and used as cooking fuel. “But our IFD farmers collect the urine and dung in a collection tank and use it for generating biogas and manufacturing bio growth promoters such

as Panchagavya and Amirtha karaival, and to make bio pest repellants," explains Mr. Alagesan.

The spent slurry from the biogas plant is used for making high quality manure by adding other farm wastes to it, and can also be used for breeding earthworms. Technology must be farmer friendly, and IFD farmers have been trained in scientific storage of harvested produce. The farmers store their harvested grains in special grain structures called 'pucca koti' (in Hindi) and metal bins. These storage structures have been able to minimise grain loss by nearly 20%, and also protect the harvested produce from pest and pathogenic infestations. Use of biogas (2 cubic metre capacity has the potential to save about 210 kg of fuel wood per month) has also brought down firewood consump-

tion. In a village called M.P. Doddi, about nine tonnes of fuel wood in a month has been saved, having a direct impact on regeneration of forest area around the region. Respiratory problems commonly encountered by the rural women in smoky kitchens have largely been minimised. UNICEF has identified this as an innovative model and has planned to replicate it in other parts of the country.

For more information readers can contact: Mr. P. Alagesan, Programme Coordinator, Myrada Krishi Vigyan Kendra, No: 57 - Bharathi Street, Gobichettipalayam - 638 452, Erode District, Tamil Nadu, e-mail: [myradakvk@dataone.in](mailto:myradakvk@dataone.in), website: [www.myradakvk.org](http://www.myradakvk.org), mobile: 09443897654, Phone : 04285 226694 and 226695.

### **Prudent practices to generate more income**

It has been seen that usually farmers across the country build a roof either with thatched straw or asbestos sheets as a cover for their vermicompost manufacturing unit. The bottom of the unit will either have sand or plain cement or sometimes toughened red soil. But Mr. Bharani has used locally available cut tree trunks for the

four poles supporting his rudimentary compost unit.

The tree trunks absorb the moisture from the compost unit and grow as individual trees. For the roof, he has used the climbing tendrils of vegetable plants growing near the compost unit. The plants grow well, absorbing the required moisture from the unit and their

leaves provide shade to the manufacturing unit.

“In addition to making the compost which I sell at ₹ 5-8 per kg, I am also able to sell vegetables such as bhendi, brinjal, snake gourd and bitter gourd grown on the roof of the compost shed,” he says. “By doing so, they can get double income from the compost unit and the vegetables,” he adds.

Strong winds often uproot banana trees and farmers have to tie each tree to a wooden pole to prevent the tree from falling or getting uprooted. Rasthali variety does not grow quite high and is often sturdy against strong winds. “Secondly organic practices are found ideal for banana orchard as banana is often found susceptible to wilt disease which is a major and fatal infestation. Chemical control methods have not been found successful in controlling this infestation, compared to organic methods,” he explained.

For an acre, about 780-800 pits at 8x8 feet (row to row and plant to plant) were dug and the suckers were planted in them. About 3 kg of farm yard manure (FYM) was also applied for each pit. The FYM was

applied a little distance away from the pit, because if it were applied directly into the pit or near the suckers it would spoil the plant growth due to heat generation. Panchangavya spray was done once every month till the crop was about 5 months old. He was able to harvest his first yield in about 14 months after planting and this variety can be maintained for two years.

“One bunch was sold for ₹120-130 and I was able to get a net income of ₹80,000 annually. The expenditure for maintaining one tree comes to about ₹35 and after deducting the expenses for all my plants I am still able to get a net profit of ₹50,000 annually.” he said. According to the farmer a lakh of rupees invested for a year in a bank cannot get you a good interest compared to the same amount spent for an acre in farming.

For more information Mr. D. Bharani can be contacted at Kothangudi village, Komal post, Mayiladuthurai taluka, Nagapattinam district, Tamil Nadu: 609-805, phone: 04364-228711 and 04364-237415 and mobile: 9486278569.

## ₹3,250-cr special irrigation scheme for Vidarbha

The Centre has sanctioned a special irrigation scheme worth ₹3,250 crore aimed to meet a new micro-irrigation target of 1,43,500 hectares in the Vidarbha region still coping with reports of farmer suicides. The Centre had, under the 2006 Prime Minister's package, given about ₹4,211 crore for irrigation projects in Vidarbha that the government claims has created an additional potential of 1,22,896 hectares.

Called as Vidarbha Intensive Irrigation Development Project (VIIDP), the new scheme is to be spread over four years (2012-13 to 2016-17) and will create the target irrigation potential by implementing various measures ranging from building new minor and micro-irrigation projects to in situ where water conservation and providing the farmers with subsidised irrigation implements.

## Banks for fixing minimum pay for field agents

Field agents employed by business correspondents (BCs) for distribution of financial products in villages will now have a minimum fixed pay component in their remuneration package, instead of the variable and performance-linked structure now. Banks have

The scheme's main objectives are to increase cotton productivity, bring maximum area under irrigation, increase water-retention capacity of soil by in situ soil and water conservation, renovation and strengthening of existing minor irrigation projects, providing farmers with water-drawing implements and increase use of drip irrigation for economic and effective utilisation of irrigation water. About 1000 hectares will be focused on in each tehsil for the implementation of various components for the scheme. The international Fund for Agriculture Development sponsored ₹627 crore Convergence of Agriculture Initiatives in Maharashtra that is bringing all agriculture schemes under one umbrella of integrated implementation is already under ways in six cotton growing districts of Amravati, Akola, Wardha, Buldana, Washim and Yavatmal.

decided that their BCs should pay their agents a minimum of ₹3,500 per month. Incentives would be in addition to this fixed pay. The move is aimed at reducing the scope of reputational and operational risks of banks.

Bankers note that field agents have a low fixed pay component, prompting them to often switch jobs to stabilise their monthly income. "These agents are distributing products on behalf of the bank," said an official of a public sector bank. "Hence, the bank's reputation is at stake if they do not behave properly with customers. There is a need to incentivise them to reduce the

bank's reputational and operational risks."

The Indian Banks' Association, the industry body for banks in the country, has already communicated the minimum monthly pay for the BCs' agents to state-run and private sector lenders. Some banks have already directed their correspondents to implement these proposals.

### **RBI unveils 'safer' loan securitisation norms**

The Reserve Bank of India laid out norms for safer securitisation of loans that can theoretically help banks lend more without having to resort to raising capital often. However, it remains to be seen whether the market will receive it well.

The central bank prescribed a minimum lock-in period for loans that could be bundled and sold off to investors, and minimum retention criteria, i.e., the portion of the loan that will still be on the books of banks to ensure that the loan originators have their skin in the game.

"Originators should retain a portion of each securitisation originated, as a mechanism to better align incentives and ensure more effective screening of loans,"

RBI said. In addition, a minimum period of retention of loans prior to securitisation is also considered desirable, to give comfort to the investors regarding the due diligence exercised by the originators. RBI also capped the total exposure of the originator, mostly banks, at 20% of the total securitised portfolio to ensure that the risk is transferred to investors.

To ensure that the investors in such securitized transactions are protected the central bank has directed banks to hold these loans for a minimum period and study their performance before securitizing. Additionally the central bank has also capped the total exposure of banks to the loans securitised in at 20% of the total securitised instruments.

"The criteria governing determination of MHP for assets need to ensure that, the project implementation risk is not passed on to the investors and a minimum

recovery performance is demonstrated prior to securitisation to ensure better underwriting standards," said RBI in its guidelines.

### **Credit coverage of farming community going up**

The Government has taken several measures to increase institutional credit flow and bringing more and more farmers including small and marginal farmers within the institutional credit fold and reducing their dependence on non-institutional sources of credit. These measures, *inter alia*, include fixation of annual targets for improving agricultural credit flow, provision of crop loans up to ₹ 3.00 lakh @4% per annum to such farmers who repay their loan as per the repayment schedule fixed by the banks, extension of benefit of interest subvention scheme to small & marginal farmers having Kisan Credit Card for a further period up to six months for storing their produce in warehouses against negotiable warehouse receipts, collateral free loan up to ₹1.00 lakh, scheme for financing of Joint Liability Group (JLGs) etc. As a result of these measures, agricultural credit flow has increased from ₹ 229400 crore in the year 2006-07 to ₹468291 crore in the year 2010-11 and

corresponding coverage of farmers' account is 423 lakh and 550 lakh, out of which 215 lakh and 335 lakh pertains to small and marginal farmers.

