

**VOL. 62 - IV  
MAR. 2023**

# **LAND BANK JOURNAL**



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



# THE MEGHALAYA CO-OPERATIVE APEX BANK LTD.

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Estd. 16<sup>th</sup> February, 1971

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## FINANCIAL HIGHLIGHTS



	(₹ in Lakhs) As on 31.03.2021	(₹ in Lakhs) As on 31.03.2022
● Paid up Share Capital & Reserves :	16142.61	17320.85
● Deposits :	309681.38	348923.10
● Loans & Advances :	169947.46	172132.13
● Investments :	115056.98	125850.18
● Money at Call & Short Notice :	41690.69	65739.84
● Net Profit :	1203.57	1327.86
● Working Capital :	368913.37	411493.12

## Our Banking Products & Services

- *Current Deposits*
- *Mobile Banking*
- *Internet Banking*
- *RTGS/NEFT enabled*
- *PFMS/IMPS*
- *Savings Bank Deposits*
- *No Frills Savings Deposits*
- *Fixed Deposits*
- *Recurring Deposits*
- *Monthly Income Deposits*
- *Cash Certificates*
- *Fixed Deposit linked with RDs*
- *Housing Loan Linked Deposits*
- *Crop Loans for Agriculture through KCC/SHG/JLG/ Cooperatives*
- *Term Loans for Agriculture & Allied Agriculture*
- *Aquaculture Development / Meghalaya State Aquaculture Mission*
- *Loans for Housing*
- *Loans for SRTO*
- *Consumer Durables Loans*
- *Loans to Technocrats & Professionals*
- *Loans to Educated Unemployed Youth*
- *Cash Credit & Overdraft Facilities*
- *Loans for Children's Education*
- *Loans for Women through WDC Cell*
- *Term Loan for Tourism Development*
- *Personal Loan to Salary Earners*
- *Bank Guarantee*
- *Safe Deposit Lockers & Other Ancillary Services*
- *Loans to Tribal under NSTFDC Schemes*
- *Loans to Physically Challenged under NHFDC*

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## LAND BANK JOURNAL (QUARTERLY)

Editor  
**K. K. RAVINDRAN**

### SUBSCRIPTION RATES

#### Annual

₹60/- (For Members)

₹200/- (For Others)

### Reg. No. R. N. 31729 / 79

Printed, Published & Owned by,

#### National Cooperative 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

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YouTube : [NAFCARD WORLD](https://www.youtube.com/@nafcard_world)

([https://www.youtube.com/@nafcard\\_world](https://www.youtube.com/@nafcard_world))

#### Printed by:

#### Jabbok Arts

Sai Akash, Shop No.3, Plot No. 167,  
Sector-17, Ulwe, Navi Mumbai - 410206.  
Cell : 97730 74554 / 70120 66574

*The opinions/views expressed in the Land Bank Journal  
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Federation.*

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Shri Amit Shah, Hon'ble Union Home & Cooperation Minister in his inaugural address at the National Conference of ARDBs 2022 mentioned about the growing imbalance between long term and short term credit in the total agricultural credit flow. Institutional credit to farmers has registered an impressive growth from ₹46000 crore in 1999-2000 to about ₹16 lakh crore in 2021-22. However, the proportion of long term component in the total agricultural credit has drastically declined from over 50% to less than 20% during the above period. Hon'ble Minister in this context mentioned about the scope of diversification of activities for long term finance of SCARDBs and a joint finance system for short term and long term credit structure to increase the share of investment credit in agricultural credit flow.

The Board of Management of the Federation comprising of Chairpersons of State Cooperative Agriculture & Rural Development and State Cooperative Banks of a few States which do not have separate structure for long term finance, advised member banks to prepare action plans for implementing the suggestion of Shri Amit Shah. The Federation has subsequently issued guidelines for preparing these plans which are being launched in April 2023. The Board observed that a higher rate of farm investments is required both for meeting rising food demand and to increase farmers' income. A higher growth rate of agricultural sector is also essential to maintain GDP growth rate of more than 8% in the longer term for fully eliminating poverty and hunger. The Board also observed the importance of green finance in agriculture to maintain resource efficiency, environmental sustainability and climate adaptation. Financing should be accompanied by changes in farming practices for reduction/elimination of chemical fertilisers, pesticides and use of plastics. There is also need for reorienting lending policies giving thrust to micro and small enterprises along the agricultural value chains and managing unique risks in agricultural lending. The approach to financing rural households should undergo a change. Rural households today are complex economic entities engaged in a variety of farm and non farm activities. The present practice of crop based or activity based lending very often does not suit their requirements. Banks need to develop composite loan products based on overall development potential and income generating capacity to finance them. This will help them to avoid cumbersome documentation process and difficulties in meeting collateral needs of different agencies and will also save high transaction cost in availing credit from multiple agencies.

It is also observed that some of the important long term financial needs of rural households are ignored by institutions in the formal credit system. Financing life events like marriage is one such purpose placed in the negative list by financing institutions. Consequently, households have to meet such high expenditure out of informal borrowings and even by diverting institutional

credit availed for other purposes. A provision for long term financing of life events within the repaying capacity and collateral support will help rural households to manage such expenses from their future income and reduce dependence on non-institutional debt. Presently, a significant portion of rural household debts come from informal sources. Non institutional debt is a major hurdle in improving their financial conditions. Conversion of non institutional credit to institutional credit, therefore, need to be included as an approved purpose for long term finance and refinance. NABARD also should refinance education loans of ARDBs, as farmers who have pledged their land to these banks are unable to avail education loan for their children from other agencies.

Limited availability of long term funds continues to be a major constraint for lending institutions to expand their investment portfolio in the farm sector. Presently, NABARD is the main source of funds for long term financing of agriculture. However, NABARD's funding support to ARDBs has drastically come down in recent years due to stringent eligibility conditions including govt guarantee. The refinance policies of NABARD needs to be changed to remove the condition of government guarantee. Similarly, there is a need for strengthening agricultural finance market in India. A striking feature of long term debt market of India is the absence of instruments linked to agricultural financing. The long term debt market is dominated by govt securities and a handful of investors comprising of banks, financial institutions, mutual funds, EPFO, insurance companies and a few big corporates. The size of long term debt market is also small, at about 16% of GDP compared to 80-100% of GDP in developed countries. The long term securities market is regulated by RBI and SEBI. RBI regulates govt securities while SEBI regulates the corporate securities. Presently, the long term debt market is inaccessible to cooperatives even for their bonds and debentures guaranteed by State Govt. The debt market needs reforms to increase availability of long term funds for agricultural lending and to facilitate access to cooperatives. The size of the market also needs to be enlarged by giving access to individual retail investors.

### Land Bank Journal to become Monthly Newsletter from April 2023

NAFCARD started Land Bank Journal in July 1962 as a quarterly publication. When the Journal enters its 61<sup>st</sup> year of publication in April 2023 we are changing it to a monthly publication with wider coverage of news on cooperation, credit and banking and rural economy in general. The Monthly Newsletter will also be available digitally from April 2023.

Managing Editor



## PACS TRANSFORMATION TO MULTI SERVICE CENTRE - A STUDY ON GUJARAT STATUS

V. M. Chaudhari\*

### Abstract:

Gujarat is leading state in Cooperator sector. Agriculture is one of the main sector boosting economy of the state. NABARD in recent time has started the scheme for Transformation of Primary Agriculture Credit Societies into Multipurpose Centre. Cooperative Societies can diversify their business and meet all the needs of its member. This scheme is very helpful to PACS to meet credit and non-credit needs of their member. NABARD provides loan facility to PACS. 98 PACS affiliated with 17 DCCBs of Gujarat has been given Rs. 32.16 crore loan under this scheme. The objective of the scheme is to establish supremacy of cooperatives as grass root level member driven organization, to provide opportunity of changing reforms, strengthen PACS, reduce post – harvest losses, to provide storage infrastructure, diversification of business, and to establish PACS as one stop solution for farmers. PACS having enabling Bye law provision and having sufficient borrowing power are eligible for this scheme. This refinance is available at very lower rate at 3%. Specific detailed project reports are to be submitted to DCCB by PACS which is appraised and approved at State Cooperative Bank level. Refinance is disbursed to Gujarat State Cooperative Bank as per the proposal under schematic approach. The repayment period is 7 years including grace period of 6-24 months depending on income generation and type of infrastructure proposed by Primary Agriculture Credit Society. Project Monitoring Committee monitors the progress on quarterly basis. The eligible activities covered are agro-storage centers, setting up of cold storage, agro service centers, agro processing centers, agri.-information center, agri.-transportation and marketing facilities, consumer store, other miscellaneous activities. Cooperative sector in Gujarat is reasonably well developed and sound, particularly in dairy sector and rural credit sector. STCCS in Gujarat consists of Gujarat State Cooperative Bank at apex, 18 District Central Cooperative Banks and 7700 PACS at village

level. LTCCS consists of Gujarat State Cooperative Agriculture Rural Development Bank dispensing long term agricultural credit to farmers directly through 176 branches of the bank. NABARD's initiative of developing PACS into MSC will enable PACS to support farmers' agricultural needs. This scheme plays very crucial role to upgrade the status of PACS in Gujarat vis-à-vis all India level. Ministry of Cooperation, GOI, suggested adoption of common bye laws for PACS which also include offering multi-purpose services by PACS to their members. Honorable Finance Minister in her speech on budget 2023 also announced that every village to have Multi-purpose Cooperative Society in the next 5 years. PACS has been given status of FPO, which means all the benefits that were formerly available to FPOs will now be available to all Primary Agricultural Credit Societies.

**Key words:** PACS, MSCs, NABARD, Credit, Cooperative, Transformation, Scheme

**Contents of book published by NABARD on PACS as MSC are reproduced below:**

### Introduction:

To strengthen and making Primary Agriculture Credit Societies (PACS) economic viable in India, Central Government has initiated procedure for amendment in Cooperative Societies Act. With this amendment PACS may perform additional activities and will become multi-purpose in nature. Currently 95000 PACS are registered. NABARD is refinancing Short Term Cooperative Credit Structure by 24 States Cooperative Banks through 352 District Central Cooperative Banks in our country. To sustain rural economy, Short-Term and Medium-Term credit is provided to 13.12 crores members of these societies nationwide. With changing time all these societies cannot remain viable, hence it was necessary to include new activities. To make it implementable it was necessary to amend the existing cooperative act prevailing since long back. Therefore a committee was constituted by Ministry of Cooperation,

Joint Managing Director, The Gujarat State Cooperative Agriculture & Rural Development Bank Ltd., Ahmedabad, Gujarat.



