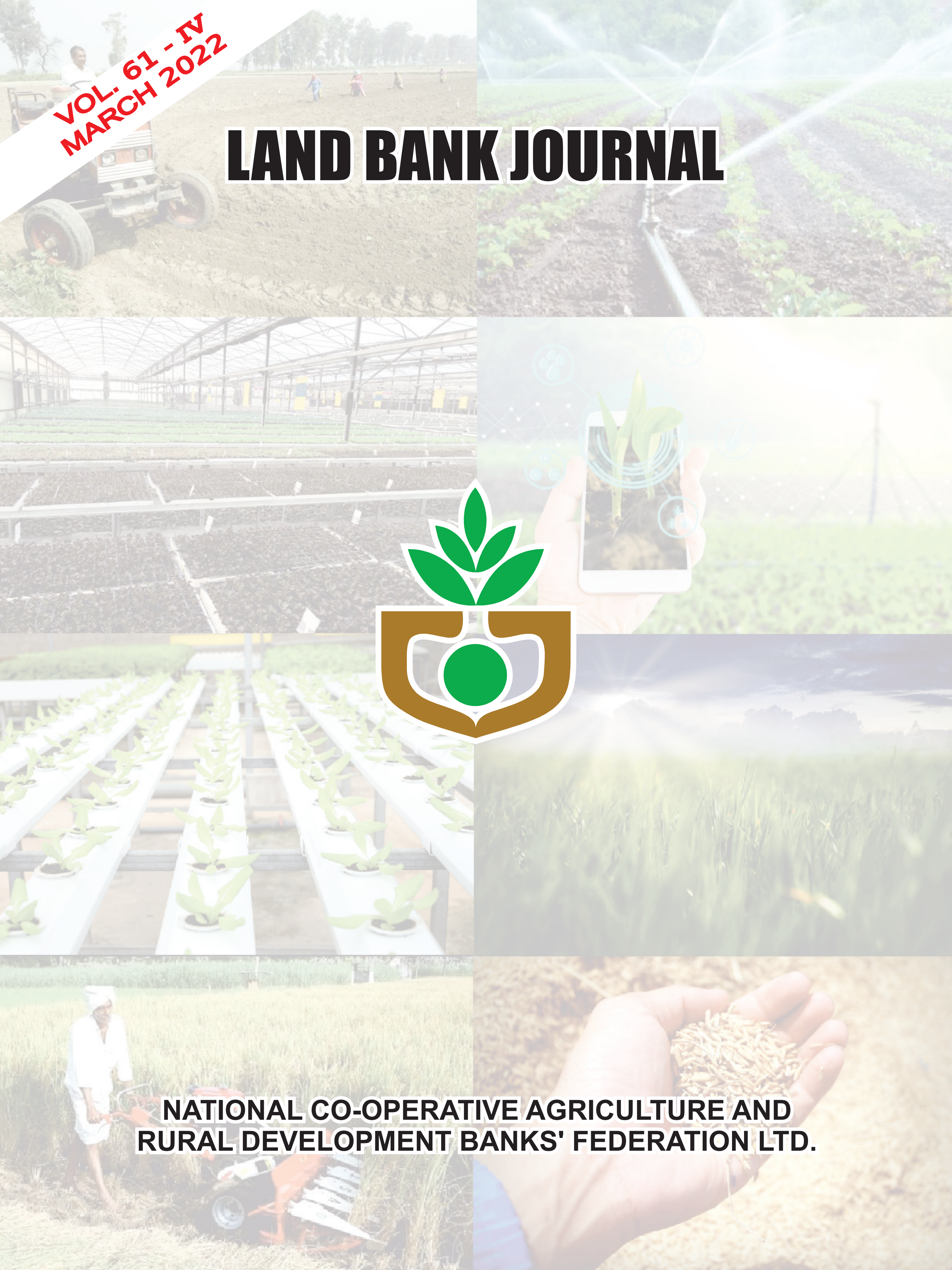
VOL. 61 - IV
MARCH 2022

LAND BANK JOURNAL



NATIONAL CO-OPERATIVE AGRICULTURE AND
RURAL DEVELOPMENT BANKS' FEDERATION LTD.

VOLUME61/ISSUE III

LAND BANK JOURNAL
(QUARTERLY)

Editor
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SUBSCRIPTION RATES
Annual
₹60/- (For Members)
₹200/- (For Others)

Contents

Printed, Published & Owned by,

National Co-operative Agriculture and Rural Development Banks' Federation Ltd.
701, BSEL TECH PARK, 7th Floor, A-Wing,
Opp. Railway Station, Vashi, Navi Mumbai-400 703

Phone No. (022) 27814114, 27814226
E-mail : nafcard.@gmail.com
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Printed by:
ACHSA PRINTERS
Shop No. 39, Maruti Paradise, Sector - 15,
CBD Belapur, Navi Mumbai - 400 614.
Tel.: 27571209 / 27571210

Editorial

The Union Budget 2022-23 is generally viewed as a growth budget aimed at sustainable development of the country in the longer term. The budget proposes substantial hike in capital expenditure from ₹ 5.54 lakh cr last year to ₹ 7.5 lakh cr, of which ₹ 6.5 lakh cr will be in the central sector while States will invest ₹ 1 lakh cr using 50 year interest free loans from the Centre. Govt also proposes raising funds through Green bonds for the first time in the country to promote green investments. Transformation of 'India at 75 to India at 100' driven by fresh momentum to growth through technology, digitization, new and green energy, start up echo system and further boost to make-in India campaign is a major theme of the budget. GDP growth in 2022-23 is projected at 8 to 8.5% compared with estimated 9.25% for the current fiscal year and 6.65% contraction in the previous year. Fiscal deficit in central budget is pegged at 6.4% from 6.9% during 2020-21 which is expected to be brought down to 4.5% by financial year 2026. However, considering the permissible fiscal deficit of 4.5% of State GDP for States this year, the effective fiscal deficit of Centre and States could be more than 10% of GDP, raising concerns about cost-push inflation.

Agriculture is the only sector posting consistent growth in the last three years which helped the economy to minimize the rate of contraction during the worst phase of pandemic. The budget on the above background focuses further boost to agricultural production and productivity through modernization and enhanced technology back-up. Following are the important proposals in this regard.

- Extending digital and hi tech services to farmers on PPP mode with the involvement of public sector research and extension institutions as well as private agri tech players and stakeholders of agri value chains.
- Financing agri start-ups and rural enterprises and creating a fund for the same.
- Making use of 'Kisan Drones' for crop assessment, digitization of land records and spraying of insecticides.
- Launching of special scheme to increase domestic production of oil seeds to reduce edible oil imports which is estimated to be around ₹ 1.5 lakh cr in 2021-22.
- Millet got renewed importance worldwide due to its various health and nutritional benefits. India in fact observed 2021 as the year of millets to promote growing and consumption of millets. UN General Assembly has recently adopted a resolution declaring 2023 as the International Year of Millets. The budget on the above background proposes to give support for post harvest value addition, branding and export of millet products.
- Continued support to organic farming and zero budget farming - Agricultural universities are asked to revise their syllabi for this purpose.
- Involving Indian railways to provide support to agriculture through “one Station One Product Scheme' to promote supply chains of local products.
- Promoting use of bio mass pellets upto 5-7% of fuel in thermal power plants resulting in CO_2 savings of 38 mn metric tons.
- Ken-Betwa project - Linking Ken river with Betwa river providing irrigation to 9 lakh ha of land and drinking water to 62 lakh people at a cost of ₹ 44000 cr as part of the project to link 5 rivers.
- Though there is no mention about legal support to MSP which is an important demand by farmers it is mentioned that Govt agencies procured 120 mn tons of paddy and wheat from 163 lakh farmers and paid ₹ 2.37 lakh cr at MSP during 2021-22.

Being the first budget after the formation of a separate Ministry of Cooperation the cooperative sector was looking forward to this year's budget with unprecedented interest and anticipation. Equalization of Minimum Alternative Tax (MAT) rate for cooperatives with corporates was the only announcement related to cooperatives in the budget speech of FM. This, however, was not a major demand from the sector as cooperatives generally do not opt for MAT, forgoing deductions under 80P which usually covers most part of their incomes. Though there are no other mention about cooperatives in the budget speech several new initiatives of the Ministry of Cooperation are mentioned in its fine print, including the scheme for computerization of 63000 PACSs and the umbrella scheme 'Prosperity through Cooperatives' aimed at all-round development of cooperatives in the country which is expected to have sectorwise components. Cooperative credit guarantee fund which is expected to be on similar lines of Emergency Credit Line and Guarantee Scheme for MSMEs registered under Companies Act is another important initiative of the new Ministry. It is expected that the small allocations given for these schemes will be substantially increased in the coming years once the related schemes are fully launched. Ministry of Cooperation deserves appreciation for formulating and obtaining budget approval for these schemes within such a short time after its formation in July 2021.

K. K. RAVINDRAN
Editor

FINTECH - ACTING AS A GAMECHANGER IN ENERGIZING THE RURAL FINANCIAL SYSTEMS

Dr. Hemant Garg

FinTech companies are a collaborated effort between finance and technology. Typically, those entities in the financial sector that have the infrastructure and the ability to utilize technological advancements strive to expand access to the finance industry, increase efficiency and more importantly increase financial inclusion while satisfying unfulfilled consumer requirements. In simpler terms, FinTech is the coupling of traditional financial services with technological innovation, resulting in the increasing ease with which these services are utilized by consumers through several web and mobile based platforms and applications.Although, various banking technological innovations have managed to developed the urban society, it has been out of reach of the rural populations of India, who are unaware of these innovations and hence excluded from formal banking and access to basic banking services like bank accounts. As a result of high operational costs, traditional banks are reluctant in opening branches in remote or rural areas, leading to their exclusion from the formal banking system. However, the developments made in the past decade in Fintech has especially increased inclusive finance of the underserved rural and low-income populations of India and has provided them access to various financial services like banking, credits, payment settlement services, insurance, investments etc.

Latest developments in FinTech

Fintech has enabled the digital transformation of the financial sector via the introduction of Universal Payment Interface (UPI), the formation of Neo Banks, regulation of virtual currencies, recognition of peer-to-peer (P2P) lending platforms by the RBI as NBFCs etc. The digitization of the banking industry along with recognition of new types of banks has further ameliorated the exclusion of the underserved populations of India. Some of the recent fintech initiatives in the present times are as follows:

Unified Payment Interface (UPI)

UPI was introduced by the National Payments Corporation of India in 2016 envisioning one single mobile application that encompassed several banking features. I also enabling peer to peer transfers. It is identified by unique features like accessing different bank accounts through one application, making secure money transfers or payments at any time of the day, simple registration etc. UPI-enabled cashless digital or mobile payments have facilitated digital transactions with a simplified user interface, with the platform utilizing Aadhaar, account and mobile numbers. This is implemented by coordinating with sponsor banks that are participating in the UPI initiative. Various banks have uploaded their UPI enabled apps in the public domain along with digital wallet applications such as Google Pay, PhonePe, PayTM, Amazon Pay etc. that has considerably increased the pace of transactions.

Neo-banks

These new generation innovative banks developed exclusively on digital interfaces are essentially virtual or digital-only banks that efficiently facilitate contactless transactions by carrying out their operations digitally without having a physical presence. These Neo-Banks have gained traction due to the disruption caused by the Covid-19 pandemic. In India, they function using the partnership model, where Neo-Banks operate in concert with traditional financial institutions, who outsource banking operations to these digital platforms. Since RBI does not provide licenses to virtual banking services without a physical presence, Neo-banks are not under any direct regulation, leaving them with no choice but to partner up with a licensed traditional bank. This becomes a symbiotic relationship as these established traditional banks assist them with gaining new clients efficiently and in return, Neo-banks expand the reach of the traditional banks to underserved populations with a diverse set of financial products like money transfers, remittances, utility payments etc. They are known to exist in niche areas of financial services such as personal finance, banking for healthcare, etc. and are known for their personalized services accommodating the varied needs of its customers, that are not just cost- effective but also user-friendly. The ultimate goal of these banks is to broaden the reach and accessibility of the formal banking sector. To conclude, Neo-Banks are an amalgamation of both, traditional models of banking coupled with technological innovations. It is highly

Officer Grade A, Fintech Division(IFSCA)

cost-effective and convenient as it saves money in not having a physical branch and substantially reduces the cost of infrastructure. By expanding the reach of the formal banking sector, in effect, they reach the underserved populations of India. Their operations take place by leveraging technology such as artificial intelligence, machine learning and cloud computing to provide customized services based on consumer data.

Payment Banks

Upon recognizing the need for niche banking, the RBI introduced and popularized the concept of Payment Banks back in 2013, in pursuit of its ambition to penetrate remote areas of India. These banks are characteristically like any traditional bank with most banking services but function on a smaller scale and lack the capability to issue credit cards or advance loans. These specialized and differentiated banks cater to the needs of the lower income groups and enable the spread of banking services through technology.

At present, India has six licensed payment banks which are working towards reaching out to the people in rural areas. Collaboration between traditional banks and payment banks are also appreciated as they benefit the rural population with the wider accessibility. Recently, India Post payments bank has entered into a partnership with HDFC bank to focus on the unbanked segments of India. Doorstep Banking Service is a unique initiative that boasts of local postal service providers equipped with micro ATMs and biometric devices that assist the customers with their requirements in an inclusive, digitally-driven banking system.

Fintech as a catalyst for financial inclusion of Rural India

Combined role of Technology & Governance

The Indian rural areas have been devoid of financial inclusion due to the stunted access to basic services due to the high costs of these services such as bank accounts, borrowing, credit sanctioning etc. There is also a low demand for these services due to the lack of awareness and low income of this population. Formal financial services are accompanied by highly complex procedures like KYC and the need for extensive documentation along with credit history or proof of steady income, is lacking in these populations. To fill this void, leveraging advanced technology in the financial sector has helped increase the financial literacy of the rural masses of India. Some emergent market players in the Fintech industry have developed technological solutions and innovative financial products to cater to rural consumers. They do so by investing in cutting-edge technologies coupled with ingenious business models that reduce the costs incurred in operational costs as well make these services more accessible and affordable to the rural populations. Fintech lenders have been using a credit scoring mechanism that is different from the traditional institutions by collecting and utilizing larger quantities of data and analyzing them with machine learning and AI capabilities that can even scrutinize consumer behavior through non-linear information or non-conventional data such as transaction experiences and social media activity, making it easier even for those without a credit score to borrow. Digital footprints and data from third-party entities are used as substitutes for physical documents. For example, companies like Kaleidofin have their own credit analytics which are developed using AI and big data that they have named 'Ki Score' This helps, both lenders as well as the rural community who have no access to formal credit.The flagship schemes of the government to build digital and financial literacy such as the Digital India initiative that substantially hiked up the number of internet users in India and the PM Jan Dhan Yojana that assisted rural families to open zero balance accounts have assisted the Fintech sector to build its presence in rural communities, which is historically underserved by traditional financial institutions. Another significant contributor is The Startup India Scheme also provided the financial and regulatory assistance required to boost the number of players in the country. In this manner, Consumers of Fintech products have access to affordable and simplified basic services driving towards financial inclusion. With the digitization of banking, even the remittance of pension has become effortless with mini ATMs and biometric scanners being available in villages. Taking advantage of the surge in smartphone users and leveraging technology, various FinTech companies like Paytm are providing easy to use mobile wallet services which can be used by the registered user anywhere regardless of the time. Even E-commerce companies like Mobikwik have joined the fray to assist in mobile financial transactions. There are startups like 5nance that provide wealth management services and guide customers to reach their finance goals. FINO Pay Tech is also a Fintech company that has been providing technological solutions to financial institutions while adding unbanked populations to formal banking.

Neo Banks

Neo-banks are another significant contributors towards financial inclusivity in areas which are disconnected otherwise. While the traditional banking system gives access to a variety of services such as deposit and credit assistance, their operations appear to be limited to places with a favorable cost-to-profit ratio, leaving unbanked areas with a substantially lower ratio. The combination of traditional and technological models, such as neo-banks, create a sea of prospects for expanding the reach of formal banking services to our country's underserved or unserved people, reviving engines of growth that had slowed during the pandemic-induced downturn. Neo-banks, with their ability to extend into our country's hinterlands and their emphasis on flexibility and simplicity in comparison to the traditional banking system, holds enormous potential for establishing a better and more sustainable future through their innovative delivery solutions. These banks are ahead of the game when it comes to suggesting/providing well-curated offerings to their consumers.

Enabling access to credit

When individuals and small businesses have adequate access to financing, they may contribute to greater and more equitable growth. Currently, there is a significant credit gap, primarily due to geographic inaccessibility and/or a lack of or no credit history. Due to the highly regulated nature of traditional lending and credit scoring methodologies, which require a strong current credit history, retail customers and small businesses without adequate documentation, know-your-customer (KYC), and predicted repayment capacity are unable to obtain formal credit. As a result, banks are collaborating with FinTech companies and using their alternative credit decision-making frameworks to lend to this section of the population. The forefront of these digital lending initiatives is technology, which connects people to loan providers via Internet-based platforms.

Role of Cooperatives

India's cooperative credit system is the largest in the world. The movement has expanded to an estimated 230 million members across the country since the first Cooperatives Society Act was passed in 1904. Cooperative societies contribute essential strategic inputs and value to the expansion of the rural financial inclusion. Rural economy is pre-dominantly agrarian, with agriculture providing a livelihood for 72% of the rural population. Consumer cooperative organizations strive to meet the demands of consumers at an affordable price. Finally, marketing alliances help farmers achieve fair pricing. Additionally, these societies play a key role in sustaining irrigation facilities, satisfying electricity requirements, and providing ways of transportation.

Obstacles to Inclusion

An appropriate policy framework that regulates these new Fintech developments without hindering future innovation while also encouraging sustainable growth is a hard balance to attain. This requires complementary regulatory policies that are well-considered to ensure there is no over-reach or unwarranted intervention. Although Fintech startups have an advantage over traditional financial institutions regarding accessibility to rural populations of India, it is still widely targeting the upper and middle-income segments of society and due to the scattered nature of the rural population, the progress of financial inclusivity of rural areas have been relatively slow.

Further, unlike the middle and upper strata or the urban society, the needs, preferences and behavioral patterns of the rural population are obscure. Rural consumers are mostly illiterate due to which they may not be adept in smartphone usage, it is also harder to build trust among the rural population for digital financial services as they are still heavily reliant on cash. Their incomes also are unsteady without a set schedule in place. Although the PMJDY scheme enabled the generation of bank accounts in rural India, they are in fact still widely non-operational as the rural population is unaccustomed to them and favor cash to date. Chiefly because of the low faith of the people on the financial systems and being unacquainted with the practice of saving for the future, the implementation of the schemes is a herculean task as the hurdle of infrastructure has been hard to pass. Since Neo-banks are in their nascent stage of development, there is a lack of awareness regarding their existence and their mode of functioning even amongst the well-educated urban community. To bring it to the purview of the rural populations is an obstacle that must be overcome. Although Neo-banks have inventive and customized solutions to most financial issues, if people are unaware that Neo-banks are the solutions to their problems, they will not approach it. The inability of these Neo-banks to operate independently also affects the expediency and efficiency with which it works since there is an increasing dependency on the traditional banks for various procedures. There is an ambiguity on the regulation of Neo-banks, since RBI does not recognize it as an independent entity.

Albeit its promising potential, its revenue generation is low at present to be able to barely thrive in the market. The Neo-banks must also improve their systems and security processes to meet the global standards in order to partner up with established traditional financial institutions. It is also essential that the data privacy standards are met as Neo-banks deal with sensitive financial client information and ensuring data protection must be the foremost concern. A major concern regarding the digital transformation is increased threats of cyber security, financial frauds and the safety of sensitive financial information of the individuals. Leaks in financial data have considerable effect on the privacy of an individual and there have been prior instances where bank databases have been breached due to lack of proper protection and of financial data being put on the dark web by a hacker breaching cybersecurity.

Recommendations & Suggestions

Collaboration not competition

A collaborative effort between traditional banks and the rising Fintechs is beneficial for both. For a more stable source of capital and a wider loan portfolio, a collaboration between FinTech players and financial institutions is essential. Partnerships between the two enhance financial inclusion of the rural areas, solving the issue of geographic inaccessibility of financial institutions, of lacking infrastructure to an extent and also allowing for alternative credit decision-making frameworks to be employed. It is mutually beneficial as it helps to expand customer outreach of traditional banks additionally gaining access to credit information of customers even from unconventional sources. Hence, joining hands would lead to the best possible results.

Building trust and Creating awareness

Fintech firms may partner with businesses, local cooperatives etc., that the rural communities are already familiar with in order to build trust while delivering digital financial services. Rural users are also more comfortable with interacting with people while using the services rather than with automatic chatbots. Starting the relationship with human interaction is a plausible solution to generate and maintain trust. Fintech startups need to ease the rural population into making digital financial services a part of their daily lives.

Financial literacy amongst this population is also crucial in order to build trust and to ensure that the services provided by the Fintech are put to good use. Awareness about the benefits of saving and investing also need to be instilled in the rural community encouraging them to save more and use the financial services. Considering the outreach of the payments banks as well as Neo-Banks to the rural populace, government could organize awareness campaigns through them in regions of deficit financial literacy.

Comprehensive Regulation of Neo-banks and Payments banks

Recognition of Neo-banks by RBI into the formal banking system as an independent entity could expand its reach even further and raise its efficiency. Separate legislations to recognize as well as to streamline operations of both Neo-banks as well as payments banks could be drafted in a technologically unbiased manner and the government could keep its intervention through policies to a minimum. For the Payments banks, the Payment Settlement systems Act could also be amended to accommodate these specialized banks. Any legislation drafted in the future, must be adaptive to and anticipating new technologies and emerging financial services.