As per National Sample Survey Organization (NSSO) Report on the "Indebtedness of Farmer Households" released in the year 2005, of the 89.35 million farmer households, 43.42 million (48.6%) were reported to be indebted to either formal or informal or both sources of credit. As per the survey report, the most important source of loan in terms of percentage of outstanding loan amount was banks (36%) followed by agricultural/professional money lenders (26%) and cooperative societies (20%).

These information was given by Shri Harish Rawat, Minister of State for Agriculture and Food Processing Industries in written reply to a question in the Rajya Sabha on May 4.

## **Self-help group members encouraged to open individual accounts**

Growth in the rural economy and enhanced capacity to save has led the National Bank for Agriculture and Rural Development to overhaul the guidelines for its ground-breaking financial inclusion programme. As a result, self-help group (SHG) members are being encouraged to open individual bank accounts/ revive their 'no-frill accounts' by depositing the surplus they generate. This move is aimed at helping SHG members steadily graduate from community banking to individual banking.

A SHG typically comprises 10-20 individuals, predominantly women, who save with a bank for six months before becoming eligible for credit. Banks are expected to meet the credit requirements of SHG members for (a) income generation activities, (b) social needs like housing, education, marriage and (c) debt swapping.

Nabard has said growth in the rural economy and schemes such as the Mahatma Gandhi National Rural Employment Guarantee Scheme have positively influenced the SHGs and their members' capacities to save.

"It has been observed that the savings capacity and potential varies across members. Therefore,

the concept of voluntary savings by members over and above the compulsory savings provides an opportunity (to mobilise deposits and lend) for banks," says the apex development bank.

Until the SHG members graduate to the level of opening and maintaining individual bank accounts, Nabard suggests that those with greater savings potential may be allowed to park their surplus funds within the group in the form of voluntary savings. This voluntary saving could be reckoned in two ways they may either form part of the SHG's corpus (and also be taken into account for assessing the quantum of loan to the group from the bank) and utilised for intra group lending or they may not form part of the group corpus.

In its new guidelines to banks on the SHG - Bank Linkage Programme, Nabard says it is desirable that the additional savings by group members does not entitle the concerned members to seek proportionately higher dosage of credit for themselves. The SHGs should be free to decide whether voluntary savings by members of the group are eligible for a proportionate share in the interest income or dividend from the group.

Nabard says sanction of a cash credit/ overdraft system of lending for SHGs for a longer operational tenure (3 to 5 years) could be adopted to overcome issues such as non-sanction of repeat loans to SHGs. To tackle cases of limiting need based credit, the apex development bank said banks could permit SHGs to have larger loans in tune with increasing pooled savings.

In the case of mature SHGs that have been supported with a few cycles of credit, the requirement of credit for purchase of capital assets would increase. This would necessitate that banks approve a different type of credit accommodation like term loans to these groups in addition to the cash credit limit.

### **New guidelines**

The overhaul of the SHG-BLP guidelines needs to be seen in the

### **Agri Minister calls upon States to amend their Cooperative Acts in compliance with 97th Constitution (Amendment) Act**

Shri Sharad Pawar, Minister of Agriculture and Food Processing Industries has urged the State Governments to amend their Cooperative Acts for Compliance with 97th Constitution (Amendment) ACT. He was addressing the National Conference

context of the microfinance institutions led model of financial inclusion, especially in Andhra Pradesh, coming in for widespread criticism.

Before the AP Government passed a stringent law in 2010 reining in their functioning, many MFIs in AP used to charge usurious rate of interest, indulged in multiple lending, and employed strong-arm recovery tactics, causing borrowers grief.

The SHG-BLP is the mainstay of the financial inclusion programme in India with 74 lakh SHGs (covering over 10 crore households) saving with the formal banking system with savings bank balance of over ₹ 7,000 crore as on March 31, 2011. About 49 lakh of these SHGs have also accessed bank credit and have over ₹ 31,000 crore as outstanding credit from the banking system.

on Cooperatives in New Delhi. The conference was also addressed by former President of India Dr. A.P.J. Abdul Kalam.

Shri Pawar said that the Central Government has enacted this Constitution (Amendment) Act to

ensure democratic, autonomous and professional functioning of the cooperatives in the country. The Agriculture Minister emphasized that unless the cooperatives develop their internal strengths in the form of professional management, enlightened and active membership, inspiring leadership and innovative vision, it will be difficult for the cooperatives to protect and maintain their identity, particularly in the present economic scenario.

On the need for restoring confidence of the people in the cooperative sector, Shri Pawar said “the issue of good governance has assumed importance as large number of cooperatives are experiencing serious problems. There is an urgent need to revamp the cooperative governance structure through necessary legal and policy reforms.” Referring to problems and challenges faced by cooperatives, he said that there are serious inadequacies in governance preventing the cooperatives to function in democratic manner, inadequate resources for modernisation and latest technology, inability to achieve higher level of professionalization required to survive in the competitive environment and dependence on the government. He said that cooperatives, by and

large, suffer from dependency syndrome that has adversely affected their independence and autonomy. Most of the time this syndrome is due to restricted provisions in the cooperative laws hindering mobilisation of resources from non-governmental sources. The Agriculture Minister asked the cooperatives to aim for striking a balance between a member driven institution and an enterprise that has business function. Shri Pawar impressed upon the State Governments to take action to expedite the implementation of package for revamping the short-term cooperative credit structure. He said “credit cooperatives have an important role to implement the policies of the government to ensure flow of credit to financially excluded farmers.

Shri Pawar pointed out that the cooperatives have significantly contributed in achieving the record foodgrain production of about 250 million tonnes during 2011-12. He said, cooperative system is one of the strongest pillars on which India's agriculture and allied sector is flourishing.

Dr. Kalam in his address highlighted the idea of cooperatives as a business model. Referring to the achievements of cooperatives he applauded the role played by

cooperatives in national development and empowering the community. However, he felt that much needs to be done to enhance the vibrancy of cooperatives in the country and suggested some possible cooperative structures to enhance farmers' earning capacity.

The Conference unanimously resolved to take immediate action in the following areas to strengthen the cooperative movement in the country

- (i) Constitution Amendment The States will amend their cooperative societies Act in tune with the provisions of the amendments to the Constitution of India (97th Amendment) in respect of Cooperatives before 14.02.2013.
- (ii) States will initiate measures for bringing in legal, institutional and systematic reforms through amendment of cooperative act.

### **Task Force on Farmers' Loan**

The Government of India had constituted a Task Force, under the Chairmanship of Shri U.C. Sarangi, Former Chairman, NABARD to look into the issue of a large number of farmers, who had taken loans from private money lenders, not being

- (iii) They will take necessary measures for effective dissemination of information for improving credit flow to the farmers and ensure that all the eligible farmers are able to access institutional credit in hassle free manner.
- (iv) To strengthen and revitalize the Cooperative Sector, State Governments, cooperative institutions and other stakeholders will work in close collaboration for celebration of International Year of Cooperatives 2012.
- (v) The States will create conducive environment for the facilitating flow of credit to farmers through joint liability groups, Self Help Groups of farmers for expanding the outreach of institutional credit to farmers, not being covered by institutional credit.

covered under the loan waiver scheme.

The Task Force has submitted its report to the Government in June, 2010. The Task Force's main recommendation inter-alia include the following:-

Policy measures for addressing the issues of farmer's indebtedness to money lenders and measures to provide relief to farmers.

- (i) Various measures including the Kisan Credit Card (KCC) Scheme to ensure coverage of small and marginal farmers, tenants farmers, share croppers and oral lessees by the institutional credit card fold, to reduce their dependence on informal sources.
- (ii) On legislation regarding loans from private money lenders and the need for a grievance redressal mechanism at the District level which is accessible to both money lenders and farmers.
- (iii) The Interest Subvention Scheme is being implemented by the Government of India since 2006-07 to make short-term crop loans upto ₹3 lakh for

a period of one year available to farmers at the interest rate of 7 % per annum. The Government of India has since 2009-10 been providing additional interest subvention to prompt payee farmers. The additional subvention was 1% in 2009-10, 2% in 2010-11 and 3 % in 2011-12. The Government has in the Budget speech of 2012-13 announced continuation of the scheme in 2012-13

Banks have been advised to issue Kisan Credit Cards (KCCs) to all eligible farmers and General Credit Cards(GCCs) to non-farmers. A new scheme for KCC has been circulated by NABARD/RBI.