Government of India comprising of NABARD, State Cooperative banks, Vaikunth Mehta National Institute of Cooperative Management, National Council of Cooperative Training, etc. This committee has prepared draft Model By-laws and draft for amendment in Cooperative Act which was sent to State Governments. In this contest till date 1500 suggestions are received which were studied and required changes have been made. In this proposed model by-law, provisions on legal and administrative set up as well as extension of area of operations are incorporated. Provisions regarding diversification in loan portfolio, long term loans and extension in services, membership, management committee, general meeting, management and audit are considered. This model bye-law will provide legal and administrative framework to societies. This will enable PACS to work as multi service centers and may serve in rural areas as single window agency to meet needs of farmers. Under proposed model by-law all PACS will be computerized and would be covered under one roof. After the amendments PACS can perform different 25 types of activities in agricultural, non-agricultural and credit, non-credit sectors which means the PACS can have diversified role. Such multi-purpose PACS can carry out their activities for dispensing short term, medium term and long term credit, activities like selling of seeds, fertilizers and pesticides, fisheries, dairy, poultry, agriculture implements, custom hiring centers, sheep and goat raising, piggery, sericulture, milk produce, procurement of grains, storage, sorting and grading, sanitation activities, packaging of agriculture produce, branding and marketing activities, agro processing, community centers, hospital, educational activities, fair price shops, LPG-petrol-diesel pumps, business correspondent, insurance facilitator, common service center, data center, locker facility etc. can be taken by PACS. The economy of Gujarat is mainly dependent on agriculture and industry. Cooperative societies have an important place in the development of rural economy. Cooperative societies can diversify their business and meet all the needs of the members. For this, NABARD has recently started the "Transformation of PACS into Multipurpose Centre" scheme. This scheme will help the cooperative credit

societies of the state to diversify their business and PACS will be able to meet the financial and non-financial needs of their members. Under this scheme till date, loans have been given to 151 PACS in principle and 98 PACS under PACS as MSC in the state of Gujarat and still going ahead.

This article will be useful to get necessary guidance in the implementation of scheme to all state holders, State Cooperative Banks, District Central Cooperative Banks and Primary Agricultural Credit Cooperative Societies, SCARDBs, PCARDBs and persons interested / engaged in cooperative sector. NABARD has played very crucial role in development of state through various developmental initiatives.

#### **1. Objectives of the scheme:**

- 1.1 To establish the supremacy of cooperatives as grass root member driven business organization, providing both financial and non-financial services to enhance the benefits accruing to both the PACS and its members.
- 1.2 To provide opportunity to leverage on the changing landscape of Agriculture and recent reforms to build a strong and modern business entity in rural areas.
- 1.3 To strengthen PACS in a way that they can play a major role in physical and financial supply chain of commodities by working as spokes to Gramin Agriculture Markets (GrAMs).
- 1.4 To reduce post-harvest losses and increase the value realization for farmers' produce.
- 1.5 To provide modern packaging and cold storage system facilities to farmers to reduce distress sales.
- 1.6 To reduce national food wastage by augmenting storage infrastructure.
- 1.7 To strengthen PACS financially through diversification of business thereby making them self-sustainable.
- 1.8 To improve GLC of Rural Cooperative Banks in MT/LT financing.
- 1.9 To establish PACS as a one stop solution for farmers' financial and non-financial needs.

#### **2. Scheme Guidelines on PACS as MSC:**



The detailed operational guidelines of the scheme are as under:

### **2.1 Eligibility criteria for PACS**

The concerned PACS should have powers to borrow from financial institutions for creation of infrastructure in the by-laws and should have sufficient borrowing power.

### **2.2 Margin**

PACS have to contribute minimum margin of 10% or as prescribed under the relevant Schemes of GoI, in case PACS is eligible for subsidy or interest subvention under such schemes. However, considering the financial status of PACS and to enable them to kick-start establishing agricultural infrastructure, StCB / DCCB may consider reducing margin money to 5%.

### **2.3 Security**

This will be governed under General Refinance Agreement. StCB shall obtain security from DCCB / PACS as per their internal policy.

### **2.4 Interest rate**

The Interest rate on this Special refinance facility to StBCs is 3% per annum and the ultimate interest rate to be charged from PACS should not be more than 1% over & above the interest rate charged by NABARD. The interest margin to be shared by StCB & DCCB can be decided on mutually agreed terms. NABARD reserves the right of change the interest rate from time to time.

### **2.5 Sanction of loan to PACS and sanction of refinance**

- i. To initiate the process, a team of officials of StCB, DCCB and NABARD may identify potential PACS for such transformation and arrange field level discussion with selected PACS to assess the feasibility, need and expectation of members, identify infrastructure required and their utility, priorities capital requirement and decide steps for detailed project report preparation.
- ii. Specific detailed project reports are to be prepared by PACS and submitted to DCCBs / StCB for appraisal and loan approval. StCB in turn may forward individual projects of PACS to be financed by DCCBs along with their audited balance sheet

for the last three years and their recommendation for sanction to NABARD.

- iii. The refinance will be sanctioned under pre-sanction procedure on 'project basis' wherein PACS and lending banks are required to submit the Detailed Project Report (DPR) along with project appraisal report for prior approval of NABARD. The regular lending under term loans and working capital requirement at PACS level would however, continue to be guided under normal lines of credit.
- iv. Refinance will be disbursed to StCB as per the proposal under schematic approach and the same may be routed to DCCB for on-lending to PACS.

### **2.6 Repayment**

The refinance shall be repaid within a maximum period of 7 years including a grace period of 6 – 24 months, depending on income generation and type of infrastructure proposed by PACS. The actual repayment period to be fixed will be based on the projected cash flows, economic life of asset and average Debt Service Coverage Ratio (DSCR) of 1.50.

### **2.7 Monitoring and Review**

The DCCB as a primary lender will undertake both desk monitoring and periodic field visits. A Project Monitoring Committee (PMC) shall also be constituted at district level consisting of representatives of NABARD preferably DDM, StCB, DCCB, PACS and the representative from office of Registrar of Cooperative Societies. The project shall be monitored on quarterly basis. StCB will also review the progress in their meetings with DCCBs as a separate agenda, guide and monitor the progress.

### **3. Eligible Activities**

Following activities are eligible for grant support under the scheme:

#### **3.1 Agro-storages Centers:**

Up gradation of the existing storage facility or construction of new scientific godowns / silos along with sorting / grading unit as per WDRA guidelines, which enables them to issue negotiable warehouse receipts.

#### **3.2 Setting up of cold storage:**

Cold Chains, Logistics Facilities, Milk collection and chilling centers, Pack Houses, Assaying units etc.



### **3.3 Agro-service centers:**

Purchase of hi-tech agri.-implements like power tiller, land leveler, rotary slasher, movers, seed driller, multi-crop planter, paddy Trans planter, sprayers, combine harvester etc. depending upon the requirements of members for custom hiring.

### **3.4 Agro-processing centers:**

Primary Processing – Sorting, grading unit, waxing / polishing unit, pre-cooling chambers, drying yards, packaging facilities, poultry dressing units etc. will also be considered.

Secondary Processing – Value addition to produce e.g. mini rice mill, aata chakki and agro-processing facility etc.

### **3.5 Agri.-information Centre:**

Soil & Water testing lab, providing services on payment basis of a panel of experts in various fields of agriculture, knowledge dissemination Centre, arrange training to farmers. These services will be provided to farmers at an affordable cost.

### **3.6 Agri.-transportation & marketing facilities:**

Procurement of produce, direct market linkage after aggregation and / or processing, setting up of rural mart, Weigh Bridge, Shopping Complex, supply chain services including e-marketing platforms, marketing facilities, purchase of transport vehicle etc. The PACS, which are either in the area of marketing or intend to undertake this activity, may create this channel to facilitate the farmers in marketing.

### **3.7 Consumer store & other miscellaneous activities:**

There has been a demand from the rural areas to have the regular supply of other consumables at reasonable rates. PACS can be supported for having 'one-stop shop' wherein they will sell / market all types of consumables besides the agriculture produce / agri-inputs. PACS can also be supported to have the LPG agency or petrol pump outlet provided they have the necessary license and adhere to the terms & conditions of the licensing authority.

**3.8** Any other post-harvest management infrastructure meeting the value chain requirement of commodities grown in the catchment area.

## **4. Implementation Strategy:**

### **4.1 Identification of PACS and activity:**

This is the first and foremost step under the scheme. The DCCBs will identify potential PACS in coordination with Assistant Registrar (Cooperative). After identification of the PACS to be financed, the potential activities, keeping in view the scope of such activities, will be identified by the DCCBs in consultation with the PACS.

### **4.2 Preparation of DPR:**

After identification of the potential PACS and activities, the Detailed Project Reports are to be prepared by the PACS. In Gujarat, the process of DPR preparation is currently under progress.

### **4.3 Submission of proposal to DCCBs by PACS:**

After the preparation of specific Detailed Project Reports, the same are to be submitted along with audited balance sheets for the last three years by the PACS to DCCBs for appraisal of the project and sanctioning of the loan.

### **4.4 Submission of proposal in AIF portal by PACS:**

After submission of the loan proposal to the DCCB under PACS as MSC, PACS may create login credentials in Agriculture Infrastructure Fund (AIF) portal and upload their project details along with all the relevant documents for its sanctioning by DCCB under AIF scheme.

### **4.5 Submission of proposal to Gujarat State Cooperative Bank by DCCBs:**

DCCBs consequent upon sanctioning the loan proposal of the PACS will forward the loan proposals of the PACS along with the DPRs and audited balance sheets for the last three years of the PACS to Gujarat State Cooperative Bank (GStCB) for recommendation to NABARD.

### **4.6 Submission of refinance proposal to NABARD by GStCB:**

GStCB in turn, may forward individual projects of PACS to be financed by DCCBs along with audited balance sheets for the last three years and their recommendation for sanction of refinance by NABARD.