Conclusion and the Future

The future ahead for Fintech sector is bright and full of potential, with estimates showing high transaction value for digital payments, revenue growing by 39.6% in the Neobanking segment, increase in the number of digital payments users as well as a range of new Fintech products in the market . According to the Financial inclusion Index (FI-index) created by the RBI reflecting multiple parameters including access to banking products, credit, equity and insurance, the FI-index for period of 2021 was 53.9

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BUDGET 2022-23: HOUSING, URBAN PLANNING AND COOPERATIVES IN FOCUS

N.S. Mehara

The Budget 2022-23 presented before the Parliament by the Union Finance Minister on 1st February, 2022 has focused on increasing overall economic growth and incorporates various futuristic measures. It may be termed as a finely balanced and growth oriented Budget under difficult circumstances. The long term vision of the Prime Minister of making India a strong self-reliant USD 5 trillion economy is imprinted strongly in the direction of the Budget. The great emphasis laid on infrastructure development, which will be the engine of growth in years to come, is a step in the right direction. The integrated approach of infrastructure development through PM Gati-Shakti is evident in the Budget with a lot of focus on roads, railways, ports, mass transport, waterways and logistics development, which ultimately will result in employment generation, economic growth and sustainable development.

In recent years, the emphasis given by the Government has borne rich dividends in bringing benefits to the weaker sections and also in developing India into a formidable digital economy. The Budget 2022-23 too has continued in that direction. With the provision of fast tracking digitalization of all the segments of the economy, reflected in the Budget proposals, be it, digitalizing 1.5 lakh post offices, thrust on digitalizing education, healthcare, or setting up of a Digital University and many more. The Budget also came out with a stronger rural and housing focus, with an allocation of Rs. 48,000 crore to build 80 lakh houses for the urban and rural poor, a new vibrant village programme to cover border habitats of northern India. Further, providing tap water to every household in the country by the end of the financial year 2022-23 as proposed in the Budget will be a milestone achievement of the Government. Another, noteworthy step towards Atma Nirbhar Bharat is, the Finance Minister has promised to spend 68% of defence procurement on domestic companies. The Budget also takes forward India's goal of improving its ranking every year in ease of doing business through reduction in official bottlenecks and digitalization.

Finance Minister Smt Nirmala Sitharaman in her Budget speech said the Government plans to bring a paradigm change in urban planning in view of the rapid urbanisation in the country and announced setting up of a high-level committee of planners, economists and institutions to provide recommendations on issues and policies related to the urban sector. “By the time of India @100, nearly half our population is likely to be living in urban areas. To prepare for this, orderly urban development is of critical importance. This will help realise the country's economic potential, including livelihood opportunities for the demographic dividend. For this, on one hand we need to nurture the megacities and their hinterlands to become current centres of economic growth,” she said. “On the other hand, we need to facilitate Tier 2 and 3 cities to take on the mantle in the future. This would require us to re-imagine our cities into centres of sustainable living with opportunities for all, including women and youth. For this to happen, urban planning cannot continue with a business-as-usual approach. We plan to steer a paradigm change. A high-level committee of reputed urban planners, urban economists and institutions will be formed to make recommendations on urban sector policies, capacity building, planning, implementation and governance,” she added.

The Finance Minister had announced Public Private Partnership models to run more than 20,000 buses. The Government had also announced 'MetroLite' and 'MetroNeo' technologies to provide metro rail systems at much lesser cost with similar experience in Tier-2 cities and peripheral areas of Tier-1 cities. The Finance Minister stated that innovative ways of financing and faster implementation will be encouraged for building metro systems of appropriate type at scale. Multimodal connectivity between mass urban transport and railway stations will be facilitated on priority. Design of metro systems, including civil structures, will be re-oriented and standardised for Indian conditions and needs. The Finance Minister also announced that modernisation of Building Bye-laws, Town Planning Schemes (TPS), and Transit Oriented Development (TOD) will be implemented which would

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facilitate reforms for people to live and work closer to mass transit systems. "The Central Government's financial support for mass transit projects and AMRUT scheme will be leveraged for formulation of action plans and their implementation for facilitating TOD and TPS by the States," the Finance Minister said.

For developing India-specific knowledge in urban planning and design, and to deliver certified training in these areas, the Finance Minister said up to five existing academic institutions in different regions will be designated as centres of excellence. These centres will be provided endowment funds of Rs. 250 crore each. In addition, the AICTE will take the lead to improve syllabi, quality and access of urban planning courses in other institutions. For urban capacity building, the support will be provided to the States. It is evident that large scale investments are being done by both the Central and State Governments in cities, lack of urban planning remains a major concern and some of the problem is due to shortage of urban planners. Further, the NITI Aayog in its report 'Reforms in Urban Planning Capacity in India' has also highlighted the shortage of urban planners in the country and recommended the need for capacity building. The Budget announcements will come handy in mitigating this problem.

The vibrant village scheme, to cover sparsely populated border areas in northern India, would see additional funds and merger of existing schemes to create better infrastructure in those areas. "Border villages with sparse population, limited connectivity and infrastructure often get left out from the development gains. Such villages on the northern border will be covered under the new vibrant village programme," the Finance Minister said. The activities will include construction of village infrastructure, housing, tourist centres, road connectivity, provisioning of decentralised renewable energy, direct-to-home access for doordarshan and educational channels, and support for livelihood generation. The States/UTs of Punjab, Jammu and Kashmir, Ladakh, and Uttarakhand would be the prime beneficiaries of this scheme.

A big challenge especially in cities is providing housing to the poor and needy. The Budget has offered an allocation of funds of Rs. 48,000 crore for the Pradhan Mantri Awas Yojana (PMAY). In 2022-23, a total of 80 lakh households will be identified for the affordable housing scheme. This together will boost the affordable housing segment and help to achieve the Prime Minister's vision of Housing for All. Also, the households to be identified as beneficiaries for PMAY in rural and urban areas will ensure that more and more homebuyers get to avail of this benefit. The boost for housing for the poor comes when PM Awas Yojana (Rural) needs around 1.40 crore houses to meet its target of housing for all in 2024. The funds and focus would come in handy as construction of houses slowed down in the last financial year during the COVID-19 pandemic. Housing, along with free cooking gas connection (Ujjwala) and free power connection (Saubhagya) schemes, is considered one of the key welfare schemes. The Rural Development Ministry's budget increased to Rs.1,35,944 crore from Rs.1,31,519 crore, a hike of Rs.4,500 crore, which would lead to more spending on rural roads, social assistance programmes and housing.

For the first time the Finance Minister has sought to transform the real estate sector by bringing in transparency and efficiency in the business. This will help to reduce the cost of transactions and will ultimately benefit the homebuyers. The Government's plan to launch 'Ease of Doing Business 2.0' is a step in the right direction and its continuous efforts to promote the same along with digitalization will help the economy and the real estate sector business going forward. Single window clearance mechanism too will go a long way in improving ease of doing business in the country. This should include more dynamic aspects and make India a more investment-friendly destination. The focus to resolve long-standing issues of reduction in approval timelines for land and construction is a welcome step. The Government's proposal to cut down the approval time related to land and construction will bring ease of doing business. The real estate sector will also be benefitted from announcements related to industrial & logistics and data centres, enabling them to aggressively diversify into these two upcoming asset classes.

There has been an introduction of a revolutionary reform like one land and one registration system, which is beneficial for the real estate ecosystem. The real estate industry analysts and developers community was hoping for some more rebates given its performance and contribution to the overall economy in the recent past. A simple point that could have added cheer to home buyers would be an increase in tax deduction for home loan interest. However, there are several provisions in the Budget which will positively impact the real estate sector for example the focus on the development of logistics parks. Easing land and construction-related approvals will help the development firms in meeting the delivery timelines. However, the sector was expecting more in terms of incentives to boost sales and fulfil the dream of 'Housing for All'.

Moreover, the Budget has laid the foundation of stronger urban development with sheer measures to revamp the housing challenge in the urban areas. The Budget holds a visionary and ambitious sentiment. It allocated a substantial thrust towards infrastructure development, urbanization, agriculture and digitalization which will help in overall economic growth including employment generation. The prices of steel industry and import of raw materials remains unchanged which will provide the much required relief and impetus to the real estate and ancillary sectors. The Budget has laid emphasis on building a road map for a strong India to reach a USD 5 trillion economy. There are many positives, though not much for real estate sector and the middle class on expected lines. But ECLGS is a very welcome relief to the much-affected MSMEs and hospitality sector. The Budget will provide a much-needed impetus to the housing demand in the affordable segment.

For cooperatives there are some take aways in the form of reduction in rates of AMT and surcharge which is welcome. The Government, in order to provide a level playing field between cooperative societies and companies, proposes to reduce the Alternate Minimum Tax (AMT) rate for cooperative societies to 15 % from the current 18.5 % announced by the Finance Minister while presenting the Union Budget 2022-23. She added that the Government also proposes to reduce the surcharge on cooperative societies to 7 % from 12 % at present for those having a total income of more than Rs. 1 crore and up to Rs. 10 crore. She said that this would help enhance the income of cooperative societies and their members who are mostly from rural and farming communities.

Besides the relief to cooperative societies, the Government of India has made a provision of Rs. 900 crore for the newly created Ministry of Cooperation in the Budget 2022-23 and special focus has been given on training, education, and digitalization of PACS. In the Budget, a significant amount of Rs. 350 crore has been provided for digitalization of Primary Agriculture Cooperative Societies (PACS). The scheme aims to computerize 63000 PACS leading to an increase in efficiency, profitability, transparency and accountability in their working. Similarly, Rs. 274 crore has been provided for an Umbrella Scheme “Prosperity through Cooperatives” which would have a number of subcomponents with the aim of all-round development of cooperatives in the country. Further, a provision of Rupees one crore has been made for Cooperative Credit Guarantee Fund. The Budget for the first time has also made a provision of Rs. 30 crore for Cooperative Education whereas Rs. 25 crore has been given for Cooperative Training. This will facilitate promoting research in the field of cooperation and introducing cooperative education as a course curriculum and as an independent degree or diploma courses in schools and universities.

The Union Budget 2022-23 is progressive especially with its emphasis on building the infrastructure of the country. The Finance Minister clearly emphasised the top priorities of the Government- PM Gati-Shakti for sustainable growth, inclusive development, productivity enhancement, and financing of investments. Notably, the Government also expanded the Capex target by 35.4% (from Rs. 5.54 lakh crore to Rs. 7.50 lakh crore) which may help boost overall spending towards economic growth. The Budget also emphasises the need for proper urban planning, provides some relief to States while keeping the fiscal deficit well under control. In another major positive, the Government's aim to create 60 lakh new jobs over the next 5 years will enable the growth of residential real estate across the country.

All in all it is a Budget that will keep the country firmly on the road to progress and to become a strong Atma Nirbhar Bharat. As anticipated, it's a very futuristic budget focusing on economic recovery benefitting from public investment and capital spending. This is a growth-oriented budget with a

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FALL ARMYWORM (FAW), SPODOPTERA FRUGIPERDA (J. E. SMITH): A SERIOUS THREAT TO MAIZE AND ITS MANAGEMENT

Mohapatra, A. R. and Sisodiya, D. B.

"Maize" (Zea mays Linnaeus: Gramineae) is one of the main and popular cereal crops owing to its high value as a staple food and for its demand for animal feed and fuel construction (Abebe and Feyisa, 2017). The majority of India maize is cultivated for human consumption as whole grains, cobs, flour or utilized to make chapatis. Various chemicals like levulinic acid as antifreeze agent and ethanol as fuel etc. are also extracted from maize (Anonymous, 2021a). Production wise India occupies 6th position with an acreage of 9.03 million ha with annual production of 27.72 million tonnes and productivity of 3070 kg/ha during 2018-19 (Anonymous, 2021b). Maize crop is attacked by about 130 species of insect pests majorly by fall armyworm, stem borer, pink stem borer, army worm, aphid and cob borer (Atwal and Dhaliwal, 2002).

Fall Armyworm (FAW)

Invasion of FAW and Distribution

The fall armyworm (FAW), S. frugiperda (Lepidoptera: Noctuidae) is a new alien invasive pest of maize. It was reported in West and Central Africa for the first time in early 2016 (Goergen et al., 2016). It reached India and was first reported in June, 2018 by Sharanabasappa et al. (2018a) on maize in Karnataka. While in western states like Gujarat the occurrence of FAW was first reported by Sisodiya et al. (2018) on sweet corn from Anklav taluka of Anand district.

Host Range, Genetic Makeup and Strains

It is a highly polyphagous pest, insatiably feeding on maize and surviving on more than 76 plant families and 353 crop species (Montezano et al., 2018). Notably, two strains of the FAW occur namely, the 'rice strain' or R-strain preferrig rice and pasture grasses and the 'maize strain' or C-strain (C=corn) prevalent occuring on maize, cotton, sorghum, pearlmillet etc (Adamczyk et al., 1997). India also has 14 unique haplotypes (Nayyar et al., 2021).

Marks of Identification and Life Cycle

A. Egg: A single FAW female is capable of laying about 1500 eggs in with 100-200 on average (Igyuve et al., 2018) on the upper or under the surface of a leaf, which hatch in 2 to 4 days (CABI, 2019) with a layer of greyish scales between and over the egg mass.

B. Larva: The larval develops through six instars, characterized by dorsal black tubercles with spines. The frons has inverted "Y" line. The larval period ranges from 13 to 17 days (Patel, 2020a).

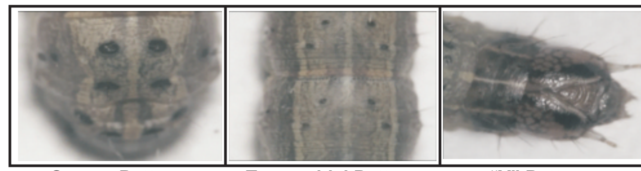

Fig. 1. Larva of FAW with key marks of identification (Patel, 2020b)

C. Pupa: The pupal duration is about 8 to 11 days with sex differentiating mark on genital and anal openings being very prominent and in females than males (Patel, 2020a).

D. Adult: The male forewing is shaded grey and brown with a triangular white patch on the apical region and circular spot at the wing center. While, female forewings are uniformly greyish brown with fine mottling of grey and brown. The hind wing is silver white with narrow dark border. The female adult survives for 9 to 12 days and male for 7 to 9 days. The total life cycle ranges from 32 to 46 days (Sharanabasappa et al., 2018b).

Nature of Damage

The young larvae feeds on developing leaves in the funnel, creating windowing effect, while the larger larvae bore into maize cobs, reducing yield quantitatively and qualitatively. Larvae hide in funnel during day, attack the crop at night to feed on the leaves (Bateman et al., 2018).

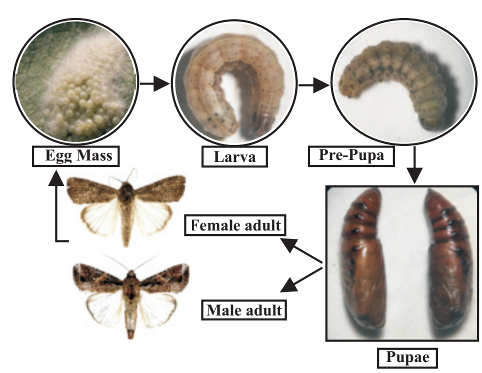

Fig. 2. Life stages of FAW (Patel, 2020b)

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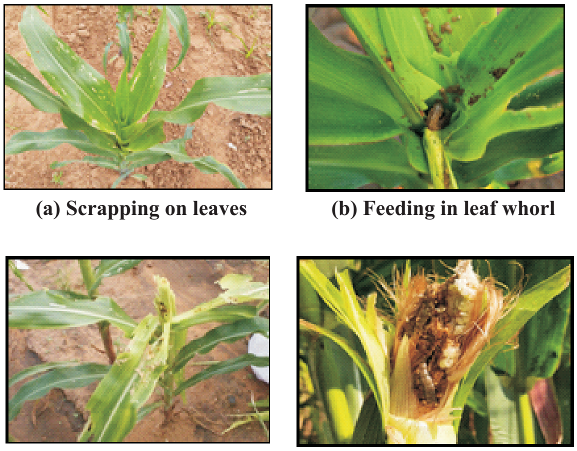

(a) Scrapping on leaves (b) Feeding in leaf whorl

(c) Loss of central shoot (d) Feeding on cob

Fig. 3. FAW larvae feeding on different plant parts and damage symptoms (Patel, 2020b)

Infestation and Losses Due to FAW

FAW infestations in India cause yield losses on an average of 36 % (Jagdish et al., 2019). In Gujarat and particularly Anand, the maize grown in kharif, 2019 had significantly higher larval incidence and plant damage of S. frugiperda (39.02%) than rabi, 2019-20 (22.83%) (Patel, 2020b).

Dominance of FAW in the Lepidopteran Insect Pest Niche of Maize:

Studies carried in Karnataka reported the FAW field incidence reached up to 90 to 100 per cent in Chikkaballapur and Raichur. The dominance of S. frugiperda amongst other insect-pests such as Chilo partellus and Sesamia inferens, is also revealed to be cent per cent (Navik et al., 2021).

Integrated Pest Management

- Continuous monitoring and surveillance of FAW in a timely manner is essential for better decisions making for proper management.
- Collection and destruction of egg masses and neonate larvae.
- Avoid monocropping of maize.
- Judicious utilization of fertilizers.
- Application of neem cake 250 kg/ ha in the soil to prevent the adult emergence from pupae.
- Installation of light trap 1/ ha for attracting the nocturnal moths.
- Installation of pheromone traps 5 ha for monitoring and 50/ ha for mass trapping male moths at 10 days after germination and replace lure at 40 days for effective management of fall army worm in maize (Anon., 2019).
- Moreover, Cruz-Esteban et al. (2018) reported (Z)-9-tetradecenyl acetate (Z9-14:OAc) and (Z)-7-dodecenyl acetate (Z7-12:OAc) evoked the highest and most variable antennal responses among the FAW populations studied which can potently serve as an pheromone component
- Seed treatment with cyantraniliprole 19.8% + thiamethoxam 19.8% FS at 2.38 g a.i./ kg seeds (4-6 ml/ kg seeds)
- No recommendations regarding field release of parasitoid has been made but, following are the promising parasitoids reported by Shylesha et al. (2018), egg parasitoids viz., Telenomus sp. and Trichogramma sp.; gregarious larval parasitoid, Glyptapanteles creatonoti (Viereck); solitary larval parasitoid, Campoletis chlorideae Uchida and a solitary indeterminate larval-pupal (Hymenoptera: Ichneumonidae: Ichneumoninae) parasitoid.
- Raghunandan et al. (2019) surveyed the maize field for natural occurrence of nucleopolyhedrovirus infecting fall armyworm and They found NPV infected larvae from Anand, Gujarat and confirmed the association of NPV with S. frugiperda by phase contrast microscopy and pathogenicity studies which could pave out path or S. frugiperda NPV.
- Application of biopesticides such as Nomuraea rileyi 1 % WP @ 40 g/10 lit water and Bacillus thuringiensis var. kurstaki 1 % WG (Dhobi et al., 2020).
- Application of poison baits, rice bran 25 kg + jaggery 5 kg + thiodicarb 75 WP 250 g/ha, maize flour 25 kg + jaggery 5 kg + thiodicarb 75 WP 250 g/ha, rice bran 25 kg + jaggery 5 kg + emamectin benzoate 5 SG 125 g/ha or maize flour 25 kg + jaggery 5 kg + emamectin benzoate 5 SG 125 g/ha (Lunagariya et al., 2020).
- Whorl application of chlorantraniliprole 0.4% GR and fipronil 0.6 % GR @ 20 kg/ha, first at appearance of fall armyworm and second after 15 days of first application (Suthar et al., 2020).

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UNION BUDGET 2022 HIGHLIGHTS SHARP HIKE IN CAPITAL EXPENDITURE; NO CHANGES IN INCOME TAX

Union Finance Minister Nirmala Sitharaman presented the Union Budget 2022 on February 1. She said that the Budget proposals for this financial year rest on health and well-being, infrastructure, inclusive development, energy transition and climate action, financing of investments and 'Minimum Government, Maximum Governance'. India's economic growth estimated at 9.2% to be the highest among all large economies. 60 lakh new jobs to be created under the productivity linked incentive scheme in 14 sectors.

Significant announcements include digital currency, e-passports and a slew of infrastructure projects. Edible oil, wearable electronics, imitation jewellery, polished diamond are to be cheaper. Fiscal deficit is 6.9% of GDP. Tax relief announced to persons with disabilities. No change in personal income tax rates.

Here are the highlights of the Budget in a glance

Infrastructure

- PM Gati Shakti National Master Plan at a cost of 20,000 crore National Highways network to be expanded by 25,000 kms in 2022-23.
- National Master Plan on Expressways will be formulated in 2022-23.
- 400 new generation Vande Bharat trains to be manufactured in next 3 years.
- 60 km of ropeway projects under the Parvat Mala project Metro systems, multi-model connectivity.
- 100 Gati Shakti cargo terminals in the next 3 years.
- **Agriculture**
- Procurement of wheat, paddy, kharif and rabi crops, benefiting over 1 crore farmers.
- NABARD to facilitate fund with blended capital to finance startups for agriculture & rural enterprise.
- 2.37 lakh crore towards direct payments for minimum support price.
- Chemical-free, natural farming to be promoted across the country.
- 2022 to be Year of Millet support for post-harvest value addition for millet products.
- Using Kisan drones for crop assessment and spraying of pesticides.