This information was given by the Minister of State for Finance, Shri Namdeo Narain Meena in written reply to a question in the Lok Sabha.

### **The postman will bring loans, besides moneyorders**

DoP, with its formidable network of about 1.55 lakh post-offices, has identified providing banking services with special focus on rural areas and financial inclusion as the key objectives of its proposed 'Post Bank of India (PBI)'. The Department's move could be a wake up call for commercial banks, both

public and private sector, to pull up their socks and accelerate their financial inclusion programmes.

DoP will be entering the banking domain at a time when existing entities are chasing business expansion opportunities in rural India in the backdrop of banking services almost reaching a

saturation point in metros and large cities.

According to the Department's blueprint, PBI will accept, for the purpose of lending or investment, deposits from the public (repayable on demand or otherwise) and allow withdrawal by cheque, draft, order or otherwise. The PBI will ride on a core banking solution platform (pan-India interlinking of all the offices) which is proposed to be provided in all post-offices. The Department of Posts sees PBI as an additional source of revenue generation. Making a case for setting up a bank, a DoP document said the banking sector has so far not been able to provide complete coverage in the country, especially in rural areas.

### **Rural thrust**

The Department pointed out that as on March 31, 2011, there were

171 commercial banks in India. These banks had 93,080 branches, with only 36.10% of them in the rural areas and 24.76% in the semi-urban areas. The all-India average population served per branch is 13,503 (as on March-end 2011). On the other hand, of the 1.55 lakh post-offices, 1.39 lakh (or 89.8%) are in the rural areas; each post-office, on average, covers 5,992 people.

“The DoP intends offering full-fledged banking services through its existing network. For this, the Department intends obtaining approvals from the Cabinet and a licence from the Reserve Bank of India for the creation of a bank,” said the DoP document. As of December 2011, the DoP had more than 25 crore savings bank accountholders.

### **Shri Ashish Bahuguna new Agriculture Secretary**

Shri Ashish Bahuguna, Special Secretary and Financial Advisor, Department of Agriculture and Cooperation, GOvt. of India has been appointed as Agriculture

Secretary. Shri Bahuguna in 1978 batch IAS officer of Rajasthan cadre, NCARDB Federation congratulate him & wishes him all the best in his new assignment.

### **NPA ratio may increase 50 bps to 3.3% in FY-13**

CARE Research projects gross non-performing assets (NPA) ratio to increase by 50 bps to 3.3% in

FY13 and restructured assets by 100 bps to 6% of advances.

In a report, the agency says that apart from continued delinquencies in agriculture & MSME sector, seasoning of loans to power sector could lead to potential stress for banks due to continued issues of fuel scarcity, lower merchant prices, and higher working capital requirement on delayed payment by SEBs.

CARE expects the gross NPA ratio to improve by 20 bps to 3.1% of advances in FY14 on expectation of gradual improvement in demand and recovery of earlier recognized NPAs.

CARE believes the credit cycle will continue in FY13. The gross NPA ratio was up by 50 bps to 2.8% in FY12 on weak macro-economic environment and Indian banks entered into a new wave of credit cycle due to weak economic and fiscal scenario and persistent trend of high imported inflation. That has made RBI's stance on tight monetary policy ineffective as it is increasingly hurting growth

prospects without necessarily containing imported inflation. As a result, gross NPAs rose from 2.3% in FY11 to 2.8% in FY12 and restructured assets up from 2.7% in FY11 to 4.9% in FY12. Gross NPA ratio of domestic banks marginally improved by 5 bps q-o-q to 2.79% in Q4 FY12. However, banks restructured portfolio is estimated to have increased by 80 bps to ~5% of total advances (or ~R2.35 lakh crore) in Q4FY12. Given the sharp increase in restructured assets, we believe banks asset quality is expected to continue to deteriorate in FY13.

The banking industry's return on equity (ROE) contracted 90 bps to 15.1% in FY12 as sharp fall in PSU banks profitability more than offset the impact of improvement in private banks performance. Banks ROEs are likely to remain under pressure on expectation asset quality may deteriorate further, higher pension costs and increase in equity base to meet higher capital requirement under BASEL III.

### **Debt recovery tribunals to help to reduce NPAs: finance minister**

Highlighting the problem of banks' rising non-performing assets (NPAs), Finance Minister (FM) asked debt recovery tribunal officers to help in freeing up the resources stuck in these bad assets. "The banks are facing the

problem of increasing NPAs, which needs to be addressed on priority," FM said, according to a statement issued by the finance ministry.

The government has advised banks to closely monitor NPAs.

Gross NPAs of nationalised banks increased by 50 bps as on March 31, 2011 to 2.4% as on December 31, 2011, while those of SBI Group increased sharply by 130 basis points to 4.3% from 3.0% during this period, ICRA said. Gross NPAs of private banks moderated to 2.1% from 2.3% during the same period, it said.

Rating agency Icra in a recent report projected further deterioration in the quality of banks' credit portfolio due to structural weaknesses in certain sectors and an increasing proportion of restructured loans. The meeting was attended by the department of financial services secretary DK Mittal and other senior officials of the finance ministry. FM said about 67,000 cases of debt recovery were pending in the tribunals as on March 31, 2012.

### **U.P. Chief Minister asks Nabard chief to lift ban on unlicensed cooperative banks**

Chairman of National Agriculture and Rural development Bank (NABARD) Prakash Bakshi called on chief minister Akhilesh Yadav at his official residence. The two discussed, among other things, the priorities of the state government. The chief minister apprised Bakshi that the countryside and farmers formed

GDP growth fell to a nine-year low at 5.3% in the January-March 2012 quarter, and to 6.5% for the fiscal year 2011-12. Current account deficit stood at a high 4.1% of GDP in 2011-12, while fiscal deficit at 5.8% in 2011-12. FM said the economy's fundamentals were strong, and a reversal of tight monetary policy will help in boosting investments. He said DRTs can ensure the effective and speedy recovery of public money, as the regulations the Tribunals to decide the case in 180 days. DRTs have not been able to adhere to this time line, he stressed. He added that there is a need to look into the territorial jurisdiction of the existing DRTs, to spread their burden equally. If considered absolutely necessary, the setting-up of additional Tribunals can also be considered.

the core priority of the state government.

Keeping this in mind, the CM requested the NABARD chairman to take prompt decisions on different issues regarding the development of the state. During the meeting, the issue of the Reserve Bank of India ban on

disposal and deposits in the 25 unlicensed district cooperative banks in the state was also discussed. The CM requested Bakshi to lift the ban and allow these banks to work as in the past.

The chief minister also asked the NABARD chairman to immediately release the Central share of ₹922.28 crore under the recommendations of the Vaidyanathan Committee to revive District Cooperative Banks and Pax. While discussing the issues pertaining to the UP Cooperative Rural Development Bank, the chief minister reminded the NABARD chairman that finance re-appropriation proposals worth ₹416 crore were pending with NABARD whose credit sanction letter was not issued till June 30, 2012. The chief minister further said that despite a state guarantee on the issue mentioned, the bank was not sanctioning the issuance of the credit letters. He also requested the chairman to take a prompt view on the matter and highlighted that bank transactions had stopped,

because of which, it was adversely affecting the reputation and financial credibility of the bank and the state.

To meet the crop loan disbursement target of ₹4,265 crore in the year 2012-13, the chief minister said the NABARD should at least give ₹2250 crore fund allotment. He also requested that the bank maintain 2.5% loan repayment interest rate and to ensure that the loans for farmers be disbursed by cooperative institutions at 7% interest. He also mentioned that the state was fulfilling all conditions set by the bank.

He also mentioned that under the guidelines of NABARD, CBS facility has been implemented in 15 out of the 50 district cooperative banks. Discussing the storage facilities for agriculture products, the CM asked NABARD to provide more funds for making of additional capacity storage houses in the state.

### **Ultra small branches of PSBs will help improve financial inclusion, says RBI**

Opening USBs or ultra-small branches is the new mantra for public sector bankers in the country. Over 900 villages, or about 2.5% of the villages, where public sector banks have implemented

financial inclusion programme have USBs. For the past few years, banks have been trying to reach unbanked villages as part of a regulatory mandate.