### **4.7 Appraisal by NABARD and sanction of refinance:**

After GStCB's submission of the proposals for sanction of refinance, NABARD Regional Office will appraise the project





as per scheme guidelines and if found eligible, refinance will be sanctioned to GStCB.

#### **4.8 Release of refinance as per demand raised by GStCB:**

Refinance will be released by NABARD as and when the proposals for the same are received from GStCB based on the disbursements already made to PACS by DCCBs. Refinance will be disbursed to GStCB as per the proposal under schematic approach and the same may be routed to DCCBs.

#### **4.9 Grant support for accompanying activities:**

The PACS is also eligible for grant support of not exceeding 10% of the loan component subject to maximum of Rs. 2.0 lakh per PACS for the following activities to enhance the productivity of the assets financed under project:

- a. Technology support
- b. Managerial support
- c. Capacity building of member and PACS
- d. Brand promotion and market promotion

The grant will be sanctioned need basis by clearly mapping the requirements with project components as it is a credit plus support linked to the activity.

#### **4.10 Review and Monitoring of project implementation:**

The respective DCCB will undertake both desk monitoring and periodic field visits. A Project Monitoring Committee (PMC) is to be constituted at district level drawing representatives from NABARD (preferably DDM), GStCB, DCCB, PACS and the office of Registrar of Cooperative Societies. The project is to be monitored on a quarterly basis. GStCB has to review the progress of the projects in their meetings with DCCBs as a separate agenda, guide them wherever necessary and monitor the progress of the projects.

### **5. Co-operative Profile of Gujarat:**

#### **5.1 Status of Cooperatives in Gujarat:**

'Cooperative' values such as being member-owned democratically controlled, member-welfare oriented and ensuring member's economic participation should be embodied in the process of technological & managerial modernization of the Cooperative institutions to meet rural

aspirations. This way, Cooperatives can re-assert their relevance in niche areas like innovations, 'common' ownership of assets and climate change finances apart from the basic pre-requisites of attaining business viability and financial health.

The socio-economic landscape in rural areas is increasingly uncertain due to concerns of climate change & food security and technological breakthroughs in banking, new concepts of collaborative consumption etc. The rural community needs a bulwark to withstand shocks while also getting the right platform for actively participating in co-creation of value through steering frugal innovations and catalyzing rural entrepreneurship. Cooperative Credit Institutions – be it Rural Cooperative Banks or grass-root institutions such as PACS – hold the promise for strengthening and rejuvenating rural economy in such a rapidly changing landscape: provided they are strengthened and given the opportunity to participate actively in the rural ecosystem. Cooperative sector in Gujarat is reasonably well-developed and sound, as evidenced in the well-developed Dairy sector and a strong system of Rural Cooperative Banks.

The operational efficiency and turnover of the Cooperative Dairy sector in Gujarat is well above the national average, anchored by systematic procurement system, efficient payment cycle and robust infrastructure and trained work force with a cooperative spirit. As regards the Rural Cooperative Banks of Gujarat, it is a 3-tier structure (STCCS), consisting of Gujarat State Cooperative Bank, 18 DCCBs and over 7700 PACS. All 18 DCCBs are in profit and on CBS (Core Banking Solution) Platform. 13 DCCBs are offering Mobile Banking facility and all 18 DCCBs are offering RTGS/NEFT facility to their customers. However, there is considerable variation among the DCCBs as regards their financial resources and business performance. Likewise, out of over 7700 PACS, there are some PACS, which are not profit-making / viable and lack adequate infrastructure or trained manpower to undertake business activities adequately and to play effective role in rural economy. The Gujarat State Cooperative Agriculture and Rural Development Bank Ltd. (GSCARDB) is also a rural cooperative credit institutions dispensing long term agriculture loans directly to farmers



through its branches. This bank comes under Long Term Cooperative Credit Structure (LTCCS) but not covered under BRAct.

## 5.2 Status of Primary Agriculture Credit Societies in Gujarat vis-à-vis all India Level

As per NAFSCOB data form 2015-16 to 2019-20:

1. **Viability of PACS** : Gujarat has 58.22% of total PACS as Viable PACS in comparison to 67.62% at all India Level.
2. **Borrowing Member** : Gujarat has 38.51% of total member as borrowing members compared to 38.30% at all India Level.
3. **Profit Making Societies** : 70.42% of total societies in Gujarat were in profit. On the other hand, only 48.81% of total societies were in profit at All India Level.
4. **Loss Making Societies** : Only 20.44% total societies were making losses in Gujarat, however, 39.45% of total societies were loss making at All India Level.
5. **Trained Staff** : 51.50% of total staff of societies in Gujarat are trained staff.
6. **Full time Paid Secretaries** : Societies in Gujarat are having around 49.47% of Total staff as full time paid secretary in comparison to All India Level which having only 26.47% of total staff as full time paid secretary.

## 6. PACS functioning as Multi Service Centers in Gujarat State

NABARD's initiative of developing Primary Agriculture Credit Society (PACS) into Multi Service Centre (MSC) will enable PACS to support farmers in post-harvest marketing activities and provide ancillary services to its members like creation of storage and processing facilities, custom hiring centers and collective purchase of inputs. This intervention will help in structuring these services in a sustained and scalable manner, covering a much larger number of PACS. With the proposed AIF scheme under Aatmanirbhar Bharat initiative of GoI, for establishing decentralized farm-gate Post Harvest Management infrastructure wherein PACS have been included as one of the eligible institutions for

interest subvention, it is envisaged that PACS can now play a major role in physical and financial supply chain of commodities by working as spokes to the Gramin Agriculture Markets (GrAMS). This will also help in increasing non-fund based income of the PACS. In Gujarat, 151 PACS have been identified for conversion as MSC during 2020-21. The scheme will be in force for a period of three years commencing from the year 2020-21 by providing special long-term refinance facility through the StCB at 3%.

Rs. 32.16 crore has been sanctioned till date to 98 PACS affiliated to 17 DCCBs for setting up of Agro Service Centers, Agri. Consumer Stores, Cold Storage, Agri.-Transportation, Godown, Grading and Sorting facilities, Rice Mills besides renovation of existing godown.

DCCB wise PACS sanctioned as MSC are: Ahmedabad-10, Amreli-3, Banaskantha-10, Baroda-9, Bharuch-1, Bhavnagar-6, Jamnagar-1, Junagadh-6, Kheda-2, Kodinar-1, Mehsana-4, Panchmahal-11, Rajkot-4, Sabarkantha-11, Surat-9, Surendranagar-1 and Valsad-9.

## 7. Brief study on few successful Primary Agriculture Credit Societies (PACS) functioning as Multi Service Center (MSCs) in Gujarat State.

### 7.1 Karamadi PACS, Village – Karamadi, District – Vadodara, affiliated with Baroda DCCB

**Project Name** : Agro Processing (Sorting/Grading) unit

**Purpose** : To enhance the marketing value of crops through modern agro-processing (Sorting/Grading).

#### 3000 members Benefited as below:

- Farmers are availing this storage facility on rent for storing their crops like castor, maize and wheat, hold their produce to counter situation of glut.

The machine is catering to multiple needs of farmers such as sorting and grading of farm produce, hence proving crucial for small and marginal farmers.

PACS is currently providing this facility to more than 3000 farmers from 6-7 nearby villages. As demand and popularity of this facility is so high, PACS is planning to install one more similar facility to cater to the needs of all the farmers of nearby villages.



### 7.2 Khoj Vibhag PACS, Village – Khoj Pardi, District – Surat, affiliated with Surat DCCB.

**Project Name** : Agro Service Center, Super Mart facility for villagers.

**Purpose** : Extending agro-services to cater needs of farmers through Agro-Service Centre.

#### 819 members Benefited as below:

- The activities taken up by the PACS have not only provided the best of the services to its members for agriculture related needs but have also resolved the problem of the villagers including neighboring villages of going to the city for acquiring basic day-to-day requirements.
- Besides this, the Agro-service Centre also supports transfer of technology and service delivery to farmers.

### 7.3 Sevani PACS, Village – Sevani, District – Surat, affiliated with Surat DCCB.

**Project Name** : Agro Service / Marketing facility for villagers.

#### Unique Features of the PACS:

1. It is a Model PACS with diversified portfolio and has a competitive edge over an equivalent enterprise in the city.
2. The list of activities being taken up by the PACS include, Grocery Section; Hardware – Tyre Tube Section; Cooking Gas Section; Chemical Fertilizer Section; Fire Crackers Section; Dairy Parlor Section; Pesticides Section; Tempo Section; Clothing Section; Tractor Section; Mobile Section; Medical / Medicine Section; Direct procurement of Rice form Farmers; Locker Facility for the PACS members.

#### Benefits to 1508 members:

- This activity has extended the facility of storage and primary processing service to farmers at local level in tune with the Vocal for Local initiative.
- This intervention is providing affordable financial service at doorstep to villagers.

The activities taken up by the PACS have not only provided the best of services to its members for agri.-related needs

but has also resolved the problem of villagers including neighboring villages who had to go to the city for acquiring basic day-to-day requirements earlier.

### 7.4. Nadari PACS, Village-Nadari, District-Sabarkantha, affiliated with Sabarkantha DCCB

**Project Name** : Agro Storage – Godown

**Purpose** : To provide agriculture storage facility to farmers for increasing income.

#### Benefited to 598 members:

- Farmers are availing the storage facilities providing them control over harvest and crop sales flexibility.
- This intervention results in better price to the farmers and deterring distress sell of their farm produce.
- The storage facility will ensure a continuous flow of goods to the market and a steady income to farmers.
- The PACS shall generate an additional income by renting the facility.
- PACS will attract new members in its fold.

### 7.5 Gomata PACS, Village - Gomata, District - Rajkot, affiliated with Rajkot DCCB

**Project Name** : Agro Service (Krishi Mall)

**Purpose** : One stop shop for fertilizers, organic fertilizers & custom hiring of Agricultural implements.

#### Benefited to 2099 members:

- This is one of potential areas, which generates a sale of ₹ 4.51 lakh during 2021-22.
- Farmers from nearby villages are benefitted through availability of fertilizer, organic fertilizers, Micro nutrients, pesticides and farm implements on rental basis at their doorstep at a cheaper cost.
- It has ensured the door-step availability of fertilizers, organic fertilizer, micro-nutrients and pesticide at a cheaper rate.