Ken-Betwa river linking project at a cost of Rs 44,000 crore, to benefit 9.0 lakh hectare of farmer land.

Education

Digital University will be established, and to be made in different Indian languages, based on networked hub model. One Class, One TV channel will be expanded from 12 to 200 TV Channels to provide supplementary education in all regional languages, to make up for loss of formal education due to Covid.

Defence

- 68% capital procurement budget earmarked for domestic procurement.
- Defence R&D to be opened up for start ups, private industry and academia. 25% of R&D budget to be set aside for this.
- Private industry will be encouraged to take up design and development of military platforms and equipment.

Developments on the digital front

- RBI to introduce 'digital rupee' using blockchain technology in 2022-23.
- Virtual digital assets to be taxed at 30%.
- Gift of virtual assets will be taxed at the receiver's end.
- 75 digital banking units to be set up across 75 districts.

Tax, economy and finance

- Green bonds will be issued for upping green infrastructure.
- Fiscal deficit is 6.9% of GDP.
- Taxpayers can file within 2 years an updated return if there is any anomaly in their filing.
- Cooperative societies pay 18.5% alternate minimum tax and companies pay 15%. From now cooperative too will have to pay only 15%.
- Surcharge has also been reduced to 7% for those

continued to pg.51

Source - The Cooperator February 2022

UNION BUDGET 2022 AND COOPERATIVES; ROLE OF NCUI

Ved Prakash Setia

Hon'ble Finance Minister on February 01, 2022 presented a growth oriented budget with focus on four pillars viz. productivity, climate action, investment and PM Gati Shakti Plan. The budget with increased outlay on the capital expenditure by over 35% will attract more private investment leading to overall growth of economy.

This budget brings in more infrastructure, more investment, more growth and more jobs.

- The main highlight of the budget 2022 are :

  Boost to agriculture with large scale incentives.
- Schemes to lower depen dence on oil seeds. Comprehensive domestic production of oil seeds is a thrust area.
- ₹. 2.37 lac crore allotted for agro procurement. Drones are provided to give a boost to agricultural development.
- Funds provided via NABARD for digitization of land records.

The implications of budget for cooperatives

Recently a separate Ministry of Cooperation has been established by the GoI to strengthen the Cooperative Movement in the country. The main aim of establishing the Ministry is to deepen its reach up to the grass roots, through promotion of coop. based economic development model.

To realise the vision of "Cooperative to prosperity" the Ministry of Cooperation has received a budgetary allocation of ₹ 900 crore, with a capital outlay of ₹ 11 crore for setting up a new secretariat. Finance minister Nirmala Sitharaman reduced the minimum alternate tax from 18.5% to 15% and surcharge from 12% to 7% for cooperatives with income between ₹ 1 crore and ₹ 10 crore in the budget. The ministry proposes to convert Vaikunth Mehta National Institute of Cooperative Management (vamnicom) into an independent institution. For igitisation of primary agriculture cooperative societies (PACS), ₹350 crore has been allocated. Computerisation of 63,000 PACS is expected to lead to an increase in efficiency, profitability, transparency and accountability. The budget earmarked ₹ 274 crore for an umbrella scheme to develop cooperatives by, "providing them necessary support in terms of finance, technology and infrastructure to transform them into successful entities". he funds will be used for recapitalisation of PACS, revival of defunct ones, seed money for new and transformation of PACS into multi-role cooperatives on the lines of Farmer Producer Organisations, assistance to cooperative societies in branding, marketing and trade, capital subsidy for creation of basic infrastructure and creation of a national database on cooperative societies. A cooperative credit guarantee fund has been created with an allocation of ₹ 1 crore. The scheme aims to provide credit guarantee on loans of PACS and other primary cooperative societies. To promote research in the field of cooperatives, the budget has allocated ₹ 30 crore for introducing cooperative education as a course curriculum and as an independent degree or diploma courses in schools and universities.

The budget has clearly recognized cooperatives as an alternative sector and its important role as constructive competitor in the national economy. To achieve this objective, a whopping amount of ₹ 274 crores has been specially earmarked under the head of "Prosperity through Cooperatives". This fund can be used in boosting new generation cooperatives and strengthening the existing cooperatives. Apart from that, a separate budget of ₹ 55 crores has also been earmarked for training of personnel of cooperative departments and cooperative institutions as well as education of members, office bearers and non officials etc.

In addition to above, a significant amount of ₹ 350 cr. has been provided for the digitization of primary agriculture cooperative societies and supporting startups in agriculture and allied sectors through NABARD which will boost developmental projects and investment in rural areas, increase productivity and incomes through an infusion of new technology in agriculture, dairy, animal husbandry and fishery production and marketing systems and facilitate rural prosperity. Though this responsibility has been entrusted to NABARD, but keeping in view the vast

Executive Director, NCUI, Source - The Cooperator February 2022,

importance & expertise of NCUI, it will be more conducive if this task is also assigned to NCUI along with NABARD.

National Cooperative Union of India

National Cooperative Union of India, (NCUI) is an apex organisation representing the entire cooperative movement in the country. NCUI has been actively running various programmes and services for the evelopment of cooperatives, thus improving the lives of people in various parts of the country. It has been conducting various short term and long-term courses through its National Centre for Cooperative Training (NCCE) and Leadership Development programmes for upskilling of National Cooperative Union of India, (NCUI) is an apex organisation representing the entire cooperative movement in the country. NCUI has been actively running various programmes and services for the development of cooperatives, thus improving the lives of people in various parts of the country. It has been conducting various short term and long-term courses through its National Centre for Cooperative Training (NCCE) and Leadership Development programmes for upskilling of the members and leaders of thecooperative societies.

NCUI's Expertise inDifferent Sectors

- Cooperative Education Field Projects:
- Cooperative Entrepreneur ship Development Cell
- Skill Development Centre at NOIDA
- MoUs with Expert Organizations

National Cooperative Union of India (NCUI) is an apex organisation of the cooperative movement in the country. At present there are thirty-seven Cooperative Education Field Projects and fottr women exclusive projects being run in various parts of the country. Through its field projects, NCUI has been closely working with the cooperative societies and needy population in respective districts to raise the living standards of the poor by engaging them in various income generating activities.

Initiatives taken by the NCUI

Assessing Contribution of Cooperatives in GDP

As no exercise has been undertaken till date for assessing contribution of cooperatives in India's GDP, NCUI has recently engaged a reputed consulting firm named Ernst & Young to conduct a study to understand the impact of cooperatives make in the Indian economy, both qualitatively and quantitatively.

Launching NCUI Haat

NCUI Haat initiative has been conceived to empower women led and lesser known cooperatives by providing them a stall space for their products at an exhibition-cum-sale centre named 'NCUI Haat' in its premises located in a premium location in Delhi. Though this initiative is for the self-help groups of NCUI field projects, but to expand the landscape of Indian Cooperative Movement, other self-help groups, specifically women groups are also being given an opportunity to benefit from NCUI HAAT initiative.

NCUI Haat supports many of the flagship programmes and initiatives launched by Government of India such as National Livelihood Mission,' Vocal for Local' and Skill India Mission. Expanding its reach to all parts of the country thereby creating an enabling environment for "Sahkar se Samridhi" i.e. prosperity through cooperatives.

Skill Development Centre at Noida

NCUI is also in the process of establishing a state-of-the-art Skill Development Centre with focus intervention to build the capacity of members and staff of cooperatives and cope up with the emerging challenges in market and grab the new avenues of businesses. NCUI has started a consultation process with State Cooperative Federation, Chambers of Commerce & Industry and various other Industry Federations at national and state level to understand the nature and quantum of the demand of skilled work force in the country.

Establishing a Cooperative Entrepreneurship Development Cell

NCUI is in the process of establishing a dedicated Cooperative Entrepreneurship Development Cell which will work in the following areas :

(i) Providing technical and consultancy support to the self-help groups/communities who aspireto register a cooperative society at state and central level.

(ii) Identifying innovating app roach and modules for running skill development programs for members and staff of cooperatives.

(iii)Build capacities of the members and staff of cooperatives in formulating business proposals, branding and marketing of their products.

(iv)Conducting research and studies to understand th challenges and issues of the cooperatives and providing appropriate solutions.

(v) Identifying new food processing technologies/livelihood options for business diversification and enhancing business prospects of the cooperatives.

(vi) Preparing a handbook for promoting cooperative identify and empowering cooperative institutions.

Transformationof Aspirational District Programme (TADP)

The Transformation of Aspirational District Programme (TADP), launched by the Government of India in 2018, bridges the multiple schemes by the Government of India to achieve the Sustainable Development Goals. It emphasizes providing opportunities to the most backward districts and helping them efficiently utilize its resources for development. This can be done with continuous monitoring, setting achievable targets, recording the impact and evaluation. The TADP aims to make development a mass development movement in these aspirational districts. NCUI with its membership, infrastructure, tangible and intangible resources can be of immense support to the programme. As NCUI is already working in the mentioned districts, it can provide guidance and insights into the strengths of the area that can work as a catalyst for development. NCUI can assist in improving awareness of the TADP and may also assist in developing resources for the development of the districts for which a detailed project has been initiated.

The project will focus on aspects Employability Enhancement (Skill Development) and Sustainable Employment (Employment Generation). The Project aims to create the demand of the skilled workforce in various industries through carrying job mapping drives and making the candidates competent and skilled to perform the job. The objective is to ensure a time-bound training and capacity building programme through placement ensuring regular income generation or employment.

Collaborations & MoUs

The NCUI has made collaboration & signed MOUs with many institutions such as:

(i) The National Institute for Entrepreneurship and Small Business Development (NIESBUD)

(ii) The Agricultural and Processed food Products Export Development Authority (APEDA)

(iii) National Skill Development Corporation (NSDC)

(iv) Quality Council of India (QCI)

(v) Warehouse Development and Regulatory Authority (WDRA)

(vi) Deutsche Gesellschaft fur Internationale Zusamme-narbeit (GIZ) (vii) Rainmatter Foundation

(vii) Rainmatter Foundation

(viii)Vyakti Vikas Kendra Trust India (VVKI) of Art of Living

(ix) Fashion Design Council of India

Planning for the Future

NCUI has taken a number of policy initiatives in last one year to augment its capacity building framework and develop NCUI as a national level implementing agency to empower farmers and cooperatives. NCUI has set the following goals to be accomplished in the next five year :

(i) Building capacities of all PACSs with professionally designed training programs.

(ii) Establishing NCUI Haat in Twenty States

(iii) Empowering 500 new SHGs/Coops to run successful social enterprises

(iv) Developing 50 Model villages through cooperative societies

(v) Providing Employment to over 5000 persons through the Skill Development Centre

To achieve the objective of "Prosperity through Cooperative" and successfully achieving the above-mentioned plans, as above, NCUI being an apex body of the cooperative movement may act as a nodal body for implementing the various schemes of GoI as it has a wider reach in almost all sectors of the Indian cooperative movement.

Online meeting held on 11th February 2022 on Azadi ka Amrit Mohotsav (AKAM)

The virtual meeting on organizing public contact programmes by member institutions of the Federation as part of Azadi ka Amrit Mohotsav was held on 11th Feb 2022 The Meeting was attended by Chairmen/ CEOs/ Senior Executives of member banks besides Chairman, M.D. and Chief Director from Federation.

The objective of the Mohotsav was to create "Awareness Campaign" through which member Federations/ Cooperative societies for dissemination of information on cooperatives among the members and the general public.

This campaign will be the main contact activity of the ministry. It is proposed that due schedules should be made and every primary cooperative society and its feeder area need to covered. It will culminate on 15th August 2022 on 75th year celebrations of India's Independence. The year long campaign is to be reviewed on monthly basis.

Appointments/Elections

1) Shri K.B. Upadhyay, IAS (Retd.), has assumed charge as Managing Director of the Gujarat State Cooperative Agriculture and Rural Development bank Ltd., Ahmedabad w.e.f. 17th January 2022.

2) Shri Sumit Baran Basu, Additional Registrar of Cooperative Societies has assumed charge as Managing Director of the West Bengal State Cooperative Agriculture and Rural Development bank Ltd., Kolkata w.e.f. 28th February 2022.

Changing monsoon patterns over 30 years, and 2021 trends

Between 1989 and 2018, five states — UP, Bihar, West Bengal, Meghalaya and Nagaland — have shown significant decreasing trends in Southwest Monsoon rainfall, according to an India Meteorological Department (IMD) report cited by the government in Lok Sabha. Dr Jitendra Singh, Minister of State (Independent Charge) for Science and Technology and Earth Sciences, replied from the report:

* The annual rainfall over these five states, along with Arunachal Pradesh and Himachal Pradesh, also show significant decreasing trends.
* A significant increasing trend in the frequency of heavy rainfall days has been observed over Saurashtra and Kutch, southeastern Rajasthan, northern Tamil Nadu, Andhra Pradesh and adjoining areas of southwest Odisha, and parts of many other states.

The IMD report, released on March 30, 2020, observed monsoon rainfall variability and changes of 29 states and Union Territories at state and district levels, using the IMD's observational data of the 30-year period.

The minister also tabled Southwest Monsoon patterns for this year. This covered 37 states and Union Territories, and spanned the period between June 1 and October 31, 2021 (see table).

WHAT THE STATES RECEIVED (JUNE 1 TO OCT 31, 2021)

STATE/UT	ACTUAL(mm)	NORMAL(mm)	DEPARTURE
DEFICIENT RAINFALL			
Arunachal Pradesh	1,423.4	1,911.6	-26%
Assam	1.271.8	1,614.3	-21%
Meghalaya	2,460.9	3,124.3	-21%
Nagaland	919.6	1,261.8	-27%
Manipur	635.1	1,567.7	-59%
Mizoram	1,393.7	1,858.8	-25%
Tripura	1,349.6	1,628.6	-17%
Chandigarh	641.2	868.7	-26%
EXCESS RAINFALL			
Andaman and Nicobar	2,438.1	1,936.2	26%
Haryana	601.1	448.4	34%
Delhi	801.9	597.5	34%
Dadra and Nagar Haveli	2,785.1	2,202.1	26%
Telangana	1,103.3	8443	31%
Tamil Nadu	621.4	513.2	21%

975.57 mm
Rainfall received across India between June 1 and October 31. This w as 2% above the Long period Average (LPA) of 956.5 m m . or in the 'nor m al' range

37 states/UT
23 of the m had normal rainfall (between 19% above and 19% below LPA) in 2021; 8 had 'deficient rainfall' (20-59% below LPA); six had 'excess' (20-59% above LPA).

Demand for Indian rice to remain robust this season, say exporters

Indian rice exports could touch 20 million tonne for the season, given that rice production is expected to cross 100 million tonne during the kharif season of 2021-22, exporters have said. Kharif rice production has already been harvested November onwards and therefore, there is no issue of any major damage to the crop. Around 9 million tonne of rice has already been exported till October, and exports continue to look good because food is a necessity, said Vinod Kaul, Executive Director, All India Rice Exporters Association, Kaul said Basmati exports have been a little slow since prices for the variety have shot up this year due to the unseasonal rain in September. Prices are already up 20-35% since the supply of quality Basmati rice is down by almost 15-20% this year compared to the last kharif season. Internationally, that price is not being fetched, but Basmati is a small component of our total rice exports. It is not a mass consumption product, Last year the Covid-19 wave was severe, but exports continued and shall continue this time as well, he added. B.V. Krishna Rao President Rice Exporter associate said China continues to buy rice from India. Last year China bought one million tonne rice, and the orders could be repeated this year. Bangladesh purchased around two million tonne from India last year and could come back for good quantities. Countries in north and west Africa are also are buying from India, with Benin leading in the purchases. According to the Agricultural and Processed Food Products Export Development Authority (APEDA), non-basmati rice exports during the first half of the current fiscal increased about 75% to 8.91 million tonne, valued at ₹21,852 crore from 5.08 million tonne valued at ₹11,765 crore during the same period a year ago.

FDI in food processing sector down 54% to ₹ 2,934 crore last fiscal

Foreign direct investment (FDI) in the food processing sector declined 54% to ₹ 2,934.12 crore in 2020-21 as compared to the previous year, informed the government. In a written reply to the Rajya Sabha, Minister of State for Food Processing Industries Prahlad Singh Patel informed that the FDI in the food processing sector stood at ₹ 4,430.44 crore in 2018-19, ₹ 6,414.67 crore during 2019-20, and ₹ 2,934.12 crore during the 2020-21 financial year. The minister said that the FDI inflows in the food processing sector stood at USD 393.41 million in 2020-21 as against USD 904.70 million in the previous year. During 2018-19 fiscal, the FDI inflow was USD 628.24 million, while the FDI was USD 904.9 million in 2017-

18 and USD 727.22 million in 2016-17. Patel informed that 100% FDI is permitted under the automatic route for the sector. The share of FDI in the food processing sector is only 1.5% of total FDI inflows and the sector needs more investments both domestic as well as foreign direct investment, Patel said. The Ministry is implementing a central sector scheme Pradhan Mantri Kisan Sampada Yojana (PMKSY) since 2016-17 for overall growth and development of the food processing sector including boosting investment, he added. Patel said the ministry is also implementing a centrally sponsored scheme-PM Formalisation of Micro Food Processing Enterprises Scheme (PM FME) to upgrade and support 2 lakh micro food processing units through credit linked subsidy based on the One District One Product (ODOP) approach.

Fertilizer subsidy to cost 62% more on input costs: Crisil

The Centre's fertilizer subsidy bill is set to soar 62% over the budgeted amount to ₹1.3 lakh crore this fiscal due to the massive rise in raw material prices despite lower demand, says a report. An unprecedented spike in natural gas prices and other raw materials is set to inflate the fertilizer subsidy bill by a whopping 62% or ₹50,000 crore to ₹1,30,000 crore this fiscal over the budgeted ₹79,530 crore. This is despite sales volume declining 10% from the record level last fiscal, Crisil said in its report. To encourage farmers to use fertilizers for better crop yield, government keeps the sale price significantly lower than market rates, and reimburses the difference to manufacturers directly. But for long, budget provisioning for such subsidies has been inadequate, leading to regular build-up of arrears. However, last fiscal, the government cleared arrears through an additional disbursement of ₹62,638 crore helping firms nurse balance sheets to better health. However, what followed was a massive spike in input costs, the biggest of which was of natural gas. Crisil expects the price of natural gas, the feedstock that accounts for 75-80% of the total cost of production for urea plants, to rise more than 50% this fiscal. This is on top of the prices of key raw materials like phosphoric acid and ammonia, for non-urea fertilizer companies that are already up 40-60% over the past fiscal. All this will now have to be absorbed by the government.

Over 55% Jan Dhan account holders are women

Of the nearly 44 crore Jan Dhan bank account holders in the country, more than 55% are women account holders, the Finance Ministry informed Parliament. There are as many as 43.90 crore beneficiaries of the PMJDY (Pradhan Mantri Jan Dhan Yojana) account holders in the country as of November 17, 2021, Minister of State for Finance Bhagwat Karad said in a written reply in the Lok Sabha. Of these, as many as 24.42 crore are female beneficiaries as informed by the banks, which comprises 55.60% of the total PMJDY accounts, he added. When asked about the number of people benefitted from this scheme in Gujarat, he said there are a total of 1.65 crore beneficiaires in Gujarat, of which 0.84 crore (51 per cent) are the women bank account holders. The government had announced the PMJDY on August 15, 2014, under the National Mission on Financial Inclusion with a view to increasing banking penetration, promote financial inclusion and provide at least one bank account per household across the country. The scheme was extended beyond 14 August 2018 with the focus on opening of accounts shifting from 'every household' to 'every unbanked adult' with certain modifications.

PSBs restructure over ₹ 58,500 crore loan advanced to near 10 lakh MSME accounts amid pandemic

Public sector banks (PSBs) effected restructuring of 9.8 lakh accounts of micro, small and medium enterprises, due to the impact of Covid-19 pandemic, amounting to ₹ 58,524 crore as of November 26, the government said. While, as many as 8.5 lakh accounts of individual borrowers of over ₹ 60,000 crore have also been restructured. As per inputs received from public sector banks (PSBs), as on November 26, 2021, resolution plan/restructuring has been implemented by them in 9.8 lakh MSME accounts amounting to ₹ 58,524 crore, and in 8.5 lakh accounts of individual borrowers amounting to ₹ 60,662 crore, as on November 15, 2021, the Finance Ministry said in a written reply in the Lok Sabha.

The government and the Reserve Bank took a number of measures to support the retail and micro, small and medium enterprises (MSME) borrowers in the wake of the pandemic, including a Covid-19 regulatory package granting moratorium of six months on payments of all instalments of term loans and deferment of recovery of interest on working capital from March 1, 2020 to August 31, 2020.

NABARD projects Assam's credit potential at ₹ 36,292cr for FY23

National Bank for Agriculture and Rural Development has projected a 12% increase in Assam's credit potential to ₹36,292 crore for the 2022-23 fiscal, an official said. Around 52% of the total projected credit potential is estimated for the agriculture and allied activities, and a 36% share for the MSME sector, according to a report - State Focus Paper for 2022-23- released by the rural development bank recently. It will be used as a base for preparation of the annual credit plan for priority sector lending by financial institutions for FY23, the official said. In absolute terms, a credit potential of ₹18,755 crore is projected for the agriculture and allied activities, ₹12,952 crore for micro, small and medium enterprises, ₹1,388 crore for the informal segment and ₹ 3,197 crore for housing, educational and other sectors.