The roadmap to financial inclusion had envisaged covering 74,414 villages with population above 2,000 by March 31, 2012. Recently, the Reserve Bank of India said that banks have covered 74,199 villages or 99.7% of the target. As part of their commitment, public sector banks have covered over 37,000 villages.

Annual reports of various banks that are just coming out make prominent mention about USBs. The RBI thinks that opening of USBs would lead to efficiency in cash management, documentation, redressal of customer grievances and close supervision of business correspondent (BC) operations.

The BC model, in which a representative of the bank carries out the banking operation, has contributed in a big way in the implementation of financial inclusion.

### **Recover the waived loans: NABARD to KDCC**

The recovery of loans in the banking industry is a legal issue. Once the loans are sanctioned and disbursed, no legal action is normally taken until the repayment is delayed or the accounts become NPAs.

But in a case where farmers were sanctioned loans by a district central co-operative bank through rural co-operative societies, Nabard

Recently, an RBI circular noted the need for having an intermediate brick and mortar structure (ultra-small branch) between the present base branch and BC locations. The circular suggested that these USBs could be either newly set up or by conversion of the BC outlets. Such USBs should have minimum infrastructure, such as a core banking solution terminal linked to a pass book printer and a safe for cash retention for operating large customer transactions. It would have to be managed full time by bank officers/employees, it said.

Some banks, such as Bank of Maharashtra, Canara Bank and Syndicate Bank, have opened more than 100 brick and mortar branches in the villages allotted to them along with BCs. The number of such branches by all public sector banks put together now exceeds 800.

raised objections about the sanctioning of the loans and later waiving them as per the Centre's loan waiver scheme implemented four years ago.

The case relates to 48,000 farmer members of 1,200 co-operative credit societies in Kolhapur district in southern Maharashtra.

Nabard has asked the KDCC bank to recover the loan amounts already waived under the scheme, and the bank has issued paper advice to the 1,200 credit co-societies in the district to debit the amounts in the accounts of the farmers concerned. Four years after the loans were sanctioned, Nabard pointed out that the loans should not have been approved by the board of KDCC, as they were more than the prescribed limit. Therefore, their waiver, too, was also not proper, argues Nabard. Hence, says Nabard, the loans should now be recovered.

### **India ranks 23rd in financial literacy among 28 countries**

The 2012 edition of Visa Global Financial Literacy Barometer survey ranked India at 23rd in a list of 28 countries on the financial literacy front, just ahead of Morocco, South Africa and Vietnam.

"Many people in India have set aside savings to weather a financial rainy day, but the lack of money management discussions in the family may set the stage for their children to struggle with finances," the 2012 edition of Visa Global Financial Literacy Barometer said.

Indian parents do not talk to their children on money management as frequently as they

The counter-argument is: The loans were sanctioned as per the bank's norms against the land assets and later waived as per the Centre's order. How can the same loans be recovered, that too four years later?

The then chairman of the KDCC bank, Mr P.D. Shinde, in whose tenure the loans were sanctioned and later waived, said that the loans sanctioned and waived were as per banking norms and that Nabard had no legal right to recover them after four years.

should, and the country averaged 10 days versus the global average of 19 days per year when it comes to discussion on budgeting, savings and responsible spending between parents and their wards. Similarly, the survey which had 923 respondents between the age of 18 and 64 also found that Indians are under-invested when it comes to saving for emergencies.

The average savings set aside for an emergency among Indian respondents is 1.9 months versus China's 3.9 months and Taiwan's 3.7 months, it says. On the gender front, the survey found 34% of Indian women do not have a saving at all as compared to 29% for men.



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The Bank was established in 1951 to extend long term and medium term loans to farmers for agriculture and allied agricultural activities through 176 branches and 17 district offices located at each taluka places and district places respectively in the State of Gujarat. The Bank has significantly contributed towards rural development of Gujarat since inception by advancing ₹2790 crores long term loans to 6,75,226 farmers for agriculture and allied agricultural activities up to 31.03.11.

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Managing Director (I/C)

## AGRICULTURAL NEWS

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### **Centre to continue agri clinics scheme**

The Union Ministry of Agriculture has agreed to continue agri clinics and agri business centres (ACABC) in 2012-13. Revised in 2010, the scheme was aimed at aiding public extension services by promoting the concept of 'agripreneurs'. It sought to provide self-employment opportunities to agricultural graduates in rural areas. The scheme has two components. Agri

clinics are aimed at providing expert advice and services to farmers on various issues such as soil health, while agri-business centres are commercial units promoted by agripreneurs. The later segment would get a one-time subsidy of 36% (for general candidates) and 44% for Scheduled Caste, Scheduled Tribes and women.

### **Bhagalpur becoming Strawberry hub**

Considered as a preserve of Jammu & Kashmir and Himachal Pradesh, strawbeey has found a new home in Bhagalpur district of Bihar. The crop is gaining popularity in and around Bhagalpur due to efforts of Bihar Agricultural University. The University Scientists developed and distributed over 7,000 strawberry

plants free to farmers last fiscal to popularise its cultivation in and around Bhagalpur, a horticulture scientist of the University, Ms. Ruby Rani looking after the special project in the district, told "We are planning to distribute nearly 50,000 plants of strawberry to farmers in the region in the financial year 2012-13".

### **What is EL Nino Effect?**

The tropical region of the Pacific receives uninterrupted heat, leading to a warming of the waters. This warm water is dragged by the winds blowing from east to west (trade winds), creating a pileup of warm water in the western Pacific, while cold water rises on the east cost to replace this warm water.

This creates a temperature difference between the surface water of the east and west pacific. For reasons not entirely understood at times this pattern breaks with an unusual warming of the tropical waters of east central Pacific Ocean. This is called EL Nino that affects weather pattern across the globe by

changing moisture and pressure conditions. This happens every three to seven years and could last up to two years.

India faced a severe drought in 2009, a year of strong EL Nino conditions. But causality is not that simple. Indeed most severe

droughts had a common theme, a strong EL Nino, but the reverse is not true. Not all EL Nino years have resulted in a drought since 2000, there have been four years 2002, 2004, 2006 & 2009 when the EL Nino developed. Three of these years (2002, 2004, 2009) had deficient monsoons.

### **Government and scientists must encourage rural innovators**

Mr. Balasahib Patil from Maharashtra developed a new dual poded gram variety called 'Sushil Laxmi' that yields nearly 1.8 tonnes per acre under irrigated, and 0.8 to 0.9 tonnes per acre under rain-fed conditions. The variety is reported to be highly popular among farmers across the States of Punjab, Maharashtra, Karnataka, and Madhya Pradesh. Mr. Patil claims to have developed many varieties of gram, primarily through a selection process. After several initial attempts for nearly eight years the farmer successfully stabilized the characters and then started distributing the seeds to other farmers. I took the samples to the

Office of the Agriculture Ministry. The then Agriculture Minister waived the testing fee (₹15,000) for variety testing from AICRP (All India Coordinated Research Project) as a gesture of appreciation," he says. Based on the encouraging results from farmers using the variety, Mr. Patil started to commercially market the seeds. Currently, the farmer is experimenting on bittergourd and okra (lady's finger).

For more details readers can contact Mr. Bala Sahib Patil, Hassor, Shrol block, Kolhapur district, Maharashtra, phone: 02322-261082, mobile: 98226-09999.

### **Cotton body to reorient research to tackle fall in yield**

The country's cotton yield is far lower than global average despite its emergence as a major cotton producing nation. The per hectare productivity is as low as 475 kg compared with Brazil's 2,027 kg, China's 1,311 kg, the US 945 kg,

Uzbekistan's 859 kg and Pakistan's 684 kg.

It started to slide gradually from 566 kg/hec in 2007-08 to 522kg/hec the following year and further to 486 kg/hec in 2009,

falling to 475 kg/hec in 2010-11. Voicing concern over declining productivity, the Project Coordinator and Head of the Central Institute for Cotton Research in Coimbatore, Dr A. H. Prakash, told Business Line that the institute is in the process of reorienting its research programmes to address the emerging challenges. He said that after the introduction of Bt hybrids in 2002, India's contribution to global cotton production increased from 14% to over 20% in 2007. For five consecutive years after 2005, India harvested a record average of 300 lakh bales, beating the till then record of 165 lakh bales before the introduction of Bt.