### 7.6 Vakatur PACS, Village-Vakatur, District-Mahisagar, affiliated to Panchmahal DCCB

**Project Name** : Agro Storage / Agri. Marketing / Agro Shopping Centre

**Purpose** : Agriculture Storage for Farmers & Agro Shopping



#### **Benefited to 130 members:**

- Storage facilities for farm produce at reasonable prices has helped farmers in getting better price for their produce.
- This has resulted in better price to the farmers and in deterring distress sale of their farm produce.
- The members availing this facility are helping PACS to generate an additional income.
- Shopping Centre will provide items of daily needs to member and non-members. This will also improve the profits of PACS.
- Customer base will be increased and PACS will be more attractive to non-members also.

#### **7.7 Dharoda PACS, Village - Dharoda, District - Kheda, affiliated with Kheda DCCB**

**Project Name** : Agro Storage Godown for storage of agriculture produce

**Purpose** : Extending storage facility with an objective of better price realization.

#### **Benefited to 675 members:**

- Members are availing the storage facilities that is helping them to get a better price as well as in reducing distress sale of their produce.
- PACS is now earning a rental income from this godown increasing its overall profitability.
- Balance sheet of PACS and credit off take from PACS has improved through the creation of this asset.

#### **7.8 Morvada PACS, Village - Morvada, District - Junagadh, affiliated with Junagadh DCCB**

**Project Name** : i) Agro Storage  
ii) Agro Processing

**Purpose** : Agriculture Storage Groundnut grading

#### **Benefits to members:**

- Storage facilities on rental basis will be provided to farmers for storing their produce. The PACS may use this facility for PDS distribution, which will further increase their income as well as the food security of the village.
- This intervention will be a game changer in doubling farm income, as it will enable farmers to get

remunerative prices by holding their produce. It will prevent distress sale of farm produce.

- This facility of agro-processing will reduce post-harvest losses hence, increasing income due to better price realization by providing them new avenues like post-harvest value addition.

#### **7.9 Hadiyana PACS, Village-Hadiyana, District-Jamnagar, affiliated with Jamnagar DCCB**

**Project Name** : Agro Storage – Godown for storage of agriculture produce

**Purpose** : Agriculture Storage for Farmers

#### **Benefits to 872 members:**

- It will provide the storage facility on rental basis to farmers for storing their produce like castor, maize and wheat.
- This facility could be used for PDS distribution hence, increasing the income of members as well as the PACS.
- This has resulted in better price to farmers and also in preventing distress sell of their produce.

This intervention will ensure much needed marketing facilities which could be a game-changer in exploiting the market intelligence.

#### **7.10 Isanpur Mota PACS, Village - Isanpur Mota, District - Gandhinagar, affiliated with Ahmedabad DCCB**

**Project Name** : Agri. Transport / Agro storage, custom hiring of Tractor for agriculture purpose.

**Purpose** : To strengthen storage and marketing needs with an ultimate objective of increasing farm income.

#### **Benefits to members:**

- The PACS has added 19 new members that has resulted in an increase in advances up to Rs. 404.18 lakh.
- Profitability of PACS has increased up to Rs. 0.23 lakh as compared to previous year due to this intervention.
- There is an increase in the number of members selling farm inputs like fertilizers, pesticides and



seeds, which has increased business and profitability of the PACS significantly.

- It has increased the confidence of PACS' employees and now they have started target-oriented business for an increased profit.
- PACS has started its own super mall selling fertilizers, pesticides and seeds and providing vehicle facility of rent basis.

**7.11 The Gadhboriyad Group Vividh Karyakari PACS, Village - Naswadi, District - Chhota Udepur, affiliated with Baroda DCCB**

**Project Name** : Agro transportation and marketing facilities

**Purpose** : Bolstering Agro-economy through Agro-transportation and Marketing.

**Benefits to 572 members:**

- Farmers involved in selling of farm inputs are benefitted by this activity.
- Transportation being an essential and critical aspect of crop production enables timely delivery of agriculture resources to the farmers.
- Logistic provided by PACS has improved farmer monetary condition by fetching good prices, timely supply of produce to market hence, reducing cost incurred in arranging outside vehicle.
- The transportation services have provided PACS farmers a wider access to market thereby increasing their income.

**7.12 Kumbhan PACS, Village - Kumbhan, District - Bhavnagar, affiliated with Bhavnagar DCCB**

**Project Name** : Agro Service – Agriculture implements – JCB for land leveling

**Purpose** : Extending rental facility of Modern Farm Equipment at concessional rate.

**Benefits to 675 members:**

- PACS has purchased land leveler that has proved to be crucial for farm leveling and bonding operations. PACS members mostly comprising of small farmers

are now availing benefit of these equipment's at concessional rate.

- Rental services at concessional rate have significantly reduce the cost of land preparation for different crops.
- Likewise, services of other agriculture equipment's are also available at concessional rate to the members of PACS.
- PACS is earning a net profit of Rs. 50,000/- per month with land leveler and other agriculture equipment. It has also reduced the drudgery of small and marginal farmers.

**7.13 Shri Gama Pipaliya Juth PACS, Village - Pipaliya, District - Amreli, affiliated with Amreli DCCB**

**Project Name** : Godown for storage

**Purpose** : Providing better storage facilities.

**Benefits to 1109 members:**

- Better Storage Units have enabled PACS to purchase farming inputs in bulk and store them scientifically.
- This intervention has enabled PACS to meet the demands for farm inputs of farmers as and when required.
- PACS are earning profits due to bulk purchasing of farm inputs.
- Agriculture being a multifaceted venture requires both supply and demand side needs to be met. This intervention is meeting the above needs by providing farm inputs as well as storage facility to farmers.

**7.14 Jay Yogeshwar PACS, Village - Nabhoi, District - Ahmedabad, affiliated with Ahmedabad DCCB**

**Project Name** : Agro transportation and Marketing- Mini truck

**Purpose** : To provide transport facility to farmers with an objective to increase profitability and deter distress selling of farm produce.

**Benefits 273 members:**

- The PACS was earlier involved in selling fertilizer, pesticide, seed, KCC lending and now has an



additional income stream in form of the transportation services provided.

- PACS could generate an additional employment for main head and still earn a profit in operating the vehicle.
- The number of customers has increased in PACS and their sales of other products has also improved. It has emboldened farmers to invest more and increase the production.
- The transportation facility has allowed PACS to increase its customer reach and enabled farmers to get good price of their produce.

#### Abbreviations:

AIF	=	Agriculture Infrastructure Fund
CBS	=	Core Banking Solution
DCCB	=	District Central Cooperative Bank
DDM	=	District Development Manager
DPR	=	Detailed Project Report
DSCR	=	Debt Service Coverage Ratio
GLC	=	Ground Level Credit
GoG	=	Government of Gujarat
Gol	=	Government of India
GRO	=	Gujarat Regional Office
GSCARDB	=	Gujarat State Cooperative Agriculture & Rural Development Bank Ltd.
IDD	=	Institutional Development Department
LPG	=	Liquefied Petroleum Gas
LTCCS	=	Long Term Cooperative Credit Structure
MSCs	=	Multi Service Centers
MT / LT	=	Medium Term / Long Term
NABARD	=	National Bank for Agriculture & Rural Development

NAFSCOB	=	National Federation of State Cooperative Banks
NEFT	=	National Electronic Fund Transfer
PACS	=	Primary Agriculture Credit Society
PDS	=	Public Distribution System
PMC	=	Project Monitoring Committee
RCS	=	Registrar of Cooperative Societies
RTGS	=	Real Time Gross Settlement
StCB	=	State Cooperative Bank
STCCS	=	Short Term Cooperative Credit Structure
WDRA	=	Warehousing Development and Regulatory Authority

#### Acknowledgements:

I acknowledge the efforts of NABARD's Department of Refinance, Regional Office, Ahmedabad, Gujarat. I am thankful to NABARD for authorizing me for using the document.

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## TDS ON INTEREST PAID TO COOPERATIVE SOCIETIES

A.K.Zakir Hussain\*

Tax Deduction at Source (TDS) aims at collection of revenue at the very source of income. It is essentially an indirect method of collecting tax which combines the concepts of "pay as you earn" and "collect as it is being earned". Cooperatives used to park their surplus fund with District Central Cooperative Bank (DCCB). With regard to credit cooperatives the funds mostly comprise of deposits. Credit cooperatives cannot lend entire deposit mobilized and they have to keep certain portion of their deposits in the form of fluid reserve with the DCCB. Therefore, many cooperatives in general and credit cooperatives in particular receive good amount of interest. The Finance Act 2020 which brought amendment in TDS provision under Section 194A(3)(v) of the Income Tax (IT) Act put lot of hardship for the cooperative societies which are mostly tax-free units as they are coming under the Section 80P deduction. This article analysis the amendment in Section 194A(3)(v) by pointing out the operational problems for cooperatives and put forth certain recommendations so as to help the cooperatives in conducting their business without legal complications.

### TDS on Interest

Any person while paying or crediting interest to another person exceeding ₹ 40,000 p.a., should deduct TDS under Section 194A. In case if the payee is a senior citizen, then the threshold limit for TDS would be ₹ 50,000 p.a. Only time deposits falls under the requirements of TDS as demand deposits are exempted from TDS. Time deposits mean any deposit including recurring deposit, repayable on a particular date. However, there are certain cooperatives who are totally exempt from TDS and therefore, when a bank may pay interest to these exempted cooperatives they don't deduct TDS.

### What is interest credited?

Explanation under Section 194A states that "for the purposes of this Section, where any income by way of interest is credited to any account, whether called "interest payable account" or "Suspense account" or by any other

name, in the books of the bank, such crediting shall be deemed to be credit of such income to the account of the payee and the provisions of this Section shall apply accordingly. Thus, in the case of cumulative time deposits where interest is credited periodically but the payment to the depositor is made only at the time of maturity, tax will have to be deducted at source, every time the credit of interest is made in the books of the bank.

### TDS on Interest - Prior to Amendment

Section 194A(3)(v) of the IT Act provides that a cooperative society paying or crediting interest to another cooperative society is exempt from TDS. Therefore, all cooperative societies were exempted from TDS and they were getting interest from DCCB or Urban Cooperative Bank (UCB) or State Cooperative Bank (StCB) without TDS.