RBI Governor, PM signal reforms in trouble-prone urban co-operative banks

Reserve Bank of India (RBI) Governor Shaktikanta Das indicated that the banking regulator will ring in sweeping regulatory changes to reform urban co-operative banks that have been plagued by a spate of failures, and warned people against parking their savings in banks offering high returns.

While terming the government's decision to raise the insured limit for bank deposits to ₹5 lakh from ₹1 lakh with a 90-day time limit to pay out such deposits as 'landmark' developments, Mr. Das stressed that the payment of Deposit Insurance should be seen as a 'measure of last resort'. I would like to mention in all this is that the depositors themselves must also be very discerning. It is very important to keep in mind that higher returns are usually associated with higher risks. Just because a bank is offering higher interest, the depositors should be very careful in putting their money in chasing such high returns, the RBI Governor noted.

When the RBI will oversee co-operative banks' functioning, this will also raise depositors' confidence further. We have created a new Co-operatives Ministry (referring to the Co-operation Ministry). The idea is to strengthen the co-operative system and will empower co-operative banks further, Mr Modi said, noting that these problems afflicted co-operative banks more. Mr. Das said the central bank keeps depositors' interests on top while dealing with policy challenges and will continue to ensure that the entire banking system remains robust.

Just to give an example, we have come out with new governance guidelines for commercial banks and we have constituted a committee for bringing about reforms in the urban co-operative sector. That report has been received and we will be taking action based on it, he said.

Rural housing scheme extended, to cost ₹ 2.17 lakh crore in 3 years

With the Centre running behind schedule in its plan to provide pucca houses to 2.95 crore poor families by 2022 in rural areas, the Union Cabinet approved continuation of Pradhan Mantri Awaas Yojana — Gramin (PMAY-G) beyond March 2021, till March 2024, at an estimated cost of ₹ 2.17 lakh crore. As many as 1.56 crore houses will be constructed in the next three years. Of the estimated cost, the Centre's share will be ₹ 1,25,106 crore and states' share ₹ 73,475 crore. Another ₹ 18,676 crore will be provided towards the interest repayment to the National Bank for Agriculture and Rural Development. To achieve the objective of housing for all by the year 2022, Prime Minister Narendra Modi had launched the PMAY-G on November 20, 2016, with a target to build 2.95 crore houses with basic amenities. As on November 29, 1.65 crore PMAY-G houses have been constructed. It is estimated that 2.02 crore houses, which is almost equal to SECC 2011 database based Permanent Wait List will be completed by the deadline of August 15, 2022, the government said in a statement. With the extension of the scheme, the pucca houses to be built will be 3.21 crore as against the initial target of 2.95 crore.

RBI ushers in corrective action scheme to better control NBFCs

The Reserve Bank of India announced a Prompt Corrective Action (PCA) Framework for Non-Banking Financial Companies (NBFCs), to strengthen applicable supervisory tools. This is in line with the PCA framework for banks, whose aim was to help improve their financial condition and governance issues. The framework will apply to all deposit-taking NBFCs, all non-deposit taking NBFCs in the middle, upper and top layers, including investment and credit firms, core investment firms, infrastructure debt funds, infrastructure finance firms and microfinance institutions. It has excluded NBFCs not accepting or not intending to accept public funds, primary dealers and housing finance firms, along with government-owned ones. This will take effect October 1, 2022, the RBI said in a circular. The objective of the framework is to enable supervisory intervention at the appropriate time and require the supervised entity to initiate and implement remedial measures in a timely manner, so as to restore its financial health, the RBI said. Among large NBFCs (assets exceeding ₹25,000 crore), rating agency ICRA noted that three entities were in breach of the net NPA criterion as of September. However, all the entities have established parentage.

Govt clears ₹ 1,300-cr scheme to promote RuPay, BHIM transactions

The Cabinet approved ₹1,300-crore incentive scheme to promote RuPay debit cards and boost low-value transactions through the BHIM unified payments interface (UPI) application for one year starting April 2022. The idea is to enable a vast number of people, especially in the marginalised sections of society who are outside the formal banking network, to adopt the digital payment system. Briefing about the Cabinet decisions, electronics and IT minister Ashwini Vaishnaw said the government will reimburse transaction charges levied on digital payments made by persons to the merchant (P2M), as part of the merchant discount rate (MDR). The government will pay a percentage of the value of the person-to-merchant (P2M) transactions done through RuPay debit cards and low-value BHIM-UPI modes of payments. A sustained push by the government and the emergence of several payments intermediaries have driven up digital transactions in the country in recent years. The number of digital payments jumped from 1,459 crore in FY18 to 4,371 crore in the last fiscal. In November, the number of transactions on the UPI platform remained high at 418 crore, involving an amount of ₹ 7.68 lakh crore. Starting January 1, 2020, the government scrapped MDR for all RuPay and UPI transactions, although banks are allowed to impose the cost using other card payment networks. Several stakeholders in the digital payments industry have been seeking a restoration of the MDR rates. The Cabinet decision comes ahead of a plan by the central bank to float a discussion paper on digital payment charges within a month. Announcing the monetary policy statement, Reserve Bank of India (RBI) governor Shaktikanta Das said the paper is aimed at ensuring that digital payment charges remain affordable to users and economically remunerative to providers. There have, however, been some concerns on the reasonableness of various charges incurred by customers for digital payments through credit cards, debit cards, prepaid payment instruments (cards and wallets), Unified Payments Interface (UPI) and the like. It is proposed to release a discussion paper on various charges in the payment system to have a holistic view of the issues involved and possible approaches to mitigating the concerns so as to make digital transactions more affordable, Das said.

Financial Inclusion has helped monetary policy transmission in India: RBI DG Michael Patra

The Reserve Bank of India (RBI) has been able to improve policy transmission by involving more people in the monetary policy process and promoting financial inclusion, deputy governor Michael Patra said. As more people get involved, central banks need to calibrate interest rates less frequently to ahieve their objectives, Patra said while speaking of students of IIM, Ahmedabad. The RBI moved away from regulating interest rates during the 1990s. This was followed by guideline-based loan pricing norms – prime lending rates; base rates; marginal cost of funds-based lending rates. The goal is transparency, customer protection and awareness, and being as market-based as feasible, all of which are intended to foster inclusiveness, he said. Transmission of policy rate changes to both deposit and lending rates has improved. The process has come full circle with the external benchmark-based lending rates – applied first to retail loans and credit to micro and small units – under which transmission is even fuller. Clearly, sustaining the thrust on financial inclusion will leave the RBI better off in achieving monetary policy transmission, Patra said. The financial inclusion is found to improve the transmission of interest rate-based monetary policy impulses in two ways. First, the financially excluded would typically prefer cash savings. But as inclusion increases, their preference shifts from cash to interest-bearing bank deposits and other financial assets. Consequently, financial savings turn more sensitive to interest rates.

Public sector banks' share in credit continues to fall

The share of state-run banks in credit fell for yet another year, continuing a decade-long trend of declines, while top-deck compensation in private banks appears to have surged in line with the pace of expansion in business. Even as credit growth is muted, indicative of the pandemic weighing on aggregate demand, the share of public sector banks in total advances and deposits has been declining since 2010-11. By contrast, private-sector banks have garnered a larger slice of business, showed the Reserve Bank of India's (RBI) analysis in its latest Report on Trend and Progress in Banking. This could be attributed to a greater proportion of retail loan in total advances. But the pay of a public sector bank CEO was just about three times the average for the bank. In some private banks, it was as high as 67 times the average bank employees' salary.

The compensation paid to a bank Chief Executive Officer (CEO) in comparison to a representative bank employee varies greatly across different bank groups, the RBI report noted. For public sector banks, on an average, CEOs earn three times the typical employee, while the same was as high as 75 times in the case of small finance banks and 67 times in the case of private sector banks. The corresponding multiple was low for foreign banks as the remuneration received by employees is relatively high. The revised guidelines on compensation require that the compensation of CEOs / Whole Time Directors / Material Risk Takers must be adjusted for all types of risk, their outcomes and time horizons. The report also notes that the two bank groups have relied on diverse sources of funding loan demand.

Central Bank expects NBFC sector to remain buoyant

Non-banking financial companies (NBFCs) are expected to remain buoyant going ahead, helped by the revival in the economy and increased pace of vaccinations, the Reserve Bank of India (RBI) said in its Report on Trend and Progress of Banking in India 2020-21. The pandemic has tested the resilience of NBFCs, but so far, the sector has emerged stronger with reasonable balance sheet growth, increased credit intermediation, higher capital, and lower delinquency ratio and enlarged liquidity cushions, the report. With the increased pace of vaccinations and the broadening revival of the economy, the NBFC sector is expected to remain buoyant, the report said. The financial system is maturing from a bank-dominated space to a hybrid system, wherein non-bank intermediaries are gaining prominence. The developments in the sector in 2020-21 are a harbinger of even brighter prospects in the years ahead, it said.

It said various policies in the aftermath of the pandemic ensured liquidity support, moratorium and asset classification standstill eased financial conditions and gave NBFCs adequate time and wherewithal to weather the shock and leverage on their grass-root level reach to channelise credit to productive sectors and revive growth. Many NBFCs have adopted strong credit risk assessment frameworks to ensure the quality of credit creation. In October 2021, the RBI introduced scale-based regulation to enhance regulatory oversight over the sector. To further strengthen the supervisory tools applicable to NBFCs, it issued a prompt corrective action framework for NBFCs effective October 2022, the report said. The recent amendment of the Factoring Regulation Act can incentivise all NBFCs to boost the MSME (micro, small and medium enterprises) sector, it said.

RBI : Cooperative banks to build on resilience, leverage financial position to expand footprint

With turnaround in economic activity, cooperative banks are likely to build on their resilience and leverage on recent financial improvements to increases their reach going ahead, the Reserve bank of India said in its report. The cooperative banking segment-both urban and rural-remained robust throughout the COVID-19 stress, the Report on Trend and Progress of Banking in India 2020-21.

Going forward, with a turnaround in economic activity, it is expected that the sector may build on its resilience and leverage on recent financial improvements to expand its footprint in order to reach finance to grassroot levels, the report said. Although the balance sheet growth of urban co-operatives banks (UCBs) in 2020-21 was driven by deposits on the liabilities side, subdued credit growth prompted acceleration in investments on the assets side, the report said. The financial indicators of UCBs, including their capital position and profitability, improved. Among the short-term rural cooperatives, the profitability of state cooperative banks and district central co-operative banks improved, while their asset quality deteriorated, the report said. Going ahead, structural reforms that address deep-seated fault lines are expected to catalyse change in operations of co-operative banks, it said. The RBI report said that matters of inadequate governance at these lenders are being addressed through regulatory as well as enforcement actions. The co-operative banking sector, especially the rural co-operatives, emerged relatively unscathed from the first wave of the pandemic in 2020-21. Yet, structural impediments emanating from regulatory overlaps, high levels of loan delinquencies and erosion of depositor confidence due to frauds continue to beset the sector, the report said.

Banks need to strengthen corporate governance

The banking sector needs to strengthen corporate governance and risk management practices to deal with the uncertainties created by the coronavirus pandemic, the Reserve Bank said. With rapid technological advancements in the digital payments landscape and emergence of new entrants across the FinTech ecosystem, banks would also be required to prioritise upgrading their IT infrastructure and improving customer services, together with strengthening their cybersecurity. Banks would need to strengthen their corporate governance practices and risk management strategies to build resilience in an increasingly dynamic and uncertain economic environment, the RBI said in its report on 'Trend and Progress of Banking in India 2020-21. It further said although credit offtake by banks remained subdued in an environment of risk aversion and muted demand conditions during 2020-21, a pick up has started in the second quarter of 2021-22, with the economy emerging out of the shadows of the second wave of COVID-19. However, banks would need to further bolster their capital positions to absorb potential slippages as well as to sustain the credit flow. In a nutshell, the report said, the Indian financial sector is standing at crossroads: while the immediate impact of the fallout of COVID-19 will dominate the short-term, larger challenges relating to climate change and technological innovations will need a carefully crafted strategy.

Micro Finance lenders likely to close FY22 with 12-15% asset growth: Icra report

With the overall collection efficiency of microfinance lenders improving, the industry is likely to close the current financial year with asset growth of 12-15%, up from 9% in 2020-21, according to a report. The second wave of the pandemic impacted the business volume of microfinanciers during the first half due to poor collections and the resultant moderation in fresh lending. The industry closed the first six months of the current fiscal with asset growth of only five per cent, rating agency ICRA said in the report. It added that from the second half onwards, economic activities have returned to near-normal resulting in rising credit demand. This should help the industry widen the asset base by 12-15%, up from 9% in FY21. However, the report does not expect profitability to improve in the year given the elevated credit cost that will eat into the bottom line (profit), whittling down the higher revenue impact arising from more loan sales. Sachin Sachdeva, vice-president at the agency, said the asset quality metrics weakened sharply in the first half due to the localised lockdowns imposed by various states on account of the second wave impacting borrowers' cash flows, and the resultant dip in collection efficiency of lenders. However, with the gradual reopening of the economy, microfinance activities resumed from the second quarter and so did collections that bounced back to the March 2021 level, the report said without disclosing how much was the fall in H1FY22 or how it was in March 2021.

Small units to lose businesses as govt tightens input tax credit rules

Businesses could find their working capital and profitability taking a hit if any of their suppliers fail to upload their invoices on the goods and services tax (GST) portal, as the government has tightened the norms on input tax credits (ITC) to check frauds. By doing away with the provisional ITC, the authorities have also made it difficult for small businesses to get supply orders from Corporate India, which will now deal with only businesses above a certain size that can meet the compliance requirements under the GST regime. Currently, businesses can claim 5% of their total eligible ITC as 'provisional' ITC even if these are not matched with supplier invoices. As per the rules for Central GST notified by the Central Board of Indirect Taxes and Customs (CBIC), no provisional ITC would be available to businesses from January 1. The 5% provisional ITC has been giving a cushion to businesses, more so to MSMEs, which are struggling to come out of the pandemic-induced slump, analysts reckon. It's a bit unfair that even after complying with all GST return filings and tax payments, a business has to suffer due to non-compliance by some vendors. Effectively, tax administration shifts the compliance burden to recipient of goods/services, said MS Mani, Partner, Deloitte India. After GST was rolled out from July 2017, all taxpayers claimed ITC on a self-declaration basis. From October 2019, the concept of provisional ITC was introduced, allowing businesses to claim only 20% ITC as provisional (largely covering non-compliant vendors) from the eligible ITC reflected in their GSTR-2A statement on the inward supplies. The provisional ITC got reduced to 10% in 2020. However, from January 1, 2021, this limit was reduced further to 5% of the eligible ITC reflected in the GSTR-2B. The central tax authorities have booked about 8,000 cases involving fake ITC availment of over ₹ 35,000 crore in FY21. While misuse of the beneficial provision of ITC under GST regime was the most common way of evasion under the GST law, the scale of this has been worrisome for the taxman. However, Mani said, given that nowhere in the world vendors are 100% compliant with regard to GST as small businesses lack resources to engage professional tax consultants or hire the skilled manpower, 5% provisional ITC gave a cushion to businesses and it should have been continued for a few more years till GST stabilised. For a company which pays ₹100 crore GST in cash every month, 5% amounts to ₹ 5 crore and that is huge sum from working capital point of view. This will lead to a situation where large businesses will deal with large businesses only as dealing with smaller one means losing some credits, Mani added.

RBI releases framework on offline digital payments

The Reserve Bank of India (RBI) released a framework for small-value offline transactions in the digital mode. Offline payments may be made using any channel or instrument like cards, wallets or mobile devices, but they shall be made in proximity, or in the face-to-face mode only, the framework prescribed. An offline payment refers to a transaction which does not require internet or telecom connectivity to take effect. Authorised payment system operators (PSOs) and payment system participants (PSPs) —banks as well as non-banks —which wish to offer payments in the offline mode will have to comply with the requirements under the framework. Offline payment transactions may be offered without an additional factor of authentication (AFA). Payment instruments shall be enabled for offline transactions based on the explicit consent of the customer. Such transactions using cards shall be allowed without a requirement to switch on the contactless transaction channel, in relaxation of terms of an earlier circular. The upper limit of an offline payment transaction shall be ₹ 200. The total limit for offline transactions on a payment instrument shall be ₹ 2,000 at any point in time. Replenishment of the used limit shall be allowed only in online mode with AFA, the framework said. The bank or non-bank issuer shall send transaction alerts to users as soon as transaction details are received. While there is no compulsion to send an alert for each transaction, the details of each transaction shall be adequately conveyed. The acquirer shall incur all liabilities arising out of technical or transaction security issues at the merchant's end. Customers shall have recourse to the RBI's integrated ombudsman scheme, as applicable, for grievance redressal. The framework shall come into effect immediately.

Fertiliser subsidy: FY23 outlay seen at ₹ 1.3 lakh crore

The Centre's fertiliser subsidy bill may be budgeted at ₹ 1.3 lakh crore for the next financial year (2022-23), signalling its potential to be a relentlessly rising and sticky item on the revenue expenditure side. This is even as the fuel subsidies have been reined in and are set to be nearly eliminated in the current fiscal itself. It would be the third year in a row in 2022-23 that the annual budget spending on fertiliser subsidy hovers around ₹ 1.3 lakh crore from a lower range of about ₹ 70,000-80,000 crore for a few years in the past. The subsidy bill rose 57% on year to ₹1.27 lakh crore in FY21 as the government cleared arrears of about ₹ 65,000 crore as part of the Covid-related packages. The surge in the international prices of fertilisers, as well as key ingredients, is estimated to inflate the subsidy on fertilisers to ₹ 1.38 lakh crore in FY22, up 73% from the budget estimate (BE) of ₹ 79,530 crore.

Online IMPS up to ₹ 5 lakh is free, says SBI

To encourage customers to adopt digital banking, State Bank of India (SBI) has decided to not levy any service charges on IMPS transactions of up to ₹5 lakh, done through Internet and mobile banking. In case of branch channels, there has been no change in the service charges for IMPS done through the branch channel in the existing slabs. However, a new slab for ₹2 lakh to ₹5 lakh has been added and the proposed service charge for this slab is ₹20, plus GST. These are in line with the charges on NEFT/RTGS transactions, the bank said.

RBI lays down eligibility norms for entities tapping credit bureau data

The Reserve Bank of India (RBI) laid down eligibility norms for entities tapping into data from credit information companies (CICs), or credit bureaus. The rules say a company must be owned and controlled by resident Indian citizens to become a specified user with a credit bureau, amid reports of lending apps with Chinese links operating in India. In order to be eligible as a 'specified user' under the Credit Information Companies (Amendment) Regulations, 2021, an entity must be a company incorporated in India or a statutory corporation established in India. The governing statute of the statutory corporation or memorandum of association of the company should allow the business or activity of processing of information for the support or benefit of credit institutions, the norms said. In the case of a company, it should have a net worth of not less than ₹2 crore as per the latest audited balance sheet, and shall meet the requirement on a continuing basis. The ownership of the company shall be well diversified. The company shall have at least three years of experience in running the business or activity of processing information for the support or benefit of credit institutions and shall have a clean track record. The company, its promoters or directors should not have at any time in the past been convicted of any offence involving moral turpitude or any economic offence. In addition, the entity should have a certification from a CISA-certified auditor that it has a robust and secure information technology (IT) system in place for preserving and protecting the data relating to the credit information as per the provision of the Credit Information Companies (Regulation) Act, 2005 and other applicable regulations or guidelines.

FM asks PSBs to bolster preparedness, keep lending

Finance minister Nirmala Sitharaman reviewed state-run banks' preparedness to deal with any pandemic-induced disruption in the wake of a spike in Covid cases over the past few days. At the same time, the banks have been asked to keep satiating the credit appetite of the economy. The top executives who attended the virtual meeting told the minister that public-sector banks (PSBs) are adequately capitalised and prepared for any stress scenarios in future,


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No. of loan cases sanctioned as on 31-12-2021	₹ 18.96 Lakhs
Share of Small & Marginal Farmers in Bank's financial assistance.	₹ 13.07 Lakhs
Fixed Deposits outstanding as on 31-12-2020 (Tentative)	₹ 47171.46 Lakhs

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President	I/C Secretary	Managing Director

the finance ministry said in a statement. The meeting came days after the Reserve Bank of India, in its Financial Stability Report, projected that gross non-performing assets (NPAs) of commercial banks may jump to 9.5% by September 2022 in a severe stress scenario from 6.9% a year earlier. However, the central bank also noted that banks have sufficient capital, both at the aggregate and individual levels, even under stress conditions to cope with the shock. Emerging signs of stress in the MSME and microfinance segments call for close monitoring of these portfolios going forward, the report suggested. At meeting, Sitharaman said business outlook is progressively improving in spite of the global headwinds and the Omicron spread and underlined that contact-intensive sectors may require more support from banks to help them fight against the pandemic. Credit demand, the minister said, is expected to pick up on account of growth in retails segments, improvement in overall macroeconomic prospects and improving financial health of borrowers.