The enhancement in yields has been primarily due to several technological changes since 2002, significantly related to the introduction of Bt hybrid, seed treatment and process, the feasible research outcome of the National Agricultural Technology Programme, the Technology Mission on Cotton, integrated pest and nutrient management techniques, and so on. The factors responsible for the decline in yield levels included erratic rainfall and emerging biotic and abiotic stress. The quality profile of Indian cotton has also changed. Long staple

cotton, which constituted a mere 20% of the total production in 2000, increased to 74% of the total cotton produced in 2010 because of Bt hybrids.

“Besides protecting our desi cotton varieties, there is also an urgent need to improve the fibre quality parameters through identification of newer genotypes, developing genotypes for various staple qualities both extra long staple and short-staple cottons and development of best crop management practices. We, at CICR are at it,” said Dr Prakash. “We are working on different transgenic (cotton) plants, pyramiding of genes such as tolerance to drought, inter-specific hybrids, hybrids equal to and even superior to Suvin. These efforts are underway, and at different evaluation levels at the All-India Coordinated Cotton Improvement Project (AICCIP). It may take some time, maybe a year or so,” he said.

The CICR is also taking up a project called 'National Challenge Cotton Programme'. Through this programme, cotton researchers will disseminate to farmers how desi varieties can beat the Bt hybrid in yields. “Both the Government and ICAR have accepted our proposal,” Dr Prakash said.

"The cotton scenario has changed in the last decade; this has compelled us also to incorporate some change in the cultivation practice, modifying the plant architecture and so on," said Dr A.H. Prakash, Project Coordinator and Head at the Central Institute for Cotton Research in Coimbatore.

### **Optimising Crop Insurance**

Rural suicides are often seen as reflection of the risky nature of farming in India, prompting suggestions about viable livelihood alternatives and allied occupations for farmers. The one area of risk mitigation, whose full potential has either remained untapped or has been dogged by many problems, is agriculture insurance, despite the fact that India's crop insurance programme is the world's largest with more than 25 million farmers insured annually. A promising new government scheme, being piloted in Ahmednagar district of Maharashtra and Jalore district of Rajasthan with World Bank support, combines the best of area-based and weather-based insurance approaches using latest technology.

Area-based schemes such as the National Agriculture Insurance Scheme (NAIS) and mAIS decide compensation on the basis of loss calculated with average yield of the

He said that the institute had field tested the high density planting strategy at its fields in Coimbatore, Nagpur and Sirsa. "We plan to take up high density planting on a large scale this year, basically in rainfed areas and in Maharashtra. We are looking at 1000-odd hectares in that belt," he said.

area. For this, 'crop-cutting experiments' (CCEs), or monitored harvesting, are undertaken across the country. Shortfalls in average yield relative to historical averages determine the insurance payouts. Two key problems, however, currently prevent the full benefits of this scheme from being realised.

\* This 'area-approach', while necessary given India's millions of small farmholdings, introduces 'basis risk' (mismatch between farmer and average area yield) as local events and losses don't get captured, thereby denying payouts to farmers who may have suffered losses and have legitimate claims. For example, poor rainfall will affect large areas, whereas a localised hailstorm may cause damage to only a few farms within the insurance area. This has been one of the big downsides of the insurance scheme from a farmer's perspective.

In NAIS, the area surveyed is the Block. Under NAIS, in order to reduce basis risk, the Government of India has brought down the basic area unit to the Gram Panchayat, thus reducing inaccuracies. This is a commendable farmer-friendly measure, but it increases data collection requirements (through CCEs) fivefold, presenting huge implementation problems.

\* Crop yield measurements are very time-consuming. Delayed data means claim settlements also get delayed. As a result, farmers facing crop losses are not only unable to repay debt, but are also unable to

access formal sector finance. They are forced to go to informal sector moneylenders to borrow at high rates. Also, the data is of poor quality and prone to manipulation, forcing the insurance companies to factor that in and raise their premium amounts. Thus, both the farmer and the government end up paying more.

To address the implementation challenge posed by a large number of CCEs, use of remote sensing technology to help classify yield areas into “good, bad and ugly” is also under way.

### **Return of the coconut groves along Odisha coastline**

Apart from wreaking havoc on the population and economy of coastal Odisha, the super-cyclone of 1999 had claimed another victim its coconut plantation. Most of the trees lost their valuable leaves and spadices in their varying stages of development. Now, more than 12 years after the natural disaster, the horticulture department is working on an ambitious coconut cultivation programme that aims not only to bring back the old crowning glory, but also make Odisha one of the top three states in terms of coconut productivity and area under plantation.

Currently, Odisha produces 3,567 lakh nuts annually, which

puts it at number seven, with Kerala and Tamil Nadu topping the list. Odisha could have been among the top five states, but with 70% of the coconuts getting plucked when they are tender, very little mature coconuts are left.

With this in mind, the horticulture department is now planning to plant dwarf, hybrid and tall variety coconut seedlings over 2,000 hectares of land, in addition to the existing 53,000 hectares, in 2012-13. Of the ₹ 48,000 needed for each hectare, farmers would now get ₹ 24,000 and another ₹ 4,000 from the CDB. Besides, the department is planning to give a subsidy of ₹ 24,500 per hectare to

farmers who are already growing coconut so that they can use vermi-compost for more yield. To help the coconut farmers get vermi-compost, the department is now building 200 vermi-compost units across Odisha at a cost ₹28,000 each.

The horticulture department is also planning to promote inter-cropping, as coconut possesses the

Composite fish culture has emerged as a vital activity in recent years owing to high net return realized from this enterprise. The low input mixed farming systems in which fish culture is a component, using and regenerating the physical and biological resources efficiently, are more suitable as they are less risky and at the same time give more fish production because of easy adaptability.

Fish cum dairy farming is considered as an excellent innovation for effective utilization of organic wastes. Composite fish culture comprising rohu, catla, mrigal and common carp can be fed with biogas slurry, cattle shed washings and other organic wastes for reducing the cost of feeding and to improve the growth and yield.

### **The Vidarbha turnaround**

Advising the debt-ridden Vidarbha farmers to cultivate

unique characteristic of allowing any crop combination in the inter-spaces. Farmers can plant elephant foot yam, in those spaces. In Puri district, farmers are growing mushroom, the first of its kind in the country, in the coconut groves. If all goes as planned, officials hope Odisha will cross the national average of 70 nuts per plant in the next few years, as compared to 47 now.

### **Cattle wastes for composite fish culture**

Organic wastes on application help in the production of desired planktons, which is basic food for fish and these wastes serve as fertilizer nutrients and also consumed directly as source of feed.

Experiments conducted at Tamil Nadu Agricultural University, Coimbatore revealed that application of biogas slurry from the biogas plant at 15,000 kg ha of fish pond and cattle shed washings at 260 litres day-1 for 73 days as fish feed recorded 40.45 kg and 45.92 kg, respectively. Hence, for obtaining higher fish production and economic returns, growing of polyculture fish with cattle shed washings or biogas slurry as their feed is efficient and economical.

gerbera, rose, cucumber and capsicum could be seen as asking

someone who can't afford a bread to eat cake. Some farmers here and the Bank are, however, working in tandem to prove these presumptions wrong, thanks to a bold shift towards shade-net and poly-house farming. Barely a year ago, these farmers had visited western Maharashtra's prosperous farms as part of a Bank's educational tours to emphasize the value of shade-net and poly-house farming.

Ramesh Umate, "I cultivated well-irrigated Bt cotton on two acres of my 6.5 acre land and reaped 40 quintals, which is considered very good when compared to erstwhile 6-8 quintals of non-Bt cotton in similar conditions. This year's market price was ₹4,400, giving me ₹1.75 lakh over a period of 6-7 months. Minus input cost, it gives me not more than ₹ 500 a day. In contrast, I cultivated capsicum in 0.5-acre shade-net. I reap three quintals per day and get ₹2,200 per quintal.

### **Assam's new farm mantra**

Assam state government is set to embark on a mission to popularise organic farming. The agriculture department will identify 30 bighas of land in each of the 126 Assembly constituencies across Assam and encourage people to take cultivation of organic crops in a big

Minus input cost of ₹1,000, I pocketed a minimum of ₹4,000 per day, something I had never seen in my life."