### Amendment in the Finance Act, 2020

One of the important amendment brought in the Finance Act which would affect the cooperatives the most is the amendment in Section 194A(3)(v) which would make all cooperative societies to get their interest from StCB or DCCB or UCB (as the case maybe) after deduction of TDS if such interest exceeds Rs.40,000 in a year. The details of new amendment affecting the cooperative societies are given below:

"a co-operative society referred under Section 194A(3)(v) shall be liable to deduct income-tax, if:

- (a) the total sales, gross receipts or turnover of the cooperative society exceeds Rs.50 crore during the financial year immediately preceding the financial year in which the interest is credited or paid; and
- (b) the amount of interest, or the aggregate of the amount of such interest, credited or paid, or is likely to be credited or paid, during the financial year is more than fifty thousand rupees in case of payee being a senior citizen and forty thousand rupees in any other case."

For the purposes of this sub-section, "senior citizen" means an individual resident in India who is of the age of sixty years

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or more at any time during the relevant previous year. These amendments will take effect from 1st April, 2020.

Section 194A(1) states that “any person, not being an individual or a Hindu Undivided Family (HUF), who is responsible for paying to a resident any interest income other than interest on securities, shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct tax thereon at the rates in force”.

The new amendment made liability for those cooperative societies to deduct tax if their turnover exceeds Rs.50 crore in the year immediately preceding the financial year, u/s 194A(3)(v). Since the cooperative societies keep their reserve amount as a fixed deposit with DCCB and park certain portion of deposit amount as fixed deposit with DCCB, the interest paid by such DCCB is liable for TDS as these DCCBs are having turnover exceeding ₹ 50 crore. However, in case where some societies park their funds with PACS or with UCB and if the turnover of such PACS or UCB does not exceed ₹ 50 crore, in such a case TDS is not liable under Section 194A(3)(v).

The turnover for a cooperative bank and credit societies which undertakes only credit activity, is the total of interest income and miscellaneous income reflected in the Profit and Loss account. However, in case of PACS where the business is both credit and non credit, turnover would be sum of interest income, miscellaneous income and sales from non credit business.

#### **TDS on Interest Received by PACS**

Primary Agriculture Credit Societies (PACS) are village level societies wherein individual farmers, workers and persons of smaller means are members and office-bearers are elected from within them. PACS help members in availing loans at reasonable interest rates and reduces the chances of falling into a debt-trap by borrowing from local landlords and moneylenders who charge exorbitantly high rate of interest. Thus PACS not only provide credit to their members but act as a socio-economic transforming agent by making active participation of their members. Since PACS predominantly deal with crop loans which are having

financial problems like less margin and overdue issue coupled with non financial problems like government write off issues or settlement schemes, they are often affected by viability problems. In order to make them viable, many committees and Commissions from the beginning encourage PACS to go for resource mobilization. Any institution which accepts deposits cannot issue entire amount as loans and therefore, have to park certain portion of their deposits as investment with the other bank. Therefore whichever PACS mobilize deposits have to necessarily make investment in the concerned DCCB. The DCCB pays interest which in many cases is more than ₹ 40,000 which falls under the TDS liability. As the PACS are earlier exempted units under Section 194A(3)(v), the interest paid to PACS were paid without TDS. However, due to the amendment, DCCB have to deduct tax on the interest payment to PACS. Since PACS are having 100% tax deduction, tax deduction by DCCB will put unnecessary time and effort on the part of PACS to file the return and wait for few months to get the refund of TDS.

#### **Procedure in complying with Interest TDS**

- The rate of TDS is 10% on the amount of interest provided the cooperative societies submit Permanent Account Number (PAN) to the bank. When the cooperative societies fails to provide their PAN, then the TDS rate would be 20%
- Downloaded Form 16A will be issued to cooperative societies from whom tax has been deducted by the bank
- The Finance Act, 2015 brought a change in case of banks with core banking setup wherein the threshold limit of ₹ 40,000 p.a. implies the total interest paid by all the branches of the bank. However in case of banks not complied with CBS facility, the limit of ₹ 40,000 per annum means the payment or credit by a branch of the bank.
- Forms 15G/15H are declaration forms submitted by the depositors seeking to exempt them from tax deduction. Cooperative societies not having tax liability due to 100% deduction under Section 80P or exempted societies may submit Form 15G with





the bank. After receiving Form 15G the bank need not deduct TDS even when the interest paid exceeds Rs.40,000 p.a. Form 15G may be submitted by those cooperative societies which submit the PAN with the bank. These forms are valid for one year only and the cooperative societies should submit fresh declaration every year. The banks which accept Form 15G will allot a Unique Identification Number (UIN) for all declarations. UIN which consist of 3 fields with 26 digits have to be uploaded by the banks in the e-filing portal of income tax site on quarterly basis within 15th July, 15th October, 15th January and 15th April in respect of 4 quarters.

- In case where the cooperative societies have some tax liability and such tax liability is less than the interest TDS to be deducted by a bank or where the cooperative society is doing any taxable business shall apply in Form 13 along with requisite enclosures justifying that the TDS need not be deducted or TDS deducted at a lower rate. Form 13 may be submitted to the bank to get the interest without TDS.
- Banks which are deducting TDS on the interest payment shall issue TDS certificate in Form 16A certifying to the effect that a certain sum of tax is deducted. The TDS certificates is downloaded from TRACES Portal. The TDS certificate can be generated within 15 days of uploading of TDS returns in Form 26Q i.e. 15th August, 15th November, 15th February and 15th June related to the concerned quarter. Failure to issue TDS certificate in time would attract a penalty to the tune of Rs.100 per day for the period of default but not exceed the amount of TDS. [Section 272A(2k)]

### **Non Compliance of TDS**

When TDS is not deducted or deducted TDS is not paid to the Government before the due date of filing the income tax returns, then the banks are penalized with 30% disallowance of such interest payment without TDS while computing their taxable income [Section 40(a)(ia)]. Further,

failure to deduct tax attracts penal interest at 1% per month on the tax not deducted from the date on which tax was deductible. If any banks fails to deduct tax or fails to pay the deducted tax, shall be liable to pay a penalty equal to the amount of tax which it has failed to deduct or pay. [Section 271C]. Therefore, the responsibility to deduct TDS is with the banks and therefore, the cooperative societies may not be spared from TDS.

### **Recent Developments**

After getting TDS notice u/s 194A from Malappuram DCCB in Kerala and Kerala State Cooperative Bank, the cooperative societies including PACS got stay at the Kerala High Court. For instance, the writ petition filed by Nilambur Taluk Cooperative Education Society, Malappuram district was given an interim stay from Kerala High Court on 14.1.2022 (WP(c) No.1383/2022) and the stay still not vacated. Therefore, for time being the deduction of tax is put on hold. However, the law is very clear on the TDS on interest to cooperatives and the cooperatives cannot escape from TDS.

### **Conclusion**

Cooperatives are jointly owned and democratically controlled by its members wherein the profits are shared between the members themselves. As the involvement of middlemen is completely eradicated in cooperatives, it ensures protection from exploitation by middlemen. Therefore, cooperatives are given certain privilege which help them to either reduce their tax burden or avoid from tax. Cooperative societies having the liability of TDS while receiving interest from other banks may get the tax refund after filing their return as most of the cooperative societies having TDS liability under Section 194A(3)(v) were either exempt from tax or eligible for tax deduction or does not have enough tax burden. This would create unnecessary time, effort and consultancy cost to the cooperatives on one side and unnecessary procedural issues to the tax authorities. Therefore, the amendment brought during 2020 may be either taken back or atleast exempt those cooperatives like PACS, PCARDBs, etc. which are having no tax liability. This would help these cooperative societies to concentrate on their development and help the government in fulfilling the dream of prosperity through cooperatives.



## CLIMATE CHANGE AND ITS IMPACT ON INDIAN AGRICULTURE

Rajesh Kumar<sup>1</sup>, Surender Mittal<sup>2</sup> and Dheeraj Panghaal<sup>3\*</sup>

### Introduction:

Climate is the long-term average of weather, typically averaged over a period of 30 years. More rigorously, it denotes the mean and variability of meteorological variables over a time spanning from months to millions of years. Global climate change means a gradual change within the climate system both by natural and artificial causes. Natural causes include the change in solar activity, eruption, seawater temperature, ice cap distribution, westerly waves and atmospheric waves. On the other hand, artificial causes include CO<sub>2</sub> emission from industry and agricultural production activities, deforestation, acid rain and the destruction of the ozonosphere by Freon gas. This issue has attracted international interests as the scientific knowledge of climate has accumulated since the 1970s and it has been widely accepted by scientists that the anthropogenic greenhouse gas emissions are the explanation for heating. There is now clear evidence for an observed increase in global average temperatures and change in rainfall rates during the 20th century around the world. The most imminent climatic changes in recent times are the increase in the atmospheric temperatures due to increased levels of greenhouse gases such as carbon dioxide, methane, ozone, nitrous oxide and chlorofluoro carbon. The carbon dioxide (CO<sub>2</sub>) concentration was in the steady state at 280 ppm till the preindustrial period (1850). It is rising since then at the rate of 1.5 to 1.8 ppm per year. The concentration of CO<sub>2</sub> is likely to be doubled by the end the 21st century. Scientists' observation shows changes in earth's climate across the whole climate system. Even a small change in earth's temperature leads to very harsh outcome such as 1.5°C of global warming results in shorter cold seasons and longer warm season and increasing heat waves. Global warming is not only about temperature but it also affects several other natural processes like intensification of water cycle, affect rainfall pattern, increase in sea level, amplification of permafrost thawing etc. Scientists are observing alarming

change in earth's climate which drastically affects the agriculture and leads to increase in food insecurity in the upcoming future due to increased food prices and reduction in food production. Rising sea level in coastal areas leads to complete degradation of agricultural land and Warmer climate results in origin of different pests and diseases. Continuous increase in world's population will increase demand of livestock production by 70% from 2005 to 2050. In order to stabilize climate change we need strong, rapid and sustainable reduction in greenhouse gases and liming net zero carbon dioxide level. Agriculture also contributes a significant amount of share in GHGs emission like nitrous oxide releases from soil, fertilizers and manures whereas methane produces by ruminant's animals and paddy rice field. Both of these gases lead to significant amount in greenhouse gases emission.