Non-food bank credit growth accelerated to 7.1% in November, against 5.9% a year before and 6.9% in the previous month. However, credit to industry grew only 3.8% in November, even on a favourable base. The capital to risk-weighted assets ratio (CRAR) of commercial banks, dominated by PSBs, stood at an impressive 16.6% as of September 2021, well above the regulatory requirement. Similarly, their provisioning coverage ratio stood at a decent 68.1% by September. PSBs, particularly, are adequately capitalised, too, as their CRAR hit 14.4% as of September 2021, against the requirement of 11.5% (including capital conservation buffer). Their CET1 capital also stood at 10.79% as on September 2021, against the regulatory requirement of 8%. PSBs recorded net profit of ₹31,820 crore in FY21, the highest in the last five years. Importantly, in the first half of this fiscal, they registered net profits of ₹31,145 crore, almost equal to that of the whole of FY21. They also recovered as much as ₹5,49,327 crore from bad assets in the last 7 years. Sitharaman also reviewed various steps initiated by state-run banks in implementing pandemic-related measures initiated by the government and the RBI. The minister appreciated the success of the ₹4.5 lakh crore credit guarantee scheme ECLGS and called for further concerted efforts to support all those sectors that face interruption due to continued onslaught of Covid-19 pandemic. She also asked bankers to continue supporting the agriculture, retail and MSME sectors.

India to resume export of mangoes to the U.S.

After more than two years, India to start export of mangoes to the United States under a new framework agreement signed between the U.S. Department of Agriculture and the Department of Agriculture and Farmer Welfare (DAC&FW) of India. India did not export mangoes to the U.S. during the previous two and half years as the U.S. phytosanitary inspectors did not visit during 2020 and 2021. The new agreement also covers pomegranate and both the items will begin arriving in the U.S. from India starting from February. Under this agreement, India will import alfalfa hay and cherries from the U.S. from April. Mango and pomegranate exports started from January-February 2022 and pomegranate arils exports from April 2022, declared a press statement. The development comes months after the 12th India-USA TPF (Trade Policy Forum) meeting held on November 23, 2021 which paved the way for the latest framework agreement. A joint statement issued at the end of the meeting had announced that both sides would fast track the phytosanitary work necessary for export of mangoes and pomegranate arils to the U.S. and for cherries and alfalfa animal feed from the U.S. to India.

Solar power generation set to brighten lives of Rajasthan farmers

Solar power generation is set to make rapid strides in Rajasthan with public sector banks acceding to the State government's request to grant loans without collateral security to farmers for installing solar plants at their infertile or semi-barren land. The work was earlier affected as the farmers faced difficulty in getting bank loans. The Rajasthan Renewable Energy Corporation allotted 722 MW plants to 623 farmers under the KUSUM scheme. The Centre's PM-KUSUM (Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan) Scheme envisages income generation for farmers from their infertile land with the establishment of solar power plants. While the farmers can sell the power generated from the solar plants to the power distribution companies, the solar pumps can also be installed for irrigation of farmlands. Additional Chief Secretary (Energy) Subodh Agarwal said that 11 of these plants had so far been installed in the State. The loans to be sanctioned without collateral security for the solar plants of half kilowatt to 2 MW will speed up the work and help achieve the targets set in the renewable energy sector, Mr. Agarwal said. Mr. Agarwal said the electricity generated at the solar plants would be purchased at the rate of ₹3.14 per unit for 25 years following the signing of power purchase agreements. The discoms will deposit the loan instalments directly with the banks and the remainder amount in the bank accounts of farmers. He added that the KUSUM scheme would ensure energy security for farmers, as they could generate revenue from their agriculturally unproductive or barren land. It would also help increase the production of green energy and generate employment in the rural areas and would later provide for solarisation of tubewells and lift irrigation projects of the government sector.

Swaraj Green to set up Asia's largest ethanol unit in Maharashtra

Swaraj Green Power & Fuel will set up Asia's largest ethanol production unit at Phaltan (Satara) in Maharashtra. The plant's targeted capacity will be 1,100 kilolitres per day (KLPD). In the first stage, it will have a capacity of 500 kilolitres per day KLPD and in the second, the capacity would be enhanced to 1,100 KLPD. The unit will use sugarcane juice and Biosyrup as raw materials based on technology supplied by Praj Industries. At full capacity, Swaraj will become the largest capacity plant to produce Ethanol in India and Asia. Swaraj is a sugar and ethanol producer. It already has a 60 KLPD capacity plant for the production of ethanol set up by Praj based on molasses as feedstock. Swaraj and Praj have now signed an agreement for expanding up to 500 KLPD capacity that is expected to be operational by the third quarter of FY 2022-23. Praj will design, engineering, supply, commission the plant, deploying its advanced sugarcane juice and Biosyrup to ethanol technology. Ranjeetsinh Naik-Nimbhalkar, founder & promoter, Swaraj said, they were aligning with the Indian government's ethanol blending program (E20). Pramod Chaudhari, founder chairman of Praj, said Swaraj was always willing to adopt innovative technologies to ensure efficient plant operations. This landmark project in Maharashtra is a significant step forward towards meeting the government of India blending mandates while helping decarbonize the transportation sector, Chaudhari said.

Forest, tree cover in India up by 2,261 sq km in two years

Forest and tree cover in the country had increased by 2,261 square kilometres since the last assessment in 2019, according to the India State of Forest Report-2021.

Releasing the report, Environment and Forest Minister Bhupender Yadav said the total forest and tree cover was 80.9 million hectares, which accounted for 24.62% of the geographical area of the country. The report said 17 States and Union Territories had more than 33% of their area under forest cover. Mr. Yadav said the Narendra Modi government's focus was to enrich the forests qualitatively. The report found that there had been a 1,540 sq km increase in forest cover and 721 sq km increase in tree cover since the last report in 2019.

Top 3 States

Increase in forest cover has been observed in open forest followed by very dense forest. Top three States showing increase in forest cover are Andhra Pradesh (647 sq km) followed by Telangana (632 sq km) and Odisha (537 sq km), a Ministry statement said. Madhya Pradesh had the largest forest cover, followed by Arunachal Pradesh, Chhattisgarh, Odisha and Maharashtra. The top five States in terms of forest cover as a percentage of their total geographical area were Mizoram (84.53%), Arunachal Pradesh (79.33%), Meghalaya (76.00%), Manipur (74.34%) and Nagaland (73.90%).

Mangrove cover

The total mangrove cover in the country had increased by 17 sq km, to reach 4,992 sq km. The total carbon stock in forests was estimated to be 7,204 million tonnes, an increase of 79.4 million tonnes from 2019. The Ministry said the survey used mid-resolution satellite data, followed by “rigorous ground truthing” and information from other sources.

The accuracy level achieved in the current assessment is significantly high. The accuracy of forest cover classification has been assessed 92.99%. The accuracy of classification between forest and non-forest classes has been assessed 95.79% against internationally accepted accuracy of classification of more than 85%, the Ministry said.

Banking sector frauds could surge over next 2 years

Deloitte has warned that frauds in the banking sector could rise significantly over the next two years due to the large-scale remote working model, increase in customers using non-branch banking channels and limited use of forensic analytics tools to identify potential red flags. In its bi-annual report, 'India Banking Fraud Survey', the global consultancy firm said 78% of the respondents to its survey believed that frauds in the sector would increase over the next two years.

The respondents said fraudulent incidents were generally identified during routine account audit, internal automated data analysis or through transaction monitoring software. According to the survey, almost 10% of the frauds identified in the last two years were due to data theft, while cybercrime, third-party fraud, bribery and corruption and fake documentation also formed a large part of the incidents. As per bankers polled, a large part of the fraud risks still come from the loan segment, followed closely by internet banking frauds, data theft and phishing.

NABARD projects Odisha's credit potential at ₹ 1.34 lakh cr.

The National Bank for Agriculture and Rural Development (NABARD) has made an overall projection of credit potential under priority sector at ₹1,34,665 crore for Odisha for the year 2022-23 with an increase of aound 21.60% over credit projection of 2021-22. Out of the total credit potential for the priority sector, an amount of ₹ 52,050.78 crore (38.65%) has been assessed under agriculture, said the apex rural development bank in its State focus paper. Credit potential under agriculture infrastructure and ancillary activities has been estimates at ₹1,824.33 crore and ₹ 2,005.34 crore, respectively. Credit potential under MSME sector has been assessed at ₹ 60,001.27 crore, constituting around 44.56% of the total priority sector, NABARD said. It said, other sectors consisting of export credit, education, housing, renewable energy, others and social infrastructure have around 16.79% share.

Various schemes-Finance minister Niranjan Pujari emphasised upon the need for increasing the bank credit for priority sector in Odisha as government has been pushing lot of support through various schemes like Balaram, Kalia, Samrudhi, Millet Mission, FPOs etc and it's time for banks to increase the credit flow for private capital formation substantially. NABARD has been increasing their support for the infrastructure development, tribal development, watershed development and micro entrepreneur development among SHG women and will increase the developmental activities in the State, said C. Udayabhaskar Chief General Manager of NABARD.

Agri exports likely to cross $50 bn this fiscal: Commerce ministry

The country's exports of agricultural products, including marine and plantation goods, increased 23.21% to USD 31.05 billion in April-November 2021 and is expected to cross USD 50 billion for the "first time" this fiscal, the commerce ministry said. The ministry has taken several steps during the ongoing COVID-19 pandemic to push the exports.

These measures include an extension of validity of various certifications/ accreditations beyond their dates of expiry; setting up of control rooms to resolve problems; issuance of online certificates for exports; and facilitating opening up of more testing laboratories.

Due to these initiatives, it said, India was able to meet the global demand, which has provided momentum to agriculture exports. With the present level of growth, India's agriculture exports are likely to cross USD 50 billion for the first time, which is the highest ever in history, it said. The ministry said that rice exports are likely to touch 21-22 million tonnes this year. Exports of non-basmati rice, wheat, sugar, and other cereals too have recorded healthy growth so far. Further, it said that exports of marine products are likely to cross USD 8 billion this fiscal for the "first time".

India is World's Top Exporter of Cucumber & Gherkins

India has emerged as the largest exporter of gherkins in the world with outbound shipments worth $114 million from April-October 2021 compared to $200 million of exports in full FY21. India has exported cucumber and gherkins to the tune of 1,23,846 metric tonne, commerce and industry ministry said in a statement. India has crossed the $200 million mark of export of agricultural processed product, - pickling cucumber, which is globally referred as gherkins or cornichons, in the last financial year, it said. In 2020-21, India had shipped 2,23,515 metric tonne of cucumber and gherkins with a value of $223 million. Gherkins are exported under two categories-cucumbers and gherkins, which are prepared and preserved by vinegar or acetic acid and those which are provisionally preserved.

Government approves PMC Bank merger with Unity Small Finance Bank

The government approved the plan for the amalgamation of the Punjab and Maharashtra Co-operative Bank (PMC Bank) with Unity Small Finance Bank (USFBL), a joint venture between Centrum Financial Services and digital payments platform BharatPe. The scheme for amalgamation, envisages take over of the assets and liabilities of PMC Bank including deposits, by the USFBL in terms of the provisions of the scheme, the Reserve Bank of India said citing the government's sanction for the amalgamation plan. The amalgamation came into force from January 25, 2022 itself as all the branches of the PMC Bank will function as branches of Unity Small Finance Bank Ltd. with effect.

USFBL will have to pay the amount received from Deposit Insurance and Credit Guarantee Corporation to all the eligible depositors of the transferor bank, which would be an amount equal to the balance in their deposit accounts or ₹5,00,000, whichever is less. In the next 10 years retail depositors will continue to receive their outstanding balance in a phased manner as stated in the government gazette. No interest on any of the interest bearing deposits with the transferor bank shall accrue after March 31, 2021 for five years from the appointed date, it said. Simple interest at the rate of 2.75% every year shall be paid at the end of each year for the amounts remaining outstanding which shall be payable from the date after five years from the appointed date.

Maharashtra urges Centre to review fertilisers' price rise

The state government of Maharashtra has expressed concern over increasing prices of chemical fertilisers. According to senior government officials, the hike is adding to the woes of farmers who are already under financial stress due to recurring unseasonal rain and hailstorms in Maharashtra this rabi season. Fertiliser prices have increased by ₹170 to ₹200 for a 5-kg bag of fertiliser. Rising fertilisers cost has led to higher expenses for farmers, especially small and marginal agriculturists, said Maharashtra agriculture minister Dadasaheb Bhuse.

Seeking the Centre's intervention, the minister has submitted a representation to Union minister for chemical and fertilisers Mansukh Mandaviya. Drawing his attention to increased prices, Bhuse has requested the Centre to direct chemical fertiliser companies to stabilise prices. In a separate representation to the minister, Bhuse urged Mansukh Mandaviya to review the fertiliser supply to the state in view of increased demand and direct fertiliser companies to supply all grades of fertilisers as per the allocation and supply plan. In his representation, Bhuse pointed out that the rabi season is in full swing and fertiliser demand is high since the area under sowing has increased because of favourable climate and rains. Recently, the subsidised fertiliser firms have increased prices of fertilisers. Bhuse urged the minister to review the price hike and issue directives for a rollback in the prices. Fertiliser prices increased by 15-25% last year as well. Following protests from various state governments, the Centre agreed to lower the prices to assist farmers. He requested the minister to direct all fertiliser producers to sell fertilisers in the state at the same rate that was declared in December 2021 to maintain smooth supply and balanced use of fertilisers among farmers. The rabi area of the state has increased by almost 20% leading to increased demand for fertilisers, he said. In comparison to the previous rabi season, which covered 52 lakh hectares, this rabi season has seen the area under cultivation increase to more than 60 lakh hectares. Accordingly, as against a total demand of 36.10 lakh tonne of fertilisers in the state, the Centre has allocated 29.50 lakh tonne and the actual supply is around 11.87 lakh tonne while the expected supply is 18.59 lakh tonne until last week. This includes a supply of 4.85 lakh tonne of urea as against the expected supply of 6.43 lakh tonne. The minister said that because of insufficient availability of different grades of fertilisers, there is a possibility of unrest among farmers in the state.

Ministry of Cooperation receives a budgetary allocation of ₹ 900 crore

The ministry proposes to convert Vaikunthlal Mehta National Institute of Cooperative Management (Vamnicom) into an independent institution. The Ministry of Cooperation has received a budgetary allocation of ₹900 crore, with a capital outlay of ₹11 crore for setting up a new secretariat. Finance Minister Nirmala Sitharaman reduced the minimum alternate tax from 18.5% to 15% and surcharge from 12% to 7% for cooperatives with income between ₹1 crore and ₹10 crore in the budget. The ministry proposes to convert Vaikunthlal Mehta National Institute of Cooperative Management (Vamnicom) into an independent institution. For digitisation of Primary Agriculture Cooperative Societies (Pacs), ₹350 crore has been allocated. Computerisation of 63,000 Pacs is expected to lead to an increase in efficiency, profitability, transparency and accountability. The budget earmarked ₹274 crore for an umbrella scheme to develop cooperatives by, providing them necessary support in terms of finance, technology and infrastructure to transform them into successful entities. The funds will be used for recapitalisation of Pacs, revival of defunct ones, seed money for new and transformation of Pacs into multi-role cooperatives on the lines of Farmer Producer Organisations, assistance to cooperative societies in branding, marketing and trade, capital subsidy for creation of basic infrastructure and creation of a national database on cooperative societies.

A cooperative credit guarantee fund has been created with an allocation of ₹1 crore. The scheme aims to provide credit guarantee on loans of Pacs and other primary cooperative societies. To promote research in the field of cooperatives, the budget has allocated ₹30 crore for introducing cooperative education as a course curriculum and as an independent degree or diploma courses in schools and universities. The cooperation department in the agriculture ministry was made a separate ministry last July and home minister Amit Shah was given charge of it.

Budgeting for better agri-growth

The outlay for the fertiliser subsidy has been trimmed by about 25% at a time when prices are on the rise globally; however, it is possible the allocation will be increased later in the year. To be fair, there are several initiatives being planned such as the use of drones for crop assessment, digitisation of land records and spraying of insecticides and nutrients. The PPP mode that is under consideration is a good idea; public sector research and extension institutions will work with private agri-tech startups and other stakeholders.

These initiatives are integral to the AgriStack being put in place by the NDA government with data it has been gathering from over 50 million farmers since 2014. Data from schemes like PM Kisan Samman Yojana (PMKSY), Soil Health Card and PM Fasal Bima Yojana will be linked to land records available with state governments. Once this information is seeded into a single database, AI and data analytics can be harnessed to provide actionable intelligence and personalised services that can boost farmer incomes by addressing challenges like plateauing yields, soil degradation, wastage, inadequate market and infrastructure. AgriStack is integral to the larger Digital India initiative that uses technology to transform how it delivers services to the population. Through authentication by Aadhaar, the government is already transferring food and fuel subsidies, MGNREGA wage payments, PMKSY payments, and wheat and rice procurement in a more targeted manner. The fact is that most farmers continue to cultivate holdings that are diminishing in size given the opportunities to move to urban areas are limited. The need is to step up investments not just in cultivation but also livestock and fishing; there is also the need for crop diversification, from cereals to high-value crops to boost farmer incomes. Farmers need to be provided with more irrigation facilities. There is a need to prepare for extremely heavy as well as poor rainfall and develop drought-resistant and short-duration crops. The outlay for crop science and agri R&D needs to be upped. According to the latest Economic Survey, every rupee spent on agri R&D yields better returns than a rupee spent on fertiliser and power subsidies, improves farmer livelihoods, and contributes in a big way to sustainable agriculture.

Money for 100% central schemes likely to go directly to beneficiaries from April

The Centre plans to directly transfer 100% centrally funded schemes of Rs 500 crore or more, such as Bharatnet, Namami Gange-National Ganga Plan, metro projects, LPG connection to poor households, crop insurance, labour welfare schemes etc., from April 1, dropping state mediaries to ensure better compliance. At present, funds for schemes are drawn by the concerned ministry from the RBI and transferred to the state treasury. It then moves to the state commissioner in charge and to state implementation agencies, which transfer funds to the field level at district or sub-division level. From here, the money is finally disbursed to intended beneficiaries or vendors. The new setup meant to reduce intermediaries and levels and cut administrative bottlenecks is expected to see disbursal of funds directly from the Consolidated Fund of India to the beneficiary/implementing agency so that implementation of schemes would be in sync with fund flow. Various studies have indicated that funds are held up or parked too often at various levels. In other cases, they never make it past the state treasury. As a result, CSS work implementation is often heavily delayed after money has been released by the Centre. The new guidelines are aimed at cutting down disbursement time and ensuring fund access 'just in time'. The finance ministry is learnt to have alerted all central ministries and departments and sought their opinion on the new format expected to come into effect from April 1. A similar tightening of process was introduced last year for schemes jointly funded by Centre and states. New guidelines for all central sector schemes with an annual outlay of over ₹500 crore will be implemented through the Treasury Single Account (TSA) model so that funds for schemes are released in time from the Consolidated Fund of India to beneficiaries and vendors. Each ministry will designate an autonomous body as the Central Nodal Agency (CNA) for the purpose. It will open an account with RBI, which will be mapped on to the TSA and public financial management system models. The RBI will become the primary blanket to ministries without involvement of any agency bank. These will become 'assignment accounts' to directly disburse funds after necessary checks. In case of schemes with an outlay of less than ₹500 crore, state government agencies may be engaged in implementation. However, the concerned central ministry will again designate a central nodal agency for implementation, which will open a central nodal account in a scheduled commercial bank. Implementing agencies down the ladder will be designated as sub agencies which will use the CNA account with clearly defined drawing limits. Ministries will release funds to the CNA account strictly based on requirement and keeping in mind balance funds available as per PFMS. The fund release will be 'just in time' as far as possible - not more than 25% of the annual amount earmarked for the scheme will be released at a time and additional funds will be released only upon utilisation of at least 75% of the funds released earlier. All unspent money is to be returned to the CNA account.

Guaranteed work under MG-NREGS must be for 150 days in a year: House panel

The Parliamentary Standing Committee on Rural Development has recommended a hike in the guaranteed days of work under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MG-NREGS) to at least 150 days in a year, from 100 now, for every rural household.

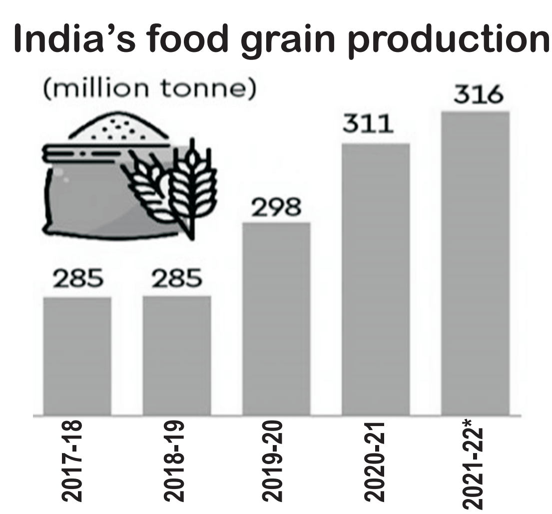
The committee, headed by Shiv Sena MP Prataprao Jadhav, said, “The Committee are of firm opinion that the 'need of the hour' is to further diversify the nature of works under MGNREGA in such manner and through such mechanisms which could also propel the number of guaranteed working days under MGNREGA to at least 150 days from the current 100 days.” However, as per the MG-NREGS dashboard, against the scheme's mandate to provide at least 100 days of 'wage employment' in a financial year to every rural household, 45.13 days of employment have been provided so far in the current fiscal on an average to rural households, compared with 51.52 days in the last fiscal and 48.4 days in 2019-20. The committee said the ambit of permissible works under MGNREGA require a much more frequent revision for including such works which are felt utmost necessary at the local levels, through a process of dialogue with concerned stakeholders. Particularly, works such as construction of bunds which would stop the land erosion/cutting due to flow of rivers during the time of floods in various parts of the country definitely merit a serious look. Other works such as boundary works for croplands/agricultural fields in order to protect them from grazing animals are a valid demand, the committee said. Works can also be added in area-specific manner through specific orders for a fixed time period. Acknowledging that the MGNREGA is a demand driven scheme, the committee is bewildered with the significant upward revision for the scheme to the revised estimate (RE) stage from the budgetary estimate (BE) stage and suggested that the budgetary allocation of a scheme of such enormous magnitude should be done in a more pragmatic manner so that there is no dearth.