Gajanan Chafle has less than half acre (18 guntha) land. "I am earning ₹20,000 a month from capsicum that gets sold on the spot. I don't even have to transport it." All others express similar experiences. They have markets at places like Wardha, Hinganghat, Samudrapur and even Nagpur within 70 km. They are now trying to form an association to weed out problems of transportation and cold storage. Incidentally, shade-net has takers from all shades of farmers. While, Bijewar is MSc, BEd, Umate has studied only up to middle school.

Hamdapur is at the centre of 20 surrounding villages and is hence compulsorily frequented by scores of people in transit. Vikrant Bijewar's farm there has become a kind of tourist spot with curious farmers flocking there to know the goings-on.

way. Plans have been drawn up by the agriculture department have a three-pronged strategy encouraging younger people to take up farming, give them good returns and create role models, and discourage farming that uses a lot of pesticides and fertilisers.

"We want to encourage groups of youth, say farmers' cooperatives, to grab this opportunity. It will also help check exodus of rural youth to the urban centres. And most importantly, we can also look at the export market in order to send out premium items like bora (sticky) and joha (aroma) rice," says Agriculture Minister.

Other items identified for promotion as part of the organic

farming mission include turmeric, ginger, potato and lemon and various kinds of vegetables. Assam is one of the major producers of ginger in the country. Interestingly, between 20 and 25% of Assam's farmlands are already organic by default, thanks to shortage of chemical fertilisers as also due to the Brahmaputra and most of its tributaries leaving behind rich alluvium in the fields after the floods recede.

### **Turmeric: Scope to increase output**

Turmeric known as 'Indian Saffron' originated from South-East Asia. India is a leading producer and exporter of turmeric in the world. Global production is estimated at around 10 lakh tonnes and India leads the market, contributing approximately 82% to the global production.

Turmeric is a very important spice in India, consuming 80% of the total domestic production. It occupies about 7% of the total area under cultivation of spices and condiments in the country. The main turmeric producing states are Andhra Pradesh, Tamil Nadu, Odisha, Karnataka, West Bengal, Mizoram and Gujarat. Andhra Pradesh is the leading producing state and Tamil Nadu ranks second followed by Karnataka and Odisha.

Erode a city in Tamil Nadu, is the world's largest producer and an important spot market for turmeric in Asia. Mizoram has the highest productivity of 14 tonnes a hectare followed by Gujarat with 13 t/ha. Andhra Pradesh alone occupies 35% of area under cultivation and 47% of production.

On an average, one acre plot under turmeric can yield a benefit: cost ratio of 3.86 excluding the realisation from intercropping. And considering the scale of increase in the exports from 2005-06 to 2009-10, which registered an increase of 9.4% in volume and 150% in value terms, and a substantial scope for value addition, it's extremely beneficial for a farmer to go for turmeric cultivation

## Monsoon and its impact

A normal or average monsoon means rainfall between 96-104% of a 50-year average of 89 cm in total during a four-month season from June, according to the weather office classification. In 2011, the monsoon rains were 101% of the long period average.

Rainfall below 90% of the average is considered as a drought. The last time there was a drought with rains below this range was 2009 and before that, in 2004. Rainfall above 110% of the average would mean an excessive monsoon not as damaging as drought but potentially hurting yields of sugar cane.

The monsoon season starts with the arrival on the southern Kerala coast on about June 1 and covers the whole country by mid-July. Its progress triggers planting of summer crops. After hitting the Kerala coast, it takes about a week to cover the coffee, tea and rubber growing areas of south India. It spreads to the rice areas of eastern parts in the first 10 days. It usually covers half of the country in the first fortnight and enters the oilseed-producing areas of central India in the third week of June. Cotton-growing areas in the western region get rains by the first week of July. Half of India's farm output comes

from crops planted during the first half of the June-Sept season.

The quantum of summer rains also influences winter food crops such as wheat and rapeseed which are grown in irrigated areas, which use water in reservoirs dependent on monsoon rains. Distribution of the rains across key arable regions is also a major factor in farm production.

Here are some facts on the monsoon and its impact:

**RICE:** Farmers sow paddy at the start of the monsoon season in June and the key areas are in eastern and southern regions. The crop is heavily dependent on rains for irrigation. A bumper harvest last year led the government to lift a four year ban on exports and rainfall within averages will erase any chance of a return of the export ban for the world's second largest producer of the grain after China. India is likely to emerge as the world's second largest rice exporter in 2012, selling around 7 million tonne. India produced 103 million tonne of rice in the crop year to June 2012, according to the farm ministry, while it consumes around 90 million tonne of rice annually.

**SUGARCANE:** An average monsoon will help the world's top sugar

producer after Brazil to keep exports flowing for the new season from October 1. India has allowed 3 million tonne of sugar for overseas sales in the 2011-12 season and could consider more. India is expected to produce a total 26 million tonne in 2011-12, higher than annual demand of about 22 million tonne, with at least 25 million tonne likely in 2012-13.

OTHERS: Corn, lentils, oilseeds and cotton important crops in

### **IT for innovative agriculture**

There appears to be a general consensus that the country's agriculture sector can do better with some encouragement, motivation to youngsters who are driven with a passion, and a dream to do something for the rural poor.

Mr. Thiruchelvam left a lucrative job to take up the cause of rural development. With the support of like-minded friends, he and his team did four years of intensive study of the social, economic, and administrative problems that are wrecking rural India. The team designed a comprehensive web system, *it-rural.com* to provide information and communication to increase the "per capita earning" of villagers.

"The model disseminates site specific knowledge at the village

western and central India have some dependency on the seasonal rains. India remains a net importer of lentils and cooking oils and domestic output can alter overseas purchases.

An average monsoon could also allow the world's second biggest producer of cotton to lift its current ban on exports after record overseas sales in 2011-12 on a bumper harvest.

level at no cost to farmers. It is an employer-employee model. So a local person is not going to own the knowledge centre. It comprehensively addresses the key components of agricultural sector such as good quality and yield, better price realization to farmers, balanced production and strengthening institutional credit systems.

Rarely any effective input validation available at the grassroots in the present system for rural activities, particularly farming. Information on demand forecast, cultivation procedures, input supply management, disease control, marketing, glut in production, desperate selling, impact of drought and flood are absent.

For more details contact Mr. R.M.Thiruchelvam, Originator and Project Director, website: [www.it-rural.com](http://www.it-rural.com)

, email: [thirurm@gmail.com](mailto:thirurm@gmail.com), mobile : 9840374266.

### **Management of black tip disorder in mango**

Black tip is a serious disorder that occurs in orchards located close to brick-kilns. Gases like carbon monoxide, sulphur dioxide and ethylene constituting the fumes from brick kiln are known to damage growing tip of fruits and give rise to the symptoms of black tip.

Apart from these factors, irrigation, condition of the tree and management practices also play important role in deciding the severity of the disorder. The injury takes place from the exterior and not through the root as a medium.

### **Management**

The incidence of black tip can be minimised by the spray of borax (1%) or other alkaline solutions like

caustic (0.8%) or washing (0.5%) soda. The first spray of borax should be done positively at pea stage followed by two more sprays at 15 days interval. Trees sprayed three times with a 0.6% solution of borax (600g of borax mixed in 100 litres of water) plus a sticker, at the rate of 10 litres per tree were almost free from black tip.

Planting of mango orchards in North-South direction and 5 to 6 km away from the brick kilns may reduce incidence of black tip to a greater extent. Although black tip of mango can be prevented by applying borax, the disease is not caused by the fruit surface that prevents direct entry of poisonous fumes or changed into a form which is less toxic.

### **World Economic Forum has chosen the Maharashtra for its New Agriculture Initiative**

Maharashtra government has initiated a Private-Public Partnership (PPP) for Integrated Agriculture Development (PPP-IAD) project under the World Economic Forum's (WEF) "New Agriculture Initiative". The idea is to create a value-chain in agriculture by involving corporates that will work

with farmers' groups or associations from production to marketing stage.

Twenty-two companies, 12 of them private sugar mills, have been selected and have agreed to partner with such group in everything from inputs and processing to

marketing. They will be working in seven categories of produces sugar, cotton, oilseed, pulses, fruits, vegetables and poultry. The companies the farmers will draw benefit of subsidies and financial support for 38 State and Central government schemes for these categories of produces. The government is targeting 10 lakh farmers to be made partners in the initiative over the next five years.