### Climate change and India:

Our nation follows industrial model of agriculture which heavily relies on fertilizers and pesticides that makes our agriculture system susceptible to climate change. Drastic combination of climate change with already vulnerable industrial system creates a chaotic condition for farmers. Climate change drastically affecting the Indian agricultural as the selection of crop is totally dependent on the climate of specific region. Climate change negatively effects agricultural sector through reduction in crop productivity due to temperature rise, quality degradation, increase in the number of weeds, blights and pest, increase in disasters related to agriculture like flood and drought condition and increase in soil erosion. The first Assessment of climate change over the Indian region has been published by the Ministry of Earth Sciences (MoES). It is India's first ever national forecast on the impact of global warming on the subcontinent in the coming century. The highlights of findings are discussed as below.

### Temperature:

- In a worst-case scenario, average surface air

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temperature over India could rise by up to 4.4°C by the end of the century as compared to the period between 1976 and 2021.

- The worst-case scenario is defined by the Representative Concentration Pathway (RCP) 8.5 that calculates a radiative forcing of 8.5 watt per square meter due to the rising greenhouse gas (GHG) emission in the atmosphere.
- Radiative forcing or climate forcing is the difference between sunlight energy absorbed by the Earth (including its atmosphere) and the energy that it radiates back into space. Under an intermediate scenario of RCP 4.5, the country's average temperature could rise by up to 2.4°C.
- The rise in temperature will be even more pronounced in the Hindu Kush Himalayan region where the average could reach 5.2°C. By 2100, the frequency of warm days and warm nights might also increase by 55% and 70% respectively, as compared to the period 1976-2021 under the RCP 8.5 scenario.
- The incidence of heat waves over the country could also increase by three to four times. Their duration of occurrence might also increase which was already witnessed by the country in 2021.

#### **Rainfall:**

- Another significant highlight of the assessment is the projected variability in the rainfall, especially during the monsoon season which brings 70% of the rainfall received by India and is one of the primary drivers of its rural agrarian economy.
- Monsoon rainfall could change by an average of 14% by 2100 that could go as high as 22.5%. It is not mentioned if this change will be an increase or decrease but still represents variability.
- Overall rainfall during the monsoon season has decreased by 6% between 1950 and 2021.
- In the past few decades, there has been an increased frequency of dry spells during the monsoon season that has increased by 27% from 1981 to 2021, as compared to 1951-1980.
- The intensity of wet spells has also increased over the country, with central India receiving 75% more

extreme rainfall events between 1950 and 2021.

#### **Effects of Climate Change in Agriculture Field crops:**

- An average of 30% decrease in crop yields is expected by mid-21st century in South Asian countries. North Indian states and Bangladesh are highly susceptible due to erratic changes in rainfall and temperature (World Bank, 2008). For example, in India, a rise in temperature by 1.5° C and reduction within the precipitation of 2 mm, reduces the rice yield by 3 to 15 per cent.
- The drastic climate changes alter the progressive stages of pathogens that eventually affect the growth and yields of crops severely and also could lead to an increase in pest and insect population, ultimately devastating the overall productivity.
- Vegetable crops when exposed to extremely high temperatures are subject to very high transpiration losses, and it also limits fruit set in citrus fruits.
- High temperature causes the burning or scorching effect of blossoms, predominantly on young trees. The fruit setting stage of navel oranges is recorded to be severely affected by high temperatures during flowering.
- High temperature induces moisture stress conditions leading to sunburn and cracking symptoms in fruit trees like apricot, cherries and apples. The temperature enhancement at the ripening stage causes fruit burning and cracking in litchi plantations.

Most of the vegetable crops are severely affected by flooding, particularly tomatoes. Another possibility of causing severe damage to crops is due to the accumulation of endogenous ethylene (Drew, 1979). If the ozone concentration reaches >50 ppb/day, the yield of vegetable crops will be reduced by 5 to 15 per cent.

#### **Sector-wise impact of Climate change on Indian agriculture:**

Continuous increase in Indian population over years might disturb food security once again in the future due to greater food demand. Demand for pulses, fruits, vegetables is also expected increases very sharply in the coming time. Further effects of gradual increase in temperature and environmental degradation are visible in areas which had



been largely benefitted from green revolution. The situation of north-western India is of great concern due to rapidly decline in soil fertility, change in water table depth, rising salinity, increase in number of pesticide resistant harmful pests and degradation of irrigation water quality. Now the farmers have to apply more fertilizers to obtain the same yield as achieved 20-30 years back. Climate change is already affecting agriculture, with effects unevenly distributed across the world. Climate change will probably increase the risk of food insecurity for some vulnerable groups, such as the poor. For example, South America may lose 1–21% of its arable land area, Africa 1–18%, Europe 11–17%, and India 20–40%. The accelerating pace of climate change, combined with global population and income growth, threatens food security everywhere.

#### **Major impacts of climate change on Indian agriculture:**

- Agriculture depends on rainfall. Climatic change disturbs the pattern of rainfall distribution due to which it leads to increasing temperature, long time dry region, high solar radiation that is very much harmful to the growth and development of plants.
- Due to increasing temperature, the availability of groundwater level decreasing and the productivity of crops are highly afflicted by groundwater because 89 per cent of water is used for irrigation.
- Increasing temperature leads to reduce productivity of soil and gradually turns to soil degradation by which important essential minerals are lost due to erosion.
- Disturb rainfall pattern, also results in flooding it directly destroy crops, it washes fertile topsoil by which productivity of crop reduces at an extreme level. In waterlogged soil increases the leaching of important minerals, denitrification so that exchange of gases is not possible and the soil becomes infertile.
- Change in climatic conditions sometimes leads to an increase in the pest population. It provides favourable conditions for the growth and reproduction of harmful pathogens so it may cause severe disease to crop and reduces its yield.

- Due to the irregular distribution of rainfall weeds population is also increases due to which the cost of cultivation increases and productivity decreases.
- Cereal productivity may decrease by 10-40% by 2100.
- Greater loss expected in rabi season crops. Every 1°C increase in temperature reduces wheat production by 4-5 million tons. Loss only 1-2 million tons if farmers could plant in time.
- Increased droughts and floods are likely to increase production variability.
- Considerable effects on microbes, pathogens and insects. The increasing temperature would increase fertilizer requirement for the same production targets, and result in higher emissions.

#### **Livestock, Poultry and Fishery sectors:**

- Higher temperatures abruptly change the animal's body physiology like a rise in respiration rates (> 70- 80/minute), blood flow and blood heat (>102.5° F).
- Dairy breeds are more vulnerable to heat stress than meat breeds. A rise in metabolic heat production in higher milk producing breeds results in higher susceptibility to heat stress; while the low milk-producing animals are resistant.
- An increase in temperature and temperature humidity index value beyond the critical intensity reduces the dry matter intake and milk yield. It also interrupts the physiology of an animal's body.
- During 2009-10, acute events like floods and cyclones devastated agricultural production in a large home in southern and central Mozambique, consequently loss of livestock, its infra structure and feed.
- Poultry are extremely sensitive to temperature-associated issues, specifically heat stress. Endocrinological changes caused by



prolonged heat stress in broiler chickens enhance lipid accumulation reduced lipolysis and induced aminoalkanoic acid catabolism.

- Heat stress harms the strength, weight, ash content and thickness of the eggshell.
- The rising environmental temperature may cause seasonal improvement in the growth and development of fishes, but increases the risks to the populations living beyond the thermal tolerance zone.
- The increase in temperature of 1° C will affect the mortality of fish and its geographical distribution.
- The temperature rises of 0.37° C to 0.67° C alter the pattern of monsoon differences due to the season, eventually shifting the breeding period of Indian main crops from June to March in West Bengal and Orissa's fish hatcheries.

#### **Strategies for adaptation and mitigation of climate change:**

Mitigation and adaptation strategies for the sustainable agriculture are interconnected to each other, mitigation is considered as one of its belongings so adaption is an important counter measure against degrading environment. Mitigation strategies for the agriculture majorly include advancement in cultivation system through enhance irrigation and fertilization control to reduce the major greenhouse gases like methane, nitrous oxide and improvement in the carbon fixing technologies in the farmland soil. Adaptation according to UNFCC is a "regulating process of ecological and socioeconomic systems to reduce possible damages from actual and expected climate change that is, actions taken to help communities and ecosystem cope with changing climate conditions". Adaptation measures include research and development, infrastructure management, economic means related to carbon grants, legal and institutional improvement, enhance public relation education, continuous monitoring, and technology and management applicable to farm households. The goal of adaptation is to scale back our vulnerability to the harmful effects of global climate change (like sea-level encroachment, more intense

extreme weather events or food insecurity). It also encompasses making the foremost of any potential beneficial opportunities related to global climate change (for example, longer growing seasons or increased yields in some regions). In reality, it's almost impossible to implement the first-best solution to accurately measure the external effects of worldwide warming and impose the economic costs to the precise greenhouse gas emitters. Under this background, the second-best solution for developing relevant policy programs and forming appropriate portfolios to approach is addressed as a practical method employing a policy mix. Considering the circumstances realistically means for greenhouse emission reduction are classified into economical means, regulatory means, voluntary agreement, R&D and popularization, information provision, and promotion of public awareness. The goal of mitigation is to avoid significant human interference with the climate, and stabilize greenhouse gases emission levels during a timeframe sufficient to permit ecosystems to adapt naturally to global climate change, confirm that food production isn't threatened and enable economic development to proceed during a sustainable manner. The important adaptation and mitigation Strategies include:

- Efficient water and nutrient management options to enhance use efficiency
- Evaluation of carbon sequestration potential of different land-use systems
- Understanding opportunities offered by conservation agriculture and agro-forestry
- Identifying cost-effective methane emission reduction practices in ruminants and rice paddy
- Farmer should adopt sustainable agriculture.
- Farmers should go with crop diversification and take mixed farming so that in an adverse condition also they will able to take profit from other sources of farming.
- Take contingent crops in adverse conditions and grow those varieties that are adaptable to local climate and able to give a high yield in that area.
- Use stress and disease-resistant varieties of the crop.