Yes Bank launches start-up enabler programme for agri sector

Private sector lender Yes Bank has launched a programme for digital financing solutions in the food and agriculture sector under its start-up enabler initiative, and it will also infuse equity capital in select ventures under this initiative. Announcing the launch of an annual start-up enabler programme, 'Yes Bank Agri Infinity', the bank seeks to co-develop digital financial solutions for the food and agriculture ecosystem by mentoring entrepreneurial ventures in this field. Early- and growth-stage start-ups interested in exploring tech-enabled financial innovations in the agri space are invited to apply with their proposals, Yes Bank said in a statement. Those meeting the eligibility criteria will receive the guidance and support necessary to develop their solutions and apply them across the agricultural value chain. A select cohort of start-ups will receive mentoring by veteran bankers for experiential co-development, as well as access to Yes Bank's digital banking infrastructure and network, collaborative opportunities to pilot new solutions and fundraising advisory. Fintech (financial technology) innovations in agribusiness are central to advancing sustainable growth of the Indian agri-food industry. By facilitating the exchange of knowledge and development of tech-enabled financial solutions for scalable agribusiness models, our programme aims to open a door for entrepreneurs to a thriving innovation ecosystem, Prashant Kumar, MD and CEO of Yes Bank, said.

Food grains output seen at a record 316 million tonne in 2021-22

India's foodgrains, consisting of rice, wheat, pulses and coarse cereals, production, will likely be a record 316.06 million tonne (mt) for the 2021-22 crop year (July-June), as per the second advance estimate released by the ministry of agriculture. The projected output exceeds the target of 310.74 mt set by the agriculture ministry at the beginning of the season. The country's food grains production was estimated at 310.74 mt in 2020-21. The record food production would help the government in keeping prices of grains in check and ensure sufficient stocks available for procurement for distribution through the public distribution system. It also means that unless the Food Corporation of India and other government agencies keep purchases at MSP robust, farmers' incomes could take a hit.



Source : Ministry of Agriculture *second advance estimates, crop - July-June

Officials told that because of bumper production of food grains, the agriculture sector, which was among the few segments that remained robust amid the Covid-19 pandemic. According to the Economic Survey, the agriculture and allied sectors are expected to register a growth rate of 3.9% in 2021-22. Agriculture & farmers' welfare minister Narendra Singh Tomar said the new record of foodgrains production in the country is the result of hard-work of farmers, efficient research of scientists and farmer friendly policies of the Government. The production of foodgrain during 2021-22 is higher by 25.35 mt than the previous five years' (2016-17 to 2020-21) average production of foodgrains, according to a statement by the agriculture ministry. In 2021-22, rice production is estimated at record 127.93 mt, which is higher by 11.49 mt than the last five years' average output of 116.44 mt. The wheat production during 2021-22is estimated at record 111.32 mt, which is higher by 7.44 mt than the average wheat production of 103.88 mt. The pulse output in the current crop year' estimated at 26.96 mt which is 3.14 mt higher than the last five years' average production of 23.82 mt. Production of Coarse Cereals is estimated at 49.86 mt, which is higher by 3.28 mt than the average production for the last five years. According to second advance estimates for other crops such as oilseeds, sugarcane and cotton, the production is estimated to reach level. Total oilseeds production during 2021-22 is estimated at record 37.15 mt, which is higher by 1.20 mt than the production of 35.95 mt reported in 2020-21. Total production of sugarcane in 2021-22 is estimated at 414.04 mt, which is higher by 40.59 mt than the average sugarcane production of 373.46 mt. The cotton output is estimated at 34.06 million bales (each of 170 kg) is higher by 1.12 million bales than the average cotton production of 32.95 million bales.

India mulls MoUs with multiple countries to boost pulses import

To boost domestic supplies of lentils (masoor) and ensure that its retail prices do not spiral out of control, India will enter into agreements with Russia and Kazakhstan for imports of the key pulses variety under long-term contracts. The memorandums of understanding (MoUs) would facilitate imports of lentils by private traders. These agreements will follow similar arrangements with Mozambique, Myanmar and Malawi for import of other varieties of pulses, namely tur and arhar. Sourced told that after the deliberations with Russia's and Kazakhstan's officials, the agriculture ministry is working out plant quarantine modalities before these MoUs are entered into. Officials said that since the domestic consumption of pulses, especially lentils, in Russia and Kazakhstan are negligible, they want to import annual commitments so that farmers there would be encouraged to grow the variety of pulses, which has one of the largest shares in India's pulses imports basket. According to commerce ministry data, India imported 1.11 million tonne (mt) of lentils out of total pulses imports of 2.26 mt in 2020-21. In the current fiscal, around 6.5 lakh tonne of lentils have been imported so far. Trade sources said that domestic production of lentils has not kept pace with rising demand and the government has been resorting to imports, mostly from Canada and Australia, to augment domestic supplies. Because of dry weather conditions last year in Canada, production in 2021 has declined by 35% to 40%. Also, the global container crisis is adversely pushing up the time duration for shipment from Canada and Australia.

At the same time, transit time from Russia's and Kazakhstan's consignments for Indian ports is 25-30 days, much quicker than consignments from Canada. The MoUs with Russia and Kazakhstan will open doors for India to work with two more origins and reduce dependence on Canada or Australia for the lentils imports, Harsha Rai, director, Mayur Global Corporation, a global brokerage firm said. In 2021, the government had approved a one-time import of lentils from Russia for a six-month term, provided they meet India's phytosanitary norms. India signed an MoU with Mozambique for import of 2 lakh tonne of tur or arhar annually for five years, when the retail prices of tur skyrocketed to ₹200 a kg in 2016. This MoU was extended for another five years in September 2021. In 2021, India entered into MoUs with Malawi and Myanmar for the import of 50,000 tonne and 1,00,000 tonne of tur per annum, respectively, till 2025. India met 10-12% of its domestic consumption through imports. In anticipation of domestic shortfall in the output in May 2021, India had put import of tur, urad and moong varieties of pulses under 'open' from 'restricted' category earlier till March 2022.

Now, get financial services along with ration at shops

Of the ubiquitous fair price shops (FPSs) in the country, many thousands are going to double up as financial services agents for the masses, a move that will cataylse the process of financial inclusion and boost digital connectivity in remote areas. The FPS licence holders in the process will find additional sources of income, which will serve as an incentive to remain in the trade and also ensure wider reach of the public distribution system (PDS). Over 3 lakh common service centres (CSCs) are currently delivering assorted electronic services to people, including registrations for Aadhaar and PAN cards, booking of train tickets, music downloads, checking of bank balance and accessing information relating to eligibility of various schemes to citizens in rural areas. Under the ministry of electronics and information technology's (Meity) Digital India programme, the plan is to increase the number of CSCs to cover close to 6 lakh villages in the next couple of years. While as many as 8,000 CSCs are currently attached to FPSs, the government has a target to set up another 10,000 such service centres in the next one year with the FPS outlets, which are last-mile service centres for implementation of the National Food Security Act (NFSA). A memorandum of understanding exists between the department of food and public distribution (DFPD) and Meity to revamp FPSs as CSCs. The outlets that provide both functions are now located in Uttarakhand, Gujarat, Himachal Pradesh, Madhya Pradesh, Jharkhand, Rajasthan and Tamil Nadu. Currently, there are 5.34 lakh FPSs in the country distributing on an average 60-70 million tonne of subsidised foodgrain annually under NFSA to more than 80 crore beneficiaries. Official sources said there is scope of generating additional income from FPSs as a large number of people visit these outlets for getting their monthly entitlement of grains. The food ministry is currently working on a plan to give a distinct colour code for those FPSs that are also used as CSCs for distinguishing them as public services delivery points. The ministry, in collaboration with the department of financial services in the finance ministry and the State Bank of India, has also approved a plan that would allow the FPS dealers to access bank credit under Pradhan Mantri Mudra Yojana, which provides loans of up to Rs 10 lakh to non-corporate, non-farm, small and micro enterprises. Through accessing Mudra loans, FPS dealers can invest in building infrastructure at the outlets for selling essential food and non-food items, which would boost their incomes. As the FPSs are emerging as service delivery points for various services, the food ministry has also communicated to the ministry of communications to extend BharatNet Connectivity to around 12,200 FPSs in states that are facing issues in digital functioning due to poor network connectivity. Officials said discussions are on for enabling registration of FPS dealers to function as public data offices under Prime Minister Wi-Fi Access Network Interface (PM-WANI), which would help extend internet services to the people in rural and remote areas. Under the reforms initiated to improve the targeted PDS, the government has initiated several measures such as digitisation of ration cards, Aadhar seeding of ration cards and installation of electronic point of sale (ePoS) machines at FPSs. At present, over 95% of 5.34 lakh FPSs located across the country have ePoS machines.

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compared to 2017 when it was 43.4. This shows that India is on its journey in fulfilling its target of 100% financial inclusivity. More investments into infrastructure to underserved regions where rural populations are concentrated as well as striving towards providing a better understanding and awareness of financial basics to the community would lead to their assurance and there will be a boost to the usage of the digital services offered by FinTech companies.

Something as primary as providing steady and affordable internet access to these remote areas can go a long way in development and usage of the digital services. This in turn will lead to the sustainable growth of the Indian economy owing to improved financial inclusion, since access to financial services is a precondition to alleviating poverty and strengthening the social cohesion. In light of the baby steps being taken in the right direction by the government, the RBI and all other stakeholders of the Fintech and banking sectors, it needs to be seen what the future of financial inclusion of rural and other underserved populations of India holds. We are not a long way from a time when even the corner-most areas of India have access to financial services with mobile payments, investments, forex transactions etc., through the advancement of Fintech.

Agriculture sector needs private funds, crop diversification

The farm sector has experienced buoyant growth in the past two years, showing resilience in the face of Covid-19 shock, the Economic Survey said while strongly pitching for private corporate investments in the sector and recommending the government to give priority to crop diversification towards oilseeds, pulses and horticulture by addressing the core issues of irrigation, investment, credit and markets. Underlining how "investment is critical to the growth of a sector", the Survey, tabled in Parliament by finance minister Nirmala Sitharaman on the first day of the Budget session, said, Higher access to concessional institutional credit to farmers and greater participation of private corporate sector, whose investment rates are currently as low as 2 to 3% in agriculture, may help in improving private investment in agriculture. The suggestion is in sync with what the government had earlier intended to do by bringing new farm laws in 2020. These laws were, however, repealed last year in the wake of year-long protests against the legislation by farmers. One of the objective of the farm laws was to lay a ground for private investment in farm infrastructure including storage. Private corporate investments need to be crowded in by offering an appropriate policy framework and increase in public investment along the entire agricultural value system, said the Survey while noting how the more or less static investment is major roadblock to growth of the farm sector. The Economic Survey concluded that future of agriculture rests on investment and diversification. However, both public and private investment became static despite the tall claims made by the government, said Sudhir Panwar, agriculture expert and former member of the Uttar Pradesh planning commission. The Survey, showed that the farm sector, which is the largest employer of workforce, accounted for a sizable 18.8% in Gross Value Added (GVA) of the country registering a growth of 3.6% in 2020-21 and 3.9% in 2021-22. It noted that the growth in allied sectors including livestock, dairying and fisheries has been the major drivers of overall growth in the sector and may play a big role in doubling farmers' income. The Survey, however, preferred not to go into the details of the government's promise on doubling farmers' income by 2022. It rather put the onus on states to enable realization of the objective of doubling farmers' income in a sustainable way. It said, there is a need to explore options and promote use of alternative fertilizers such as Nano Urea and organic fertiliser which protect the soil, are more productive and contribute to higher nutrient use efficiency. Focus should be on use of new technology including drones and AI-based decision support systems, reduction in use of chemical fertilizers and use of low-cost organic inputs and supporting start-ups for innovations. The Survey showed that the allied sectors including animal husbandry, dairying and fishing are steadily emerging to be high growth sectors. The livestock sector has grown at a CAGR of 8.15% over the last five years ending 2019-20.

Drones used for agriculture in Rajasthan

The use of drones is being applied to agriculture sector in Rajasthan and an action plan has been formulated for its multi-purpose use for spraying of farm chemicals and water-soluble fertilizers on crops. The State government's Agriculture Department is examining technical parameters and safety features of drones. Agriculture Minister Lalchand Kataria witnessed the demonstration of drones at a field in Kalwar, on the outskirts of Jaipur. Mr. Kataria believes that drones can be used in a “safe and profitable” way to benefit farmers in the state. A drone buzzed over the agricultural field and sprayed organic inputs and nano urea on the standing crops during the demonstration. The Minister was informed a drone could spray about 10 liters of liquid on crops by flying at a set height and using auto sensors. one acre of land can be sprayed in about 10 minutes. The representatives of the drone manufacturing firm said the drone avoids trees and other obstructions in its flight through sensors. The mist spray from the drone's high-quality nozzle covers every region of the crop, making it more beneficial and cost-effective than traditional spraying methods. The Union Agriculture Ministry recently amended the guidelines of the Sub-Mission on Agricultural Mechanisation to provide subsidies to rural entrepreneurs and farmer producer organizations for the purchasing drones. The drones can only be used in green areas, and their flight in the airports is prohibited. The Economic Survey concluded that future of agriculture rests on investment and diversification. However, both public and private investment became static despite the tall claims made by the government, said Sudhir Panwar, agriculture expert and former member of the Uttar Pradesh planning commission. The Survey, showed that the farm sector, which is the largest employer of workforce, accounted for a sizable 18.8% in Gross Value Added (GVA) of the country registering a growth of 3.6% in 2020-21 and 3.9% in 2021-22. It noted that the growth in allied sectors including livestock, dairying and fisheries has been the major drivers of overall growth in the sector and may play a big role in doubling farmers' income. The Survey, however, preferred not to go into the details of the government's promise on doubling farmers' income by 2022. It rather put the onus on states to enable realization of the objective of doubling farmers' income in a sustainable way. It said, there is a need to explore options and promote use of alternative fertilizers such as Nano Urea and organic fertiliser which protect the soil, are more productive and contribute to higher nutrient use efficiency. Focus should be on use of new technology including drones and AI-based decision support systems, reduction in use of chemical fertilizers and use of low-cost organic inputs and supporting start-ups for innovations. The Survey showed that the allied sectors including animal husbandry, dairying and fishing are steadily emerging to be high growth sectors. The livestock sector has grown at a CAGR of 8.15% over the last five years ending 2019-20.

Centre has adopted MSP, but States must facilitate crop shift'

There is an urgent need for crop diversification in view of the severe water stress in areas where paddy, wheat and sugarcane are grown as well as to increase oil seed production and reduce dependency on imports of cooking oil, the Department of Economic Affairs said in the annual Economic Survey. While the Centre had adopted minimum support prices (MSP) for farm produce as a key tool to encourage crop diversification, the onus was on States to take coordinated action to facilitate a shift towards crops with higher value and lower water consumption, the department said. However, there was no mention of the MSP committee which the Prime Minister had promised to set up in November to draft a policy on all these issues. The survey also completely ignored what was arguably the biggest development in agricultural policy over the last year — the repeal of three agrarian reform laws in the wake of widespread, year-long protests by farmers. The survey urged for an increase in funding for agricultural research rather than farm subsidies, noting that every rupee spent on agricultural research and development yields better returns compared to returns on money spent on subsidies or other expenditures on inputs. The government noted that agriculture continued to be a major driver of the economy in the pandemic era, with the sector's growth rate rising from 3.6% in 2020-21 to 3.9% in 2021-2022.

Central Government looking to use stubble as biofuel

The Union government was working on a plan to use stubble as a biofuel and manure as a part of an effort to deal with stubble burning that was often cited as a source of pollution in northern India, Environment Minister Bhupender Yadav told the Lok Sabha. The Minister, who is yet to make a detailed reply to a discussion on climate change, stated that the Centre had completely “decriminalised” stubble burning in the Air Quality Commission Act. Making a short intervention during a discussion on climate change in the Lower House, the Minister said the National Thermal Power Corporation had procured 3,000 tonnes of stubble to be used as bio-fuel and would study the results. A sum of ₹700 crore had been allocated get rid of stubble and about one lakh acres in Punjab and Haryana have used manure/compost from stubble, while Uttar Pradesh used six lakh acres.

FAO recognises tribal farmers' drive to revitalise soil health

A community initiative of tribal farmers in three districts of southern Rajasthan to revitalise soil health and restore its biodiversity has received recognition from an unexpected quarter. The U.N. Food and Agriculture Organisation (FAO) has praised nutrition-sensitive farming system adopted in the region for its impact on soil health, agricultural output and environment protection. The initiative launched in the tribal-dominated Pratapgarh, Dungarpur and Banswara districts has led to the revival of a large number of traditional farming practices. The sustainable approach adopted with a participatory learning action has improved the quality of farm produce and broadened the tribal community's vision for indigenous food and agricultural management.

The FAO has appreciated the initiative and included it in one of its recent publications under the theme, "Soil biodiversity in action". While the tribal farmers are upbeat about the outcome of their enterprise, a voluntary group from Banswara district participated virtually in a global symposium on soil biodiversity, organised by the FAO's Global Soil Partnership and the U.N. Convention on Biological Diversity, to showcase the initiative's results.

The nutrition-sensitive farming involves mixed cropping with legumes as natural fertilisers, crop rotation, agro-forestery, mulching, plantation in homestead and growing hedgerows and grassy strips around agricultural fields. The cultivators in the region have found these practices useful in their farmland, most of which is rough, uneven and sloping on the foothills. Man Singh Ninama, a farmer in Anandpuri block's Sundrao village, told that the mixed cropping adopted in his 12-bigha land had increased the production and rendered a better quality of crops. After the harvesting of maize, sesame and pulses, I have sown grams and peas with the main crop of wheat in this rabi season. The density of crops with the rows of different varieties will also reduce soil erosion and soil flow in the sloping field, Mr. Ninama said. Another tribal farmer, Kal Singh Damor, in Kushalgarh block's Amli Para village, said he had stopped using chemical fertilisers in his field and was producing organic vermicompost which had improved soil health. The impact is visible in the size, colour and taste of maize and rice which I have grown this year. I could save a good quantity for my family's consumption as well, he said.

FPCs in Maha in tight spot over market cess fee and licences

After the central government rolled back the three contentious farm laws, Agricultural Produce Marketing Committees (APMCs) in Maharashtra have started issuing notices to Farmer Producers Companies (FPCs) for "unlicenced trade outside mandis". FPCs, however, have said such notices will lead to harassment and curtailing of farm gate activities by them. The central government's surprise decision to repeal the farm laws has hit state FPCs, which had developed agricultural trade outside mandis since the amended farm laws were passed last year. The new laws had done away with provisions such as taking a licence or paying cess to APMCs for carrying out trade within their "trade area" (the area within which marketing committees are allowed to regulate trade in agricultural commodities). Under the amended law, the APMC had power only within its perimeter wall, while there was no need to take a licence and pay cess to committees. MahaFPC, the consortium of state Farmer Producers Companies, had reported over Rs 40 crore in trade by directly supplying about 10,000 tonnes of oilseeds and grains like maize to companies after procurement from their member farmers.Thirty eight FPCs had started trade outside mandis, mainly in Marathwada and Vidarbha regions. MahaFPC has over 600 members in the state. But since the rollback of the laws, FPCs have been wary of action by the APMCs. Recently, an FPC in Parli taluka of Beed district has been issued notice by the Parli-Vaijnath APMC for "unauthorised procurement in their area". The notice accuses this FPC, which has started procuring oilseeds, of doing so without a licence and has asked it to submit details of all its procurement.

Irrigation scheme to cost ₹ 93k cr between 2021-26, central aid to states at ₹ 37.5k crore

The Union Cabinet approved continuation of the umbrella irrigation scheme — Pradhan Mantri Krishi Sinchayee Yojana — through 2026, with a total funding requirement of ₹ 93,068 crore. The plan includes ₹ 37,454 crore central assistance to states and ₹ 20,435 crore of debt servicing for past loans availed for PMKSY. States are also expected to part-fund the scheme. Under the scheme, 90% grant will be provided to two national projects — Renukaji (Himachal Pradesh) and Lakhwar (Uttarakhand) — critical for water supply to Delhi and also to other participating states (Uttar Pradesh, Haryana and Rajasthan) and for rejuvenation of river Yamuna. Launched in 2015, PMKSY is an umbrella scheme, providing central grants to the state governments for Accelerated Irrigation Benefits Programme (AIBP) and Har Khet Ko Pani (HKKP). Total additional irrigation potential creation targeted during 2021-26 under AIBP is 13.88 lakh hectare. Apart from focused completion of 60 ongoing projects including their 30.23 lakh hectare command area development, additional projects can also be taken up. The inclusion criteria have been relaxed for projects under tribal and drought prone areas, the government said in a statement. HKKP aims for enhancement of physical access on the farm and expansion of cultivable area under assured irrigation. Under HKKP, surface minor irrigation and repair-renovation-restoration of water bodies component of PMKSY is targeted to provide additional 4.5 lakh hectare irrigation. In view of importance of rejuvenation of water bodies, the Cabinet has approved a shift in funding in both urban and rural areas, with significant expansion of the inclusion criteria, and enhancement of central assistance from 25% to 60% in general area. Further, ground water component of HKKP, approved provisionally for 2021-22, targets creation of irrigation potential of 1.52 lakh hectare. Watershed Development component would focus on Completion of watershed projects covering 49.5 lakh hectare rainfed/degraded lands to bring additional 2.5 lakh hectare.