The scheme entails the government and the corporate sector joining hands to organise growers' associations through appropriate partnership with NGOs or otherwise identify/select aggregators (links to take produce to markets) and enable tie-up with farmers' associations/groups. They will also coordinate with the Indian

### **Solar Pumpset shows way for cost-effective irrigation**

Awadhesh Kumar, a resident of village Kalyan Bigaha under Nalanda got the first solar PV pumpset in Bihar, wondered along with sundry village farmers how a solar pump, devised by a retired Army officer, does not need a battery to power it. What a farmer needs to do is to press a switch on the solar panel and see water being pumped out to fields from an open well and a borewell.

Solar panels 240 (4x60) watts are mounted on a frame. It has a

Council of Agriculture Research /agriculture universities/private sector to provide improved varieties of seed/seedlings and to introduce innovative technologies as required. The government will address issues in the credit supply chain with support from NABARD/banks.

Together, they will put in place measures for production and productivity enhancement, logistics from farm to market, including post-harvest management, storage and transport infrastructure, aggregators for suitable tie micro-irrigation etc and support to farmers' groups to develop warehouses, cold chains, controlled atmosphere.

submersible ½HP pump that can lift water from an open 25-metre deep well or a four-inch-deep borewell. Solar panels produce DC electricity to drive the pump. The capacity and number of panels depend on the desired voltage and power. Greenpeace India, an NGO that works for renewable energy solutions, has offered the solar pumpset to the Nalanda farmer. Submersible pumps are connected directly to solar array using DC power produced by the panels.

Though morning sun is good enough to drive the pump, it can achieve optimum efficacy when the sun is overhead. Ideally, a farmer can use it for eight hours in a day.

The cost-effective solar pump, designed and devised by Colonel

(retd) Vivek Mundkur, the founder of Atom Solar, is suited for drip irrigation. The innovator claims the pumpset can be best used for wheat, maize and vegetables, but not paddy as of now.

### **Give farmers the highest market value for land acquired, rules SC**

Farmers whose land is acquired for a public purpose are entitled to the highest market value as compensation, held the Supreme Court. "When the land is being compulsorily taken away from a person, he is entitled to the highest value which similar land in the locality is shown to have fetched in a bona fide transaction entered into between a willing purchaser and a willing seller near about the time of the acquisition," said a Bench of Justices P. Sathasivam and J. Chelameswar. Writing the judgment, Justice Sathasivam said: "It seems to be only fair that where sale deeds pertaining to different transactions are relied upon on behalf of the government, the transaction representing the highest value should be preferred to the rest unless there are strong circumstances justifying a different course."

The Bench held that bona fide sale transactions proximate to the point of acquisition of the land "are

the real basis to determine the market value." It was not desirable to take an average of [amounts entered in] various sale deeds placed before the authority/court for fixing fair compensation. "The person entitled to the compensation awarded is also entitled to get interest on solatium and additional market value."

In the instant case, Colonel Harindar Singh, since deceased, was the former ruler of Faridkot. In 1979, the Punjab government acquired 259 Kanals and 16 Marlas (33 acres) of his land for extension of the existing grain market at Faridkot. The total compensation it awarded including solatium at 15% was ₹4,85,202.86. The trial court enhanced it by fixing the value of land at ₹1 lakh per acre. The Mehrawal Khewaji Trust, Faridkot, and others were aggrieved over a judgment of the Punjab and Haryana High Court, which refused to interfere with the trial court order. Allowing their appeals, the

Supreme Court said: "The materials placed before the Land Acquisition Collector and the Reference Court show that the land is of great potential value in as much as the same was strategically located at a commercial hub abutting main roads and surrounded by commercial buildings." The Reference Court erroneously determined the market price of the appellants' land by

### **Nabard posts record support to Maharashtra**

The National Bank for Agriculture and Rural Development (Nabard) extended a record support of ₹6,023.18 crore for agriculture and rural development in Maharashtra during 2011-12, up 71% from ₹3,532.49 in the previous year.

### **A case of vanishing agriculture credit**

Between April 2009 and January 2010, for example, loans outstanding to the agriculture sector stood at ₹3,00,000 crore, according to research commissioned Nabard. This surged to ₹8,00,000 crore at the end of March 2010, only to drop back to ₹3,00,000 crore in April. "We expected farmers to take 50-60% of loans during the kharif (monsoon crop) season," says Prakash Bakshi, chairman of Nabard.

There are several such anomalies in farm-sector lending.

averaging the prices of all the three exemplars and thereby awarded a compensation of ₹1 lakh per acre."

The Bench said the appellants made out a case for enhancement of compensation. "Accordingly, the same is fixed at ₹1,45,000 per acre with all other statutory benefits including interest on solatium and additional market value."

The refinance institution provided ₹4,035.50 crore support to cooperative banks and gramin banks in the state to disburse crop loans to farmers, a growth of 79% from previous year (2010-11), according to a report released by Nabard's Maharashtra office.

For instance, between 2000 and 2010, according to the Reserve Bank of India, farm loans increased 755% to ₹3,90,000 crore. And Budget 2012 has increased the agri-lending target for 2012-13 to ₹5,75,000 crore, from ₹4,75,000 crore in the previous year. But productivity gains during the same period 18% growth in farm yields between 2000 and 2010 don't suggest an increase remotely close to that. Neither do sales of inputs like seeds, fertilisers and tractors. "For every unit of nominal GDP

growth, there are 1.3-1.5 units of credit growth," says former RBI deputy governor Usha Thorat. By that principle, a three-fold rise in agri credit should double output.

Yet, banks want to meet RBI rules on priority-sector lending, which mandates giving at least 18% of their total loans to agriculture. Failure to do so invites the RBI's displeasure, and locks the shortfall for five years in a fund that returns just 4-5% a year. So, banks end up doing three things. One, rather than lending directly to farmers, they lend to entities connected with agriculture: for example, companies that make farm inputs, non-banking finance companies (NBFCs) that lend to farmers and warehouses, among others. All this is termed 'indirect farm credit'.

According to the report of the steering group advising the Planning Commission for the 12th plan, the share of indirect credit in agri lending has increased from 16% in 2000 to 24% in 2010. Two, banks dress up numbers, as evidenced by the spike in March to meet annual lending targets. Some banks make a deal at the (financial) year end, where they lend for a short period, with repayment in April. Three, they lend to farmers with a lower risk profile who have

large land holdings and are in affluent states. RBI numbers show that small and marginal farmers (defined as those with below 2.5 hectares of land) make up 83% of all farmers and farm on 43.5% of agricultural land, but receive only 24% of bank credit.

South India accounted for 18.7% of the cropping area, but accounted for 37.5% of agri credit during the 11th five-year plan (2007-12). Conversely, central and eastern India, which accounted for 28% and 15% of gross cropped area, respectively, received just 13.2% and 7.3%. In addition to this, banks are disbursing an increasing amount of credit from urban and metro branches. It is not clear where this money is going whether it is only indirect credit or also direct credit. What is clear is that the small farmer is excluded. "Nearly 80 million farmers are still outside the institutional fold," says the Planning Commission report. The Nair committee on priority-sector lending has recommended the distinction between direct and indirect credit be done away with. Further, half of the 18% of bank credit mandated for agriculture should go directly to small and marginal farmers; and that the number of small and marginal farmer accounts should increase 15% every year.

Even if this comes through, two other issues will have to be solved. The first is reach. In 1991, Mehrotra writes, 51% of the credit to farmers was through cooperative banks. Commercial banks and regional rural banks (RRBs) accounted for 43% and 5%, respectively. By 2010-11, the share of cooperatives had fallen to 16%, and the share of commercial banks and RRBs had risen to 74% and 10%, respectively.

### **Napier bajra grass can generate substantial power for Tamil Nadu**

The humble Napier Bajra grass also called as NB CO-4 hybrid or Emperor Grass may become the renewable green resource to tap the service power only. Released by Tamil Nadu Agriculture University (TNAU) during 2008, CO4 exhibits phenomenal biomass yield. To verify its utility for power production, 5 to 6 months old, mature grass crop was harvested and weighed. The yellow mature stem, with more fibre and lignin content yielded around 200 dry metric tonnes per hectare. An appropriate practice package has been arrived at, within a year, by our trials using biofertilizers, nutrients, biochar and chemical fertilizers with drip irrigation to ensure sustained high yield. About 2,000 acres of grass cultivation can supply raw material to run one 10 MW biomass electric power mill,

"The rural presence of commercial banks is not large enough to service these customers." Nor do they cater to small and marginal farmers. Cooperative banks did both better. "The cooperative structure has the largest outreach at the grassroots level, with close to 100,000 retail touch points," says Mehrotra. Their erosion has weakened small and marginal farmers' access to institutional finance.

continuously, all through the year without break, he added.