- Reduce the use of harmful insecticides, pesticides and herbicides.
- In the area where drought is a major problem using water conservation practices like maintaining individual ponds on farms so that they can store water during the rainy season and farmers can use them in water scarcity situations and save the crop from drought.
- Improved irrigation practices by capture and retention of rainfall.
- In flooding, the area uses proper drainage of water so that water cannot store and the field is free from waterlogged conditions and the problem of leaching and de-nitrification may reduce at a certain level.
- Farmer should aware of available natural resources and their uses so that it reduces the cost of production and increases yield.
- Farmers may have direct contact with KVK and other Agricultural institutes so that they are aware of the weather of that area it will help them to take crops according to climatic conditions.
- Farmers have proper knowledge and idea about new agricultural technology so they may help in reduce the cost of cultivations through less use of inputs and help in increasing productivity of crops.

#### **Conclusion:**

Climate change is a reality. We have to deal with it. If one analyses different study related to climate change, we can see its severe effects on varied fields. Its effects can easily be noticed in environment. Unseasonal rains, increase in number and intensity of tropical storms, prolonged drought conditions, prolonged heat conditions etc impacted the normal life functions of many communities/countries. Climate change is real, the rise in temperature is real, people losing their lives are real and the animals losing their homes are real. It not only impacts agriculture sector but all the possible areas we can think of. Various reports suggest that climate change will affect the quality and quantity of various crops. In serious situation this can also affect the food security of concerned region. It is also reported that impact of climate change will not be same for every sector and

region. The possible effects would be high in tropical regions as compare to temperate regions. So, proper plans should be made according to the area.

As far as India is concerned it seems like it will face great challenge due to climate change. Most of the agriculture is dependent on monsoon rains. Its unevenness and variation in timing is impacting the agriculture and will also impact in future. The hailstorms, cyclones and flash-floods have increase much and have great impact on agriculture. These challenges have potential to lessening the income of farmers in the country. To minimize the effect of agriculture on environment is also important. So, agriculturists should adopt climate smart agricultural practices. Crop rotation, minimizing tillage, integrated approach for minimizing use of chemicals and natural resources, livestock waste management etc are some of the practices. Integrating different fields of agriculture which can use their by-products and work co-efficiently will definitely help in reducing some of the potential effects on environment. Developing of relevant good irrigation infrastructure will also help in reducing the effect of possible global warming. We need to stop the desertification of useful lands which can be exploited for agriculture. Planting of tree species near farm lands is good option to maintain soil biodiversity, which also enhance the soil quality and help in avoiding soil erosion in certain cases. Role of honey bees in agriculture is well known and highly acknowledged. Various groups also highlight that change in climate and use of some insecticides impacts the population of these creatures which will absolutely affect the yield in coming years. Different ways to tackle the impact of climate change is need of an hour. As human population is increasing and we cannot bear the yield loss for very long durations and need proper balance between requirement and supply because change in this chain may increase the risk of food availability for all globally especially in poor countries. Different scientists working efficiently in selecting the right gene or group of genes in plants which can help in making stress resilient if not resistant crops. These all with improved technologies related to agriculture will certainly help us in dealing with changing scenarios.



## “RYTHU BHAROSA KENDRAS (RBKS) - INNOVATIVE GRASS ROOT LEVEL FARMER FACILITATION CENTRES IN ANDHRA PRADESH”

Dr.G.Prasad Babu<sup>1</sup>, M.Jayalakshmi<sup>2</sup>, Dr.A.Ramakrishna Rao<sup>3</sup> and Dr. B.Vijayabhinandana<sup>4</sup>

Andhra Pradesh being an Agrarian State, the Government primarily focuses on agriculture, allied sectors and farmers' welfare. Availability of quality farm inputs and right advisories are very critical in improving the crop production and productivity and in reducing the cost of cultivation. In the era of technological advancement, the quality of services, speed in deliverables and precision in actions are possible by creating proper interface between farmers, scientists, extension officers, service providers etc. and by bringing innovation/ sustainable interventions in agriculture and allied sectors. A common platform to integrate different line functions is highly necessitated to excel and accelerate Government services qualitatively and quantitatively and to create fiscal discipline. With this context, the Government of AP has taken a right initiative by forming Rythu Bharosa Kendras (RBKS) as a most novel, effective and efficient platform for knowledge dissemination and assimilation to provide farmers with quality inputs and allied services.

The Government had established 10778 Rythu Bharosa Kendras (RBKS) during May, 2020 in all Grampanchayats having sizable agriculture & allied activity as a novel, effective, efficient and unified platform for knowledge dissemination and assimilation to provide farmers with quality inputs and allied services. RBKS bridge the information and service delivery gaps in the State's Agriculture Sector by bringing all the Stakeholders of Agriculture & Allied Sectors into one single platform offering all the services to farmers by ensuring year round productivity, profitability and sustainability.



### What is RBK?

RBK is a One Stop Shop for supply of Government certified Agri (Seeds, Fertilizers & Pesticides) & allied sectors inputs to the farmers attached with Farmer Knowledge Center for giving scientific Advisories pertaining to Agriculture & Allied sectors to the farmers at village level.

### Mandates/Objectives of RBKS:

1. Acts as Agri-input Shop to farmers.
2. Farmer Knowledge Center.
3. Quality Assurance of Farm Inputs.
4. Technical Support unit to farmers.
5. Warehouse Management.
6. Logistics Partner.
7. Maintain Integrated Call Center and RBK you tube channel.
8. Consists of multidisciplinary dedicated technical staff.
9. Collaboration with knowledge partners.
10. Acts as procurement centre to the farmers produce.
11. e-Crop booking.

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4. Dr.B.Vijayabhinandana, Principal Scientist and University Head (Extn.), A.N.G.R. Agril. University, Guntur, Andhra Pradesh.



### 1. Acts as Agri-input Shop to farmers:

agri Input Shop in RBK is made available multi-brand quality agricultural inputs to farmers at right price, right time at their Village Secretariats. It is a virtual shop with a digital kiosk for taking orders from interested farmers. Model products shall be on display in these Virtual shops.

#### Objectives of Agri-input shop:

- a) To make available quality Agri inputs, farm implements, fish feed, cattle feed, fodder seed etc. to farmers at right price, right time at their villages backed by integrated advisory through farmer knowledge center.
- b) To reduce duplicate and spurious products sale in market by allowing only sale of tested and certified products through Government Agri Input Shops.
- c) To bring good practices in the sales of farm inputs and to act as a benchmark to the dealers in the market.
- d) To channelize Government Schemes and create a reliable alternate channel for sale of quality farm inputs to the farmers.

### 2. Farmer Knowledge Center:

It is a training center, where Agriculture & Allied Sector Officials & Scientists will provide latest and low cost technologies to farmers. Audio Visual Aids, Mini Soil Testing Lab., Method Demonstrations, Library etc., shall be part of Farmer Knowledge Center with the following objectives.

- i. To build capacity of farmers through classroom and field trainings and demonstrations on best practices and new technologies for adoption.
- ii. To create farmers interface with Scientists and Extension Staff of Agriculture & Allied Departments.
- iii. To act as single point of contact for information about latest technologies, Government Schemes etc.
- iv. To maintain database of farmers in a village with details of land extent, crops grown, livestock details etc.
- v. To organize farm demonstrations of organic agriculture practices.

- vi. To promote optimum utilization of farm input through soil test based nutrient management.
- vii. To leverage the benefits of technology in farming through access to right information to farmers helping them to take more informed decisions, optimize cost and increase farm productivity and income.

### 3. Quality Assurance of Farm Inputs:

- With an intention of providing quality farm inputs to the farmers, the Government decided to allow only pre-tested and certified Inputs sale through RBKs.
- The Agri & Allied sector Inputs which are Pre-tested and Quality Certified at Dr YSR Agri. Labs and other designated Labs shall only be displayed in Digital Kiosks at RBKs for placing orders.
- The Quality Control of Seeds, Fertilizers and Pesticides at Hubs (Godowns) shall be taken up by Agriculture Department using "Unified Digital Platform" which is an autonomous Sampling System.
- The Unified Digital Platform (UDP) connects Input manufacturers, Input Dealers, Sample collection team, Input Inspectors, Regional Coding Centres, Integrated Agri Labs and Farmers.
- In case of Sub-standard samples, action will be taken as per G.O.Ms.No.116, Agri. & Coop. (Agri. III) Dept. Dt:11.12.2019).

### 4. Technical Support unit to farmers:

- State Technical Support Unit with Agriculture & Allied Departments/Institutions/Universities (Agriculture, Horticulture, Agriculture Marketing, Sericulture, Animal Husbandry and Fisheries Departments, ANGRAU, Dr YSRHU, SV Veterinary University, APDDCF and SLBC) will be formed at Agriculture Commissionerate under Chairmanship of Special Commissioner of Agriculture, AP. The said support unit shall have subject experts from the above departments/Institutions/Universities.
- The State Technical Support Unit shall guide the extension activities in the State and provide end to end solutions to the farmers. The RBKs shall have





throughout year activities and farmers shall be provided the latest required and low cost technologies, apart from sales of quality farm inputs.

**5. Warehouse Management:**

- Carrying and Forwarding (C&F) agency shall be responsible for maintaining the operations at the Godowns, manage the inward inventory, act upon the instruction of the Hub Manager to bill the stocks for the orders received and hand it over to the designated logistics company to make delivery. All responsibility pertaining to operations management shall lie with the C&F agency.
- The agency shall act as per the instruction and specified guidelines (SOP) of the AP AGROS to manage the inventory including but not limited to inward, outward of stock, ensure FIFO, Status of the inventory, LED Management, billing, record keeping on behalf of AP AGROS.

**6. Logistics Partner:**

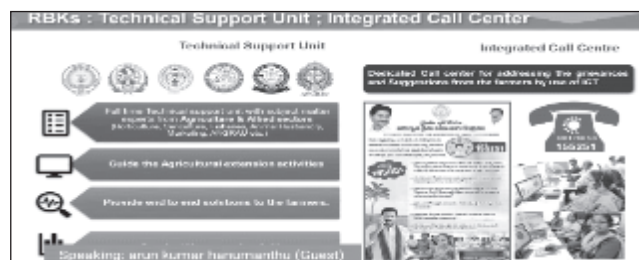
- Logistics Partner is engaged for supply chain management. The selection of Logistics Partner is carried out by a transparent mechanism. The Software Agency provides software for the end to end management of the Kiosks for displaying products and raising orders. The app would be integrated with the Hubs to give real time visibility of products. The Logistics Partner shall deliver stocks to the farmers at their Village Secretariat in 24 to 48 hours or otherwise as indicated at the time of indent placing as per agreed terms.
- The software has integrated app to be compatible for demand forecasting, inventory management, billing system, supply chain management, farmer database management etc.