Growers should diversify to boost income: Coffee Board

Coffee farmers in the country should think innovatively and create additional revenue streams to make the growing process more sustainable and profitable, suggested the Coffee Board. In addition to traditional intercropping of pepper and cardamom, coffee growers could explore options such as planting exotic fruit bearing trees, growing food crops or getting into fish and dairy farming, beekeeping or green tourism to increase incomes from their coffee plantations, it said. To continue in coffee and make it sustainable, growers should focus on creating additional revenue streams through intercropping or through innovative measures, said K.G. Jagadeesha, CEO and Secretary, Coffee Board.

Citing the example of Arasu, a progressive farmer from Thandikudi in Tamil Nadu, Mr. Jagadeesha said, the farmer had planted lots of avocado trees in the coffee farm and sold a sizeable quantity of avocados at the farm gate for a price of ₹150 to ₹₹200 a kg last year. In fact, avocados had fetched him more money than coffee and pepper, he asserted.

Coffee gardens could also double up as ideal green and eco getaways, he added. Shade and terrain made Indian coffee the world's best, the board's CEO said. However, India's coffee productivity was low compared with the international average due to lack of even sunlight and other ideal climatic conditions. Also, the cost of production was high.

Stock holding limits imposed on soyameal till June 2022

A week after restricting futures trading on some agriculture commodities and extending the deadline for duty free pulse imports till March 2022, the Centre has now imposed stock-holding limits on soyameal, in a bid to control its prices. The stock holding limits will be in place till June 30, 2022. A notification issued by the department of consumer affairs, food and public distribution stated that soyameal millers, processors or plants can hold stocks of up to 90 days of production. Traders and trading companies or private chaupals can hold only up to 160 tonne of soyameal with a defined and declared storage location, it said.

In case of stocks held by these respective legal entities are higher than the prescribed limits, then they shall declare the same on the government portal of the department of consumer affairs & pubic distribution and bring it to the prescribed stock limits within 30 days of the issue of the notification. It shall be ensured that the soyameal stock is regularly declared and updated on the portal and data on the portal will be regularly monitored by the department of animal husbandry & dairying and any other follow-up action will be taken by this department, the notification said.

Soyameal is a key constituent of poultry feed meal and its rates are directly connected to soyabean prices because seed has more than 80% meal and 18% oil content in them. This season, despite a good harvest, soya bean prices have soared almost 76% in the domestic market, benefitting farmers on one hand but hurting the poultry industry on the other. Soyabean production is estimated to be 127.2 lakh tonne in the 2021-22 season, as per the agriculture ministry's first advance estimate of this year's kharif crop production. The estimate is only marginally lower than the 128.9 lakh tonnes produced last year. Traders believe growers are holding stocks in anticipation of better prices in the near future, which is resulting in lower supplies in the market. DN Pathak, executive director, Soybean Processors Association of India (Sopa), says: Soy processors do not stock soy meal. They cannot afford to stock finished product at huge inventory carrying cost. Soymeal is not an item for long storage even by traders. How this will help in controlling prices is not clear. Pathak felt that that this move may bring back the inspector and raid Raj, which can only have a negative impact.

India can generate USD 813 bn in revenues from agri, food sector by 2030: Report

With an investment of USD 272 billion in agritech and allied segments by 2030, India can generate USD 813 billion in revenue creating 152 million jobs, making it the largest private sector industry in the country, according to a report. With agriculture continuing to remain the mainstay of economy for the country, investment in agritech and allied segments can transform the face of Indian agriculture with far-reaching implications for food security and sustainable farming solutions, according to a report, titled 'Investing for Impact: Food, Agri and Agritech', by Aspire Impact. In the past decade, India attracted about USD 9 billion in FDI investments in the agriculture sector, said Amit Bhatia, founder of Aspire Circle and creator-Impact Future Project. He added that this decade brings an opportunity for India Inc to take advantage of the massive untapped potential this sector holds and transform it to be sustainable and future-ready. With smart innovations, infrastructure and policy support and newer business models, the top-10 ideas researched by the IFP community can attract USD 272 billion in investments and generate USD 813 billion in revenue, impacting 1.1 billion lives, he added. The report has been authored by leading agritech experts, industry leaders, academics and thinkers. The report further said India has its share of challenges when it comes to agricultural practices, including mechanisation levels, which is at 40-45 per cent unlike 90 per cent in the developed economies. The country has been estimated to be at the biggest production risk with 68 per cent of the cultivation area being directly dependent upon the monsoon accounting for 40-45 per cent of total agriculture production it noted. With a gap of 3.2 million tonnes in cold storage, the food processing industry incurred a loss worth USD 14 billion in 2018. At the same time, the report stated that 55 per cent of the country's forests are prone to fire with 70 per cent having no natural regeneration. The demand for key food grains is expected to grow at an annual rate of 3 per cent against the projected population growth of 2 per cent further underlines the challenge that the country faces today.

Building a Sustainable future for agriculture

In order to meet the demands of a rapidly growing population, agriculture needs to step up. But doing so places a heavy burden on the usage of energy and chemical resources, which in turn can affect the environment. It, therefore, becomes necessary for the agriculture sector to adopt sustainable practices, which will help protect the earth's natural resources and environment, while also maintaining soil fertility in the long run. In this regard, AgraME returned to Dubai to promote agrientrepreneurship and to construct a strategic alignment between the government and corporates. It was held at the Dubai World Trade Centre, combining face-to-face events with virtual experiences, wherein prominent leaders from across the globe came together under one platform to share the latest trends in agri-tech, aquaculture, animal health, crop farming, etc.

'SEBI curb on futures trade in farm goods threatens food supply chain'

India's suspension of futures trading in key farm commodities is crimping the use of risk management tools such as hedging across its food supply chain, spurring inventory cuts as forward purchases get scaled back. Targeting items such as soybeans, edible oils, wheat, rice, and chickpeas as authorities move to cool accelerating inflation, was one of India's most dramatic steps since it launched commodity futures in 2003.

But the ban on access to futures contracts may fuel volatility in domestic markets by denying traders the tools crucial to planning decisions, forcing them to cut stocks, delay long-term purchases and sales, and even limit imports. In the absence of futures, markets will remain clueless about shortfalls and excesses, said Govindbhai Patel, a managing partner at edible oil trader GGN Research. This could create even more volatility in prices. The Finance Ministry did not immediately respond to a request for a comment. Mr. Patel's firm, which used to buy edible oils for prompt and far-month deliveries, and hedge on domestic exchanges, will now only secure its needs for up to 10 days at a time, he said.

Farmers may be hit

Regional processors who buy crops from farmers will also feel the pinch, as they are deprived of advance sales through futures contracts. Manoj Agrawal, the Managing Director of Maharashtra Oil Extractions, said his firm could no longer hedge soy oil on commodity exchanges after buying soybean from farmers.

Telangana Farmers cut down paddy cultivation

Farmers have responded well to the call of the government not to cultivate paddy in the current rabi as the Centre had refused to purchase the stocks from the State in the season. The sowing of paddy in rabi was generally unpredictable and continued till February depending on availability of water but a fairly a large number of farmers completed it by December 20. However, it was found this time that sowing was taken up in only four per cent of the normal cropped area 29 Dec. 2021. A report of agriculture department said the sowing of paddy took place on 1.18 lakh acres against the normal of 31.01 lakh acres. On the other hand, the sowing of pulse crops (116%) and groundnut (102 %) picked up pace.

Meanwhile, the agricultural market yards across the State did brisk business in cotton as the prices were well over the minimum support price of ₹6,025 a quintal. The farmers disposed of the produce to private traders with a maximum price of ₹8,805 a quintal at Warangal, ₹8,800 a quintal at Jammikunta, ₹8,650 at Adilabad and ₹9,100 at Khammam. The minimum prices were around ₹6,830 a quintal. Last year when the MSP was only ₹5,825 a quintal, the private traders purchased the produce at a minimum of ₹6,000 a quintal and maximum of ₹9,090 a quintal. The Cotton Corporation of India had not entered the market last year but set up procurement centres in 2020 when the prices were as low as ₹2,500 a quintal and a maximum of ₹5,550 a quintal.

Grains of Goodness

Some of India's precious native rice varieties — parakkum chittu, ilupai poo samba and Rajamudi — call out to visitors at Vilvah Agro, a new zero-waste store in Coimbatore. Curious, the visitors make a beeline to the rice section, where the varieties are stored in tall glass canisters. This is our objective — to get people talking about native rice varieties, says Kruthika Kumaran, founder of Vilvah that stocks over 40 indigenous white, brown, red and black rice grains, including Athur kichili samba, hand-pounded raw rice, poongar and thooyamalli. Traditionally, each rice variety was used for specific purposes depending on the growing season or climate. While some varieties like kuzhiyadichan can withstand drought, the kattuyanam grows tall providing enough hay for fodder. Each variety brings a unique character and health benefits to the table. There are short grains, long grains, and aromatic ones. The paal kudaivazhai, as the name indicates, benefits lactating mothers, while Rajamudi rice (a variety from Karnataka favoured by the Wodeyar kings) improves bone strength, and thooyamalli, a short-grain white rice with rich fibre content, controls blood sugar levels. The grains have relatively lower glycaemic index and boast a rich micronutrient profile.

Sustainable farming creates new livelihood sources

A sustainable natural farming system adopted in southern Rajasthan's Banswara district, which has created new livelihood sources and brought food security to indigenous tribal communities, has impressed the Chief Minister's Economic Transformation Advisory Council. The model is being considered for replication elsewhere in the State.

A 20-member team of the Council visited Banswara district's Amlipara village to study the techniques and innovations which have enabled the farmers to meet their daily food necessities by growing fruits and vegetables at a low cost. The integrated system has also reduced the tribals' dependence on market and improved nutritional status of the local population.

The team members, drawn mostly from the State government's Agriculture and Horticulture Departments, interacted with the farmers. They especially evinced interest in the functioning of the community-managed seed system, which has facilitated diversification of crops. The model entails adoption of organic farming, manure, medicines and pesticides and establishment of vermicompost units at agricultural fields. The locally prepared organic manure is used for growing maize, wheat, urad and other crops. Banswara-based Vaagdhara group has identified the key areas of intervention which would help ensure availability of food throughout the year.

Rainwater harvesting drive launched in Rajasthan

A serious drive has been launched in Rajasthan for rainwater harvesting and conservation, adopted by considered use of water sources, which can assist resolve the difficulty of paucity of water brought on by scanty and erratic rainfall within the State. The drive will profit rabi crops with its extension to the works through the winter season's rainfall.

Chief Minister Ashok Gehlot has authorized a proposal to make an extra provision of ₹302 crore for the Rajiv Gandhi Jal Sanchay Yojana (RGJSY), as a part of which the actions for watershed space remedy have been taken up over the past two years. Farm ponds, examine dams, discipline bunds and water harvesting and storage constructions have been constructed below the scheme. The extra funds can be launched to Zila Parishads in all districts, which can spend the cash on the works of their respective areas. Whereas the RGJSY's first part resulted in August 2021 with the creation of water harvesting infrastructure in over 3,900 villages, the extra allocation has been made below the pinnacle of the Water Conservation Cess Fund.

Rabi sowing marginally up

The sowing of rabi crops, mostly consisting of wheat, pulses, oilseeds and coarse cereals, for the current season (2021-22) has largely been completed with the total sown area reported to be marginally higher than the previous year. The total area under all the rabi crops rose to 664 lakh hectare (lh) in 2021-22 season compared to 656 lh reported in the corresponding period of 2020-21 season, according to data released by the agriculture ministry. Despite the increase in acreage this year, sowing of wheat and coarse cereals has been reported to be marginally lower. However, the agriculture ministry stated that sowing window available for wheat crop is for another few days.

Wheat has been sown in 336 lh, compared with 340 lh in the year ago period. About 1% drop in sowing of wheat is attributed to the delay in withdrawal of southwest monsoon rain last year. There was less area under wheat crop in Uttar Pradesh, Haryana and Madhya Pradesh. Sowing of rabi (winter) crops like wheat begins in October and harvesting from April onwards. Officials say that lower sowing of wheat is not a cause of concern as at present the Food Corporation of India (FCI) has more than 32 million tonne (MT) of wheat stocks against the buffer norm of 21.41 MT on January 1. India achieved a record wheat production of 122 MT in the 2020-21 crop year.

The winter pulses such as chana, moong and urad have been planted in 160 lh this year so far which is at the same level compared to last year. However, sowing of chana, which had close to 47% share in India's pulses production of 25.72 MT in 2020-21, has been marginally higher at close to 112 lh this year compared to 2021. The sowing of oilseeds such as mustard, groundnut and sunflower rose sharply by more than 22% to 100 lh from 82 lh reported a year back. The sowing of mustard so far has increased by 23% to close to 90 lh compared to close to 73 lh reported a year ago. Official sources said higher oilseeds sowing would help meet domestic edible oil demand and reduce import dependence. India imports around 60% of domestic edible oil requirement while the retail prices have risen sharply in the last few months because of rise in global prices.

India needs Green Revolution 2.0 to make agri more climate-resistant, sustainable

India needs a second green revolution along with the next generation of reforms with a view to make agriculture more climate-resistant and environmentally sustainable, said an RBI article on farm sector challenges. Observing that Indian agriculture has exhibited remarkable resilience during the COVID-19 period, the article said "new emerging challenges warrant a second green revolution along with next-generation reforms". Despite the success in terms of production that has ensured food security in the country, food inflation and its volatility remain a challenge, which requires supply-side interventions such as higher public investment, storage infrastructure and promotion of food processing, said the article titled 'Indian Agriculture: Achievements and Challenges'. The article said Indian agriculture scaled new heights with record production of various foodgrains, commercial and horticultural crops, exhibiting resilience and ensuring food security during the COVID-19 period. The sector, however, confronted various challenges, mitigation of which requires a holistic policy approach," it said. For instance, crop productivity in India is much lower than other advanced and emerging market economies due to various factors, like fragmented landholdings, lower farm mechanisation and lower public and private investment in agriculture. Second, the article said the current overproduction of crops like rice, wheat and sugarcane, has led to rapid depletion of the ground-water table, soil degradation and massive air pollution raising questions about the environmental sustainability of current agricultural practices in India.

Farm exports expected to touch record $50 billion

India's farm exports are likely to touch a record $50 billion in FY22, led by a sharp growth in shipments of rice and marine, meat and poultry items, according to officials. In FY21, India had exported farm products worth $41.25 billion, up 17% from $35.16 billion in 2019-20. Export of rice is likely to touch $9.5 billion in value terms, accounting for about half of the global rice export market, the officials said, adding that non-Basmati rice shipments are likely to clock $5.8 billion. We expect farm exports to reach the highest and record $50 billion this year, said one of the officials. In the April to November 2021 period, export of agricultural products, including marine and plantation, amounted to $31.05 billion, up from $25.2 billion in the year-ago period. Export of marine products is likely to touch a record $8 billion, while that of coffee could grow 45% and cereals 66%. Overseas shipment of meat, dairy and poultry products could rise 10% this fiscal, the official said.

Unseasonal rains and hail affect rabi crops in North India

Unseasonal rains and hailstorms in northern India have impacted Rabi crops like mustard, wheat, gram and potato. Mustard crop, which should have come to the market in the first week of February, will now be delayed by three weeks as harvesting will not start till the fields dry up. Sensing that the crop arrival will be delayed, wholesale prices of mustard oil have shot up by ₹ 5 per litre. The unseasonal rainfall that started from the second week has been beneficial for some crops, while impacting the growth of few others. For mustard and gram crops, especially in Rajasthan, hailstorms this month has been detrimental especially in districts like Bharatpur, Dholpur and Kota due to which there has been significant damage to the standing crop, said Hetal Gandhi, director, Crisil Research. However, at this stage of crop for gram and mustard, rainfall is considered quite beneficial for their growth. But any prolonged rains, during the harvesting stage of mustard and gram may impact the oil content and crop quality respectively. The biggest damage due to excessive rainfall is expected in the potato crop, especially in states like Uttar Pradesh, Rajasthan and Punjab. Excessive rains and waterlogged conditions in potato leads to diseases like late blight, which has already been reported in Rajasthan and Uttar Pradesh. The late blight disease significantly impacts yields. In Punjab, with excessive rains in the potato belt, damage up to 10-15% of sown area is expected, the Crisil executive said. Current prices of mustard seeds are in the range of ₹ 8200 per quintal Delay in arrival is not expected to have much impact on prices of oilseeds as well as mustard oil as arrival of bumper crop is already factored in the market. According to market reports, February price is hovering around ₹ 6600 per quintal, said Mehta.

Varanasi fast emerging as an agri export hub

Uttar Pradesh's Varanasi, which is the gateway to Poovanchal region consisting of 17 districts, is fast becoming a buzzing hub for exports of agricultural and processed food products. The setting up of customs clearance and cold room facilities at Lal Bahadur Shastri International Airport aided exports from the religious town, which also has linkages to a robust network of Farmers Producer Organisations (FPOs).

More than 20,000 tonne of cereals, fruits and vegetables sourced from the farmers in several districts including Varanasi, Mirzapur, Prayagraj and Gorakhpur have been exported to Nepal, Bangladesh, the United Arab Emirates, Bahrain, Qatar, Saudi Arabia, the United Kingdom and Australia in the last six months. Currently, on an average, around three tonne of green peas and green chillies are being exported daily to the Persian Gulf countries from Varanasi airport, said Shaswat Pandey, CEO, Trisagar Farmers Producer Company, an FPO based in Sant Ravidas Nagar district, which has around 350 farmers as members. Besides, fruits and vegetables are being transported via road to Nepal and Bangladesh.

Commerce ministry proposes repeal of decades-old tea, coffee, spices, rubber Acts

The commerce ministry has proposed repeal of decades-old laws pertaining to tea, coffee, spices and rubber - and introduce new legislations with a view to promoting the growth of these sectors and creating a conducive environment for businesses. The ministry has sought views of the stakeholders on the drafts of Spices (Promotion and Development) Bill, 2022; Rubber (Promotion and Development) Bill, 2022; Coffee (Promotion and Development) Bill, 2022; Tea (Promotion and Development) Bill, 2022. Public/stakeholders can send their comments on these four draft bills by February 9 this year. In four separate office memoranda, Department of Commerce has said it is proposing repeal of Tea Act, 1953; Spices Board Act, 1986; Rubber Act 1947; and Coffee Act 1942. It is proposed that" these acts are "repealed and a new legislation is enacted to reflect the present realities and objectives," according to the draft bills, posted on the website of the commerce ministry.

It said that the principal reason for proposing the repeal of Tea Act is that there is a paradigm shift in the recent decade with respect to the way tea is grown, marketed and consumed and this necessitates amendment of the existing Act. The legal regime has to be enabled to address several areas of modern functions of the tea board namely, support for production, quality improvement, promotion of tea and skill development of tea growers. Many of these activities were originally not included in the mandate of the tea board, but now need to be incorporated into its functions and powers, it added. According to the draft Spices (Promotion and Development) Bill, 2022, there is a need to enable the Spices Board to provide focused attention across the entire supply chain of spices. Considering the emerging quality, food safety requirements in spices sector and the modern applications of spices in nutraceuticals, natural colours, it is essential to orient the research support to spice industry to address these aspects, the draft bill said. Further, some of the never used/redundant provisions in the Act need to be removed and offences are to be decriminalized for facilitating ease of doing business in spices sector, it added. Explaining the rationale behind the proposal to repeal the Rubber Act, the draft bill said that in recent years, there have been widespread changes in the industrial and economic scenario especially with regard to development in rubber and allied sectors. Therefore, it has become imperative to remove archaic provisions, create an environment conducive for easy conduct of business, reorient functions of the (Rubber) Board with equal focus on upstream and downstream sectors and to contribute towards making world class rubber industry, the draft Rubber (Promotion and Development) Bill, 2022, said.

Agri-tech: drones, start-up fund in focus

The emerging agri-tech sector has been enthused by the abundance of digital farming references in the Union Budget speech. For delivery of digital and hi-tech services to farmers with the involvement of public sector research and extension institutions along with private agri-tech players and stakeholders of agri-value chain, a scheme through PPP [public-private partnership] mode will be launched, said Finance Minister Nirmala Sitharaman. She added that a fund with blended capital, raised under the co-investment model, would be facilitated through NABARD. This is to finance start-ups for agriculture and rural enterprise, relevant for farm produce value chain. The activities for these start-ups will include, interalia, support for FPOs, machinery for farmers on rental basis and technology, including IT-based support, said Ms. Sitharaman.

With a wider focus on drone technology, the Minister promised to promote the use of “kisan drones” for crop assessment, digitisation of land records, and spraying of insecticides and nutrients on fields. In fact, the Budget speech emphasised the efficient use of land resources via technology. States will be encouraged to adopt Unique Land Parcel Identification Number to facilitate IT-based management of records. The facility for transliteration of land records across any of the Schedule VIII languages will also be rolled out, she said. The adoption or linkage with National Generic Document Registration System (NGDRS) with the 'One-Nation One-Registration Software', will be promoted as an option for uniform process for registration and 'anywhere registration' of deeds and documents, said Ms. Sitharaman. The move to have NABARD facilitate funding of start-ups with a blended capital finance model should provide much needed seed capital in the agriculture & rural space, said AgroStar CEO Shardul Sheth.