The State Government, accepting the innovation in principle, announced in the Assembly, that they would help in setting up a 10 MW power project using this grass. "With Government's logistic support, we plan to complete planting of 2,000 acres within 12 months time, and erect 10 MW power mill in 18 months time," Dr. G. Kumaravelu said.

In a 15 hectare area in the district, bore wells run on solar pumps will be commissioned for fertigation, and crops will be raised under the packages developed by Dr. Kumaravelu. The cow dung and urine will be recycled to the plantation. Fodder for the free mulch animal scheme announced

by the Government can be benefited from this fodder. This grass is nutritious and relished by cattle and has enhanced milk yield from 1 to 2 litres per day. The waste biomass and leaves can be used to generate methane gas, similar to gobar gas. The high sugar content of this grass makes it an excellent raw material for the production of 2nd Generation cellulosic biofuels like Ethanol and Butanol.

Dr. Kumaravelu argues that “if such 10 MW green power mills are

established in each of the 300 suitable Panchayat blocks by the Government, it could generate 3000 MW of electricity continuously. Farmers can earn a minimum of ₹75,000 per acre a year.

Those who desire to know more about this project or desire to visit their demo plots can contact Dr. Kumaravelu at email: drgkumaravelu@gmail.com, Mobile: 9600073059.

### **Labour saving tool for sugarcane cultivation**

Periodical pruning of branches in fruit trees is important for getting a good yield. In crops like cotton, castor, sesame, the practice of nipping is essential for enhancing the number of branches. Similarly in sugarcane, pruning of the mother shoot is an important practice to be followed by farmers.

Though this practice is being advocated, many farmers are not following this due to labour scarcity. But some of them use a sickle or other available farm tools to prune the main shoot. Existing available tools are not much popular because the user needs to bend down and hold the stem to prune the sugarcane. While doing so the probabilities of injuring the hands due to presence of sharp

spines on the stem or the serrated margin of the leaves pose a problem.

These make labourers slow down the operation. To address these practical problems the Planning and Monitoring department, Tamil Nadu Agricultural University, Coimbatore has fabricated a tool. Named cane seedling pruner, the device has two parts, one a handle and another hook with an internal knife. The upper portion of the hook has a two inch length pipe to hold the handle stick.

A labourer can handle the tool with the help of the handle and place the main shoot in the inner portion of the knife. With just one pull, the stem can be pruned. Using this tool a person can cover an

entire sugarcane field without bending his body. According to Dr. G. Kathiresan, Director, Planning and Monitoring department the farmer can save the two thirds of money required for pruning, it is easy to use, aids growth of more tillers from the pruned cane seedlings, can be used to harvest

### **Punjab's baby corn taking big strides**

Traditionally known as the hub of wheat and paddy crops, Punjab is now making a name for itself for its baby corn crop that it exports to the UK and many more European countries. Started from just 40 tonnes in 2006-07, the export figure is going to touch 500 tonnes this year. If farmers are to be believed, the supply will still fall short of the demand. As a result, more and more farmers are now going for contract farming to grow baby corn.

“What I used to earn from my one acre area of paddy and wheat in the entire year was half of which I am getting now from three to four cycles of baby corn crop in a year,” says Kulwinder Singh of Heran village in Nakodar area of Jalandhar. “I also own a dairy farm of around 150 cattle heads. After harvesting, the plants of baby corn are used as fodder and save expenses on it,” says Kulwinder, who is growing baby corn on

fruits like papaya, drumstick, sapota and the like, by changing the length of the handle.

(G. Kathiresan is the Director, Planning & Monitoring, TNAU, Coimbatore. Email: directorplanning@tnau.ac.in, phone: 0422- 6611566.)

around 35 acres of land.

A farmer can produce up to 55 quintals of baby corn per acre. It is a time-bound crop and needs harvesting at the perfect timing. In Punjab, the baby corn seasons are February-March, May-June, August-September and then till mid-December. A farmer can earn an average of ₹25,000 to ₹35,000 per acre every quarter against the ₹40,000 to ₹50,000 that they can make from wheat and paddy in the entire year, say farmers. The produce is being procured at the rate of ₹5.50 to ₹8 per kg, depending on the quality and maturity of the crop.

The crop is being imported to UK, Holland and other European countries as around half a dozen UK and Europe-based companies, including Barfoot, Summer's Field, Nature's Pride, MWW, Bud Holland and Tesco, are procuring baby corn from Field Fresh Foods (P) Limited,

which has roped in all these farmers to grow baby corn and provided all technical knowhow and a market.

Bharti had started a joint

venture a few years ago and opened a 300-acre farm leased from Punjab Agricultural University (PAU) near Ludhiana with a complete research and development programme on baby corn.

### **Management of powdery mildew in sunflower**

Sunflower is one of the largest produced oilseed crops in the country annually. Though it is grown on a large scale for oilseed production in India the crop suffers huge losses due to many pest and disease outbreaks. Especially during the flowering and grain formation stages sudden outbreak of diseases like the powdery mildew infects crop growth and yield.

The disease produces white powdery growth on the leaves. White to grey mildew appears on the upper surface of older leaves. As plants mature black pin head sized are visible in white mildew areas. Infested leaves lose lustre, curl, become pale in colour and die. The disease appears on the upper surface of leaves in the form of pale yellow or pale brown minute discoloured specks from which powdery mass radiates to all sides of leaves.

Heavily infested leaves dry and shed prematurely. Soon these specks get covered with whitish powdery mycelial growth which

increase in size and develop to cover much of the plant area with white powdery growth. Gradually, the infection spreads to other parts of the plant. The disease is prevalent more under dry conditions especially at the end of the winter months.

### **Management**

- Reducing the likelihood of a disease outbreak is more effective than trying to control the disease once it is established.
- Avoid growing crops in situations of high humidity.
- Morning watering limits the build-up of humidity in the crop overnight.
- Avoid high plant densities which leads to heavy infection.
- Application of sulphur dust at 25-30kg/ha or calixin 1 ml/litre is found effective in reducing the disease incidences.
- Under high incidences spraying of difenoconazole 1ml/litre is very effective.

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- The MPSCARDB provides long term loans to agriculturists through its affiliated Dist. ARDBs in the State for various agricultural and rural development activities like Minor Irrigation Schemes, Dry Land Farming, Land Development, Wasteland Development, SGSY, Organic Farming Horticulture Development, Aromatic & Medicinal Plants, Farm Mechanisation, Diary Development, Fisheries, Poultry, Bio gas Plants etc.
- The Bank also disburses long term loans under Non-Farm Sector mainly for setting up of Cottage and Village Industries, SRTO, Establishment of Milk Chilling Plant, various service sector activities in rural areas, SRTO, Establishment of Milk Chilling Plant, various service sector activities in rural areas, for Clinic, Nursing Home and Pathology, Radiology etc.
- To facilitate availability of loans to farmers at nearby place, the affiliated 38 Distt. ARDBs have opened 272 Branches in the State.
- The Bank has, so far disbursed long term loans of Rs.2898.07 crores to 9.54 lakhs farmers from its inception in 1961.
- The Bank also accepts Term Deposits from Individuals & Institutions for the period of one year and above. All Distt. ARDBs in the State accept FD on behalf of MPSCARDB in various Schemes i.e. Fixed Deposit, Double Deposit, Recurring Deposit etc.

**FINANCIAL PARTICULARS OF THE BANK AS ON 31<sup>ST</sup> MARCH 2012 (Rs. in Crores)**

(₹ in crore)

1.	Paid up Share Capital	:	41.24
2.	Reserve and other funds	:	463.26
3.	Debentures in circulation	:	846.86
4.	Fixed Deposit	:	91.23
5.	Loan disbursed During the year	:	56.03
6.	Loan outstanding	:	1129.23
7.	Investment	:	13.27
8.	Working Capital	:	1550.17

**Prakash Khare**  
 Managing Director

**Kishan Singh Bhatol**  
 Chairman