Govt likely to transfer record ₹ 2.7 lakh crore to farmers of paddy & wheat this crop year

The government is likely to transfer a record ₹ 2.7 lakh crore to farmers for procurement of rice and paddy under the minimum support price (MSP) operation by the Food Corporation of India (FCI) and state agencies in 2021-22 crop year (October-September). Sources told that while ₹ 2.37 lakh crore has been transferred to farmers for procurement of 120 million tonne (MT) paddy and wheat so far while the paddy procurement for Rabi season is expected to commence from April 2022 in southern states including Tamil, Andhra Pradesh and Telangana. The FCI and state agencies could purchase around 17 MT of paddy from the farmers in southern states in the current crop season, said sources. This would take the total procurement of paddy and wheat during the 2021-22 crop season (October-September) to more than 137 MT, which would be a record. In 2020-21 (crop year), ₹ 2.44 lakh crore was transferred to farmers for procurement of more than 128 MT of paddy and rice under the MSP operations while in 2019-20 (crop year), ₹2.04 lakh crore was provided to farmers for procurement of 111 MT of paddy and wheat by FCI and state government agencies. FCI and state agencies procure wheat (a rabi crop) during the April-June period while paddy is procured during October –September as the cereal is harvested in both kharif and rabi seasons.

In her Budget (2022-23) speech, finance minister Nirmala Sitharaman said the procurement of wheat in rabi (2021-22) and the estimated procurement of paddy in kharif 2021-22 will cover 1,208 lakh metric tonnes of wheat and paddy from 163 lakh farmers, and ₹ 2.37 lakh crore direct payment of MSP value to their accounts. FCI and state agencies procure paddy and wheat from the farmers mostly from Punjab, Haryana, Madhya Pradesh, Chhattisgarh, Odisha, Telangana and Andhra Pradesh through MSP operations. The highly subsidized food grains procured from farmers are supplied under the National Food Security Act (NFSA) to more than 80 crore beneficiaries as well as kept as buffer stocks for dealing with exigencies. However, because of an open-ended procurement system, FCI and state agencies procure far more volume of grain than required under NFSA leading to excess grains stocks. At present, FCI and state government agencies have rice and wheat stocks of 54.89 MT against the buffer stocks norms of 21.41 MT for January. Under the Price Support Scheme of the agriculture ministry, the farmers' cooperatives like NAFED procure pulses and oilseeds from farmers to maintain buffer stocks. NAFED procures from the farmers by paying MSP if prices fall. Similarly, Cotton Corporation of India (CCI) commences procurements from farmers when market prices fall below MSP.

Centre to make small farmers strong Market Forces by Forming FPOs – PM

Prime Minister Narendra Modi has stated that the Union government is resolved to mobilise small farmers into farmer producer organisations (FPOs) and make them influential market forces in the years to come to improve their incomes by developing agriculture value chain.

We are also committed to save the farming community from the impact of climate change with focus on back to basics in fusion with March to future. In that direction, impetus was given to digital agriculture, natural and chemical-free farming in the recent budget and it will throw open a world of opportunities to the youth too, the Prime Minister said at the 50th anniversary celebrations of the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) at Patancheru. Speaking after launching the celebrations and inaugurating two new research facilities — Climate Change Research Facility on Plant Protection and Rapid Generation Advancement Facility — he said drought proofing work was also going on in 170 districts across the country. He mentioned the successful example of ICRISAT's work in Bundelkhand on 'per drop more crop', on which he visited an exhibition stall too at ICRISAT. Stating that small and marginal farmers comprised about 80% of the community in the country and climate change was major crisis to them, the Prime Minister said the Centre would help them fight climate change with its commitment to achieve net zero (carbon emissions) by 2070. The Prime Minister stated that the new mediums would be made available to the farming community to overcome the challenges and problems in the agriculture sector as part of the Centre's plans for the next 25 years.

Centre to ensure higher opening stock of urea & DAP for next kharif season

To ensure adequate and timely supply of fertilisers to farmers in the next 2022 kharif season, the government targets higher-than expected opening stock of urea and DAP nutrients, a senior government official said. Normally, sowing in the kharif (summer) season begins with the onset of Southwest monsoon in July. However, the fertiliser requirement for the kharif season is mostly between April and September. Stating that advance preparations have been made to source the fertilisers and raw materials from the global market for the next season, the official said this will help in maintaining higher-than-expected opening stocks of urea and Di-Ammonium Phosphate (DAP). Which are widely consumed in the country. The opening stock of DAP is estimated to be 25 lakh tonne for the 2022 kharif season, higher than 14.5 lakh tonne in the 2021 season.,

The opening stock of urea would be 60 lakh tonne for the next kharif season as against 50 lakh tonne in the 2021 kharif season, the official added. The government official further said India is in talks with several countries and exploring long-term agreements for supply of the key soil nutrients. The advance preparation is being done as global fertiliser prices continue to be ruling high amid tight supplies affected by the COVID-19 pandemic and restrictions imposed by China from where India imports 45 per cent of its DAP requirement and some quantities of urea, the official added. Unlike urea, the prices of DAP and other phosphatic fertilisers are fixed by private companies. A rise in global prices of raw materials has influenced domestic DAP rates.

However, the government raised the nutrient-based subsidy on DAP and NPK fertilisers separately for 2021 kharif and the ongoing rabi season to ensure farmers get the soil nutrients at affordable rates. The government also asked companies not to sell DAP at more than ₹1,200 per bag of 50 kg.

Futures market can be beneficial for farmers, says Niti Aayog CEO

Niti Aayog CEO Amitabh Kant said that the futures market can be beneficial for farmers and can help them get higher price realisations, and also hedge against price volatility since prices of major pulses often crash below the government fixed minimum support price (MSP). Just as millers, wholesalers and retailers are able to play the markets, farmers should be given similar options, he said.

Policy advocacy for strengthening pulses value chains like many other agricultural commodities cannot be limited to boosting productivity and production alone. Focus should be on strengthening market access for farmers in terms of higher price realisations and improved risk mitigation, he said at a meet held by the India Pulses and Grains Association (IPGA) to mark World Pulses Day. Kant said that the government procurement options under the Price Support Scheme (PSS) and Price Stabilization Fund (PSF) are being made available to farmers in a timely manner so that they do not bear the brunt of selling at prices lower than MSP. There is, however, a need to strengthen storage and warehouse facilities, promote farmer producer organisations (FPOs) and pulses value chains that can undertake dal milling and marketing to enable assured market and higher returns to farmers, he said. Pulses production in India has increased from 8.4 million tonnes in 1950-51 to a record 25.7 million tonnes in 2020-21. The highest yield in pulses was registered at 853 kg per hectare in 2017-18 and this indicates that there is a lot of untapped potential for increasing the yield of pulses through technological breakthroughs, he pointed out. According to Kant, while the Green Revolution and maize revolution propelled production of wheat, rice and maize, a similar breakthrough in pulses has not been achieved till date. Under the prevailing circumstances, it is important to ensure that goals pertaining to productivity gains should be integrated with profitability to farmers to create a sustainable ecosystem, he said. With increasing importance of technology and high-yielding climate-resilient seeds, cost of production is bound to increase for farmers. Therefore, either quantity or quality of produce should allow farmers to recover their cost of production and make reasonable profits to be able to sustain pulses farming, he observed.

Bimal Kothari, vice-chairman, IPGA, urged the government to modernise dal mills so that this sector attracts foreign direct investment. He also urged the government to allow the distribution of pulses through the Public Distribution System like rice and wheat.

Mandi prices of key kharif pulses, oilseeds rule above minimum support prices

Mandi prices of key kharif pulses and oilseeds — tur and soybean — continue to rule above their respective minimum support prices (MSPs), due to robust demand and farmers holding back stocks in anticipation of higher prices in the coming months. The average mandi prices of tur in Latur, Maharashtra was ruling at around ₹ 6,500 per quintal against the MSP of ₹6,300 per quintal announced by the government. Traders say that prices are expected to rule above MSP in the coming months because of reports of crop losses in the key producing states of Maharashtra and Karnataka. According to official data, the tur output in Maharashtra, the biggest producer of the pulses variety, is estimated to decline by more than 33% in 2021-22 to around 9.6 lakh tonne, from 14.5 lakh tonne reported in 2020-21. Similarly, in Karnataka also there are anticipated crop losses, which has led to farmers holding back their stocks, as the pulse variety has shelf-life of more than a year. Because of the open import policy of the government, the tur prices not witnessed sharp spike, Nitin Kalantri, MD of Kalantri Food, a Latur-based processor of pulses, told. More than 5 lakh tonne of tur has been imported by end of January 2022, which has boosted domestic supplies. Against the target of 7 lakh tonne of current year procurement, farmers' cooperative NAFED has barely procured around 7,000 tonne of tur under the government's Price Support Scheme (PSS) operation so far. In case of soybean, the mandi prices in Indore, Madhya Pradesh is currently at ₹ 6,545 per quintal, around 65% more than the MSP of ₹ 3,950 per quintal. According to Soyabean Processors Association of India, around 40% of the total estimated production of 118 lakh tonne in 2021-22 has arrived in the market. Higher global oilseeds prices are also pushing the domestic prices, as India imports around 60% of its edible oil consumption, an official said. Similarly in the case of rabi oilseeds, especially mustard, mandi prices at Alwar, Rajasthan, are ruling at ₹ 7,215 per quintal, around 43% above the MSP. This spike is notwithstanding the anticipated bumper production of mustard seed in the country. According to agriculture ministry data, the sowing of mustard is 24% more this season at 91 lakh hectares (lh) against close to 73 lh reported a year ago. The mandi prices are expected to ruling above MSP in coming months because of robust demand. The farmers have just commenced bringing in their produce to the mandi. However, in the case of chana (gram), which has around 45% share in production of pulses in the country, prices are currently ruling around the MSP of ₹ 5,230 per quintal and there is an anticipation of a bumper crop because of higher sowing compared to the previous year. According to government officials, NAFED would commence its procurement operation for chana in the next couple of weeks.

Onion exporters await arrival of summer crop

Exporters are waiting for the arrival of summer onions in the market, since the red onion variety currently available is not considered suitable for exports because of its shorter shelf life. The summer onions are expected to hit the market in the middle of March. As per data available with the Agricultural and Processed Food Products Export Development Authority (APEDA), onion exports dropped 24% in the April-November period of the current financial year to 10.55 lakh tonne from 13.92 lakh tonne in the same period last year.

Onion exports from Maharashtra have declined 35% from 6.72 lakh tonne between April-November FY21 to 4.34 lakh tonne during the same period in the current fiscal. The state had exported at least 8 lakh tonne in 2020-21, while the figure for 2019-20 was 7.29 lakh tonne. Maharashtra is among the largest cultivators of onions in the country.

Ajit Shah, president, Horticulture Produce Exporters Association, said onion prices should reduce once the summer crop starts arriving in the markets. At present, the red onion variety is selling for ₹ 2,500 per quintal in the Lasalgaon wholesale market. Onion from Pakistan is being preferred by other markets since it is available for $350 a tonne, while Indian onion is $550 per tonne. The season in Pakistan is about to end, while the Indian summer onion crop season begins soon and can continue for three to four months. This is when exports are likely to pick up, he said.

Freight charges almost doubled from ₹ 5 per kg to ₹ 11-12 per kg this financial year, which also affected onion exports. The availability of containers was also an issue, Shah said. Besides, the quality of onions was also poor as most of the produce was affected by unseasonal rain in Maharashtra, he said. Suvarna Jagtap, chairperson of the Lasalgaon Agriculture Produce Market Committee (APMC), said onion arrivals have reduced to around 20,000 quintal a day from nearly 40,000-50,000 quintal at the APMC and its sub-yards. This time, Madhya Pradesh and Gujarat have also reported a good crop and therefore prices should remain stable, she said.

Western Maharashtra mills experiment with sugar beet cultivation

Sugar factories in western Maharashtra affected by foods are attempting to opt for sugar beet cultivation as an alternative to overcome losses caused by the damage to sugarcane. The Datta Cooperative Sugar Factory at Shirol taluka in Kolhapur district has planned sugar beet across 50 acres in 41 villages and plans to crush beet along with the cane next month once the beet is ready to harvest. Ganpatrao Patil, Chairman of the sugar mill told the beet plantation has been undertaken on a pilot basis and if it succeeds, an additional facility for processing beet to sugar and ethanol will be set up. Commercial availability of beet sugar seeds is necessary to set up a plant of this nature, he said. In the last three to four years, there have been heavy floods in this region, causing losses to farmers. Therefore, we decided to experiment with beet. The farmers will also be given fair and remunerative price (FRP) on the same lines as sugarcane, he said. The life cycle of sugar beet is of five to six months and it can be grown in September/ October and harvested in April and May, offering sugar recovery of 14-15%. Pradeep Ghodke, scientist at Vasantdada Sugar Institute (VSI) in charge of the sugar beet project said, Sugar beet needs only 30% of the irrigation water used for cane and the crop ripens in four months compared to a year taken for cane. It has higher sugar content than cane and the leaves and the residual pulp after extraction of sugar are excellent cattle fodder, so a viable dairy and animal husbandry industry can be a part of the sugar beet ecosystem. It also reduce the salinity of the soil. VSI has assisted Datta sugar factory inbeet sugar cultivation. Shivajirao Deshmukh, director general, VSI, said the institute has been helping several factories in the state experiment with beet as a supplementary crop to sugarcane. VSI, headed by former Union Agriculture Minister Sharad Pawar and Baramati Agro, an agro based firm owned by his family, had earlier established a pilot plant at the company to produce 25-40 tonnes per hectare of beet sugar with a sugar recovery of 12.5-13%. The idea is not to replace cane sugar, but supplement the incomes of farmers and provide an added revenue strem for factories in addition to extending the crushing season of the mills by a couple of months, he said. Ghodke said a few projects have been undertaken in the state to check the viability of cultivating sugar beet in regions like Shirol, Amravati, Osmanabad and

Jalana. Efforts are in progress to establish nurseries for sugar beet. The plant varieties are currently imported from Belgum, he said. VSI has also signed a memorandum understanding (MoU) with the United State Department of Agriculture (USDA) for access to technology for production of beet sugar. Experts feel sugar beet could be useful for sugar mills in Maharashtra, Karnataka and Tamil Nadu, where capacity utilization is low and overheads are high because they have a small season. After crush in sugarcane, the mills here can go for beet to improve their capacity utilization. The mills will require an additional diffuser because cane is crushed and beet is exracted and his costs around ₹ 20-25 crore.

Trade pact with UAE seen to boost exports of agri products

India's new comprehensive economic partnership agreement (CEPA) with the UAE will come as a shot in the arm for exporters of buffalo meat, fruits and vegetables, groundnut, dairy products and assorted processed food items to the Western Asian country. Removal or reduction of tariffs under the pact, which will take effect from May, could allow these exporters to gain an edge over competitors from Brazil, Australia and Pakistan. We will be tapping opportunities in expanding export of buffalo meat, dairy products, cucumbers, gherkins, processed foods, alcoholic beverages and natural honey following the signing of CEPA, M Angamuthu, chairman, Agricultural and Processed Food Products Exports Development Authority (Apeda), told. The UAE is India's second-largest export destination for agriculture commodities after Bangladesh. In 2020-21, India's agricultural product exports to the UAE stood at $1,926 million and in the first three quarters of 2021-22, the exports to the country crossed $1,865 million. Currently, most exports of agricultural products to the UAE are subject to a 5% duty. In the last couple of years, India has been facing stiff competition from Brazil, Pakistan and Australia for increasing exports of buffalo meat to the UAE and has been facing competition from China and Argentina for exports of groundnut. To expand the bilateral trade in food and agriculture, CEPA stresses on strengthening infrastructure and dedicated logistics services for connecting farms to ports, where the commodities would be exported to the UAE. India and UAE have also agreed to expand cooperation through increased bilateral food and agriculture trade and responsible foreign investments in agriculture and food systems. In 2020, India was the leading supplier of rice (72.15%), fresh onions (45.84%), fresh grapes (18.7%), milled products (51.06%), fruits and vegetable seeds (32.16%), Guargum (60.33%) and Albumin (17%) to the UAE.

Under a food security corridor initiative between two countries, Apeda has signed a MoU with Al Dhara Holding SP LLC for import of food products. Another MoU with DP World FZE will facilitate further exports of India's food products. Apeda has been expanding the export basket by adding newer products such as pomegranate arils, jackfruit, dragon fruit, drumstick, chilled baby corn, snow peas along with organic herbs, turmeric spices, dehydrated vegetables, etc, with a focused approach to increase export of millets. The value-added product of saffron from Jammu and Kashmir has been exported to the UAE.

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special focus on infrastructure development, planning, and design of urban cities which is a much-needed requirement when scaling up for the future. The ambitious allocation of Rs. 48,000 crore to housing projects with an aim to build 80 lakh residences under PM Awas Yojana during 2022-23 is a much-needed push to create newer and affordable inventories for home buyers which will definitely boost the affordable housing sector and the announcement of five centres of excellence for urban design and planning is a positive step that will complement the overall growth of the real estate sector. Government's intervention to expedite all land and construction-related approvals to promote affordable housing for the middle class and economically weaker sections is an appreciable step. The ambitious commitment to allocate a significant amount towards 'Housing for All' has reinforced the Government's determination to boost affordable housing in the country.

Also, it may be termed as an excellent cooperative friendly

Budget. The ecosystem is in the right direction for empowering the cooperative movement in India. Cooperatives must be encouraged at all levels and any shift in policy in favour of cooperatives is always welcome. Above all, the Budget announcements will boost people's confidence in cooperatives.

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- Spray application of spinetoram 11.7 SC 0.117 %, emamectin benzoate 5 SG 0.0025 %, chlorantraniliprole 18.5 EC 0.006 % or thiodicarb 75 WP 0.11 % prove as an effective measure for reducing larval population, plant and cob damage in maize (Thumar et al., 2020).
- IPM module consisting of seed treatment with imidacloprid 600 FS, 20 Days After Germination (DAG)- Chlorantraniliprole 18.5 SC (0.3 ml/litre), 30 DAG – spinetoram (0.5 ml/litre), 40 DAG- poison bait with thiodicarb (100 g/acre) can also be adopted (Ompraksh et al., 2020).
- IPM module consisting seed treatment with thiamethoxam 19.8 + cyantraniliprole 19.8 @ 4 ml/ kg seed, napier grass/ jowar/ castor as border crop, clean cultivation and recommended dose of NPK as basal, continuous scouting at early stage, pheromone traps @ 10/acre, neem oil 10,000 ppm @ 1 ml/l of spray solution at 7-10 DAS, Bt spray @ 2 g/l at 15-20 DAS, emamectin benzoate 5 SG @ 0.4 g/l + neem oil 1500 ppm @ 5 ml/l at 20-25 DAS, chlorantraniliprole 18.5 SC @ 0.3 ml/l at 30-35 DAS, poison bait (rice bran 10 kg + jaggery 2kg + thiodicarb 100 g) at 45-50 DAS, can also be used (Babu et al., 2021).

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cooperative having income 1 to 10 crores. Tax relief to persons with disabilities.

- Tax deduction limit for NPS account of state govt employees to 14%.
- Virtual digital assets will be brought under tax regime.
- Long term capital gains surcharge will be capped at 15%.
- Custom duty on cut and polished diamond reduced to 5%.
- Custom duty on imitation duty slashed.
- Duty on Sodium cyanide increased.
- Duty on umbrellas raised to 20%. Steel scrap duty extended for another year.
- Anti-dumping on stainless steel is being revoked.
- Duty reduced on shrimp aqua-culture.

Health and Sanitation

- National Digital Health Eco-system to be rolled out.
- National Tele Mental Health program to be set up to focus on mental health. 23 tele mental health centres of excellence.
- Integrated benefits to women and children through Mission Shakti, Mission Vatsalya, Saksham Anganwadi and Poshan 2.0.
- ₹ 60,000 crore allocated to cover 3.8 crore households in 2022-23 under Har Ghar, Nal se Jal.

STATEMENT OF OWNERSHIP AND OTHER PARTICULARS ABOUT LAND BANK JOURNAL AS REQUIRED UNDER RULE 8 OF THE REGISTRATION OF NEWSPAPERS (CENTRAL) RULES 1956

FORM – IV

1.	Place of Publication	:	Navi Mumbai
2.	Periodicity	:	Quarterly
3.	Printer's Name Nationality Address	: : :	K.K. Ravindran Indian Managing Director National Co-operative Agriculture and Rural Development Banks' Federation Limited 701, 7th Floor, A-Wing, BSEL Tech Park Opp. Vashi Railway Station, Vashi Navi Mumbai – 400 703
4.	Publisher's Name Nationality Address	: : :	K.K. Ravindran Indian Managing Director National Co-operative Agriculture and Rural Development Banks' Federation Limited 701, 7th Floor, A-Wing, BSEL Tech Park Opp. Vashi Railway Station, Vashi Navi Mumbai – 400 703
5.	Editor's Name Nationality Address	: : :	K.K. Ravindran Indian Managing Director National Co-operative Agriculture and Rural Development Banks' Federation Limited 701, 7th Floor, A-Wing, BSEL Tech Park Opp. Vashi Railway Station, Vashi Navi Mumbai – 400 703
6.	Names and addresses of individuals who own the newspaper and are partners or shareholders holding more than one percent of the total capital	:	National Co-operative Agriculture and Rural Development Banks' Federation Limited 701, 7th Floor, A-Wing, BSEL Tech Park Opp. Vashi Railway Station, Vashi Navi Mumbai – 400 703

I, K.K. Ravindran, hereby declare that particulars given above are true to the best of my knowledge and belief.

sd/-

(K.K. Ravindran)

Signature of the Publisher

Navi Mumbai

31st March, 2022

Reg. Number R. N. 31729 / 79