**7. Maintain Integrated Call Center and RBK you tube channel:**

An Integrated Call Center was established at Agriculture Commissionerate to address the problems and to provide solutions to the farmers of Agriculture & Allied Sectors. The Call Center shall operate in two shifts. A mini Digital studio,

Digital Signage shall be incorporated with Call Center to provide technical content to farmers through Smart TVs at RBKs.

RBK you tube channel was started for telecasting need based & latest technical content through Smart TVs at RBKs to keep away the farmers frequenting the agriculture offices at mandals & seeking for advises. Live interaction with officials of Agri & Allied departments, Scientists & progressive farmers on innovative methods & recommended practices to enhance net farm income of a farmer.



**8. Consists of multidisciplinary dedicated technical staff:**

The RBK Centers functions at village level and RBKs are being operated through 4 verticals by qualified staff viz., Village Agriculture Assistants/Village Horticulture Assistant/Village Sericulture Assistants & Village Animal Husbandry/Village Fisheries Assistant with Diploma/Graduation/Post Graduation certification in their respective fields.

**9. Collaboration with stake holders and knowledge partners:**

**Stake holders:**  
The Agriculture, Horticulture, Sericulture, Agriculture Marketing, Animal Husbandry, Fisheries, Agriculture Co-Operation, Irrigation, Electricity, Disaster management, Civil Supplies, Panchayath Raj, Revenue Departments, AP State



Seeds Development Corporation, AP MARKFED, AP State Agro Industries Development Corporation, AP Dairy Development Co-Operative Federation Ltd and Acharya NG Ranga Agricultural University, Dr. YSR Horticultural University, Sri Venkateswara Veterinary University, all Banks etc. are stakeholders in Rythu Bharosa Kendras.

**Services offered by stakeholders:**

- Availability of Multi-brand Inputs of Farmer Choice which are Quality tested at Village level.
- Agricultural Department Schemes & subsidized Inputs such as Seeds, Fertilizers and Pesticides shall be routed through RBKs.
- Technical guidance / advisories / extension services on Crop, Pest and Disease Management of various crops.
- RBKs take up enrolment of Crop Insurance through e-Karshak / e-crop booking.
- Farm implements are made available for Hire from RBK- Custom Hiring Center.
- Formation of Farmer Groups (FPOs) is taken up at RBKs.
- Capacity building of the farmers through classroom and field trainings, Polambadi trainings (FFS) and various demonstrations on best practices and latest technologies etc.
- Soil and Seed testing (Physical Purity, Germination) facilities.
- Database of Farmers and Soil profile shall be maintained at RBKs.
- Demonstrations on Organic farming etc.
- Farmers are also given guidance on the Bank and Credit related issues.
- Identification of beneficiaries for different departmental development schemes.
- Social Audit on implementation of different welfare schemes.
- Crop loss assessment during cyclones, droughts, pest & diseases etc.
- Extension of assistance to affected farmers during cyclones, droughts, pest & diseases.
- Redressal of farmer's grievances on various

agricultural issues.

**Knowledge partners:**

- Dr MS Swaminathan Research Foundation, Chennai is the Knowledge Partner for RBKs for capacity building and for dissemination of Best Practices, Latest Technical Developments to farmers at Village level.
- National Seed Research and Training center (NSRTC), Varanasi, Central Fertilizer Quality Control & Training Institute (CFQC & TI), Faridabad, Central Insecticide Laboratory, Faridabad, Haryana, National Institute of Plant Health Management, Rajendra Nagar, Hyderabad are the Knowledge Partners for Capacity building, technical audit for strengthening Seed, Fertilizer & Pesticides Quality testing in the State and to ensure supply of Quality inputs to farmers.
- Division of Soil Science, IARI, Pusa Campus, New Delhi is the Knowledge partner to facilitate the centres to improve soil test based technologies in Agriculture and Allied sectors through RBKs.
- State Management Institute of Livestock Enterprise – SMILE, Vizag, National Dairy Research Institute (NDRI), Karnal, Haryana and Indian Veterinary Research Institute (IVRI), Izatnagar, UP are the Knowledge Partners for introducing the latest technologies and strengthening of livestock and Dairy development activities in the State.

Stakeholders		Knowledge Partners	
Agriculture Department	Marketing Department	MS Swaminathan Research Foundation, Chennai	
Horticulture Department	Animal Husbandry	National Institute of Plant Health Management, Hyderabad	Soil Science Division, IARI, Pusa, New Delhi
Fisheries	Sericulture	Central Fertilizer Quality Control & Training Institute, Faridabad	Central Insecticide Lab, Plant Quarantine, Faridabad
Agriculture Co-Operation	Irrigation	National Seed Research & Training Center, Varanasi	National Dairy Research Institute NDRI, Karnal, Haryana
Electricity	Disaster management	State Management Institute of Livestock Enterprise (SMILE), Vizag	Indian Veterinary Research Institute (IVRI), Izatnagar, UP
Civil Supplies	Panchayath Raj		
Revenue	AP Seeds (AFSSDC)		
AP Dairy Development Co-Operative Federation Ltd	AP AGROS		
AP MARKFED	All Banks		
ANGRAU	Dr YSR Horticulture University		
Sri Venkateswara Veterinary University			

**10. Acts as procurement centre to the farmers produce:**

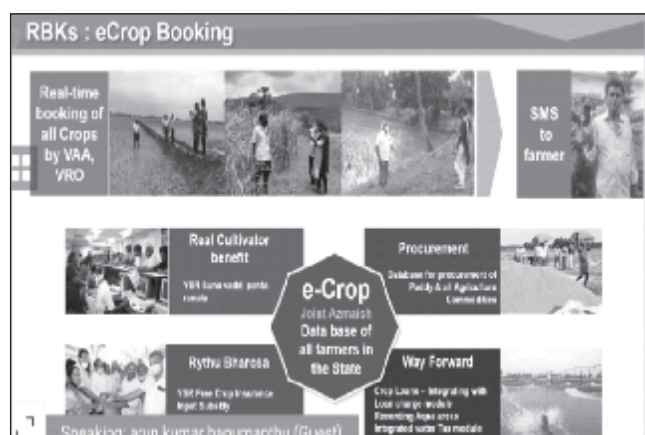
During the fall of market prices below Minimum Support Prices (MSP) RBKs in collaboration with MARKFED, OILFED,



APSEEDS etc. take up procurement of farmers produce at MSP in order to safeguard the farmers from distress sale and ensure remunerative price. A separate mobile app called CM APP (Continuous Monitoring of Agriculture Prices and Procurement) has been created for the purpose of tracking every day market prices.

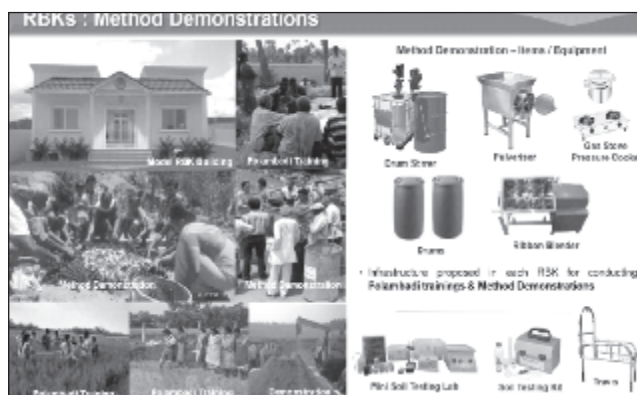
### 11. e-Crop booking:

There is a provision for booking of all crops i.e., Agriculture, Horticulture, Sericulture and Fodder crops useful for capturing the information of actual cultivator whether land owner or tenant is being done. This is also useful to capture mid-term crop evaluation/condition with expected yields and estimation of market arrivals along with quantities. This data is taken as yardstick for crop insurance, input subsidy, to get interest free loans and procurement purposes.



### Facilities available at RBKs to the farmers:

1. Multi brand Agri and allied inputs like seeds, fertilizers, pesticides, bio fertilizers etc.
2. Information kiosk to place indents for inputs.
3. Information corner to provide real time messages.
4. Library to access latest agriculture technologies.
5. Training hall for capacity building trainings.
6. Audio visual aids like smart TV for live streaming of address of technical experts.
7. Mini soil testing lab to promote soil test based fertilizer application.
8. Method demonstration equipment.
9. Custom Hiring Centres (CHC).
10. Seed testing kits.



### Operational mechanism of RBKs:

The Agri Input Shop in RBK operates in a Hub and Spoke model. Hubs to run as godowns for stocking inventory, manage sale proceeds, logistics etc. and spokes to run as Virtual retail stores. A digital kiosk will be made available in each RBK for orders to be placed by farmers. Farmer will



place an order for Inputs in the Kiosk machine at RBK in their villages. Order will be mapped to designated Hub and the ware-house dispatch process will be initiated at Hub level. Orders received shall be delivered at RBK (Spoke) in village within 48 -72 hours or otherwise as indicated at the time of placement of an order.



### Monitoring mechanism:

A state level committee constituted under the Chairmanship of Special Chief Secretary, Agriculture & Cooperation Department, Government of Andhra Pradesh for taking policy decisions, formulating road maps and reviewing the progress of implementation of RBKs in the State.

A Committee was also formed at District level with District Collector as Chairman and Joint Director of Agriculture as Convenor and Heads of Allied Departments & other Stakeholders as Members. The Committee shall meet twice in a month. The Committee shall monitor the implementation of RBKs activities in the District and also formulate and implement Training Calendar in the District. It shall also monitor the functioning of Mandal Level RBK Committees.



### Achievements so far:

During Kharif-2021, a quantity of 6,16,806 quintals of various crop seed was distributed to 11.80 Lakh farmers with a subsidy value of ₹ 17,201 lakhs. During Rabi 2021-22, so far 2,70,945 quintals of seed has been distributed to 3.14 Lakh farmers with a subsidy value of 9249 Lakhs. NABARD has issued revised approval with total Financial Outlay of ₹1661.16 Cr, out of which, an amount of ₹ 736.03 Cr has been sanctioned in the first phase for the transformation of PACS as Multi-Purpose Facility centres at RBKs. Through RBKs, Government distributed 2000 MTs of certified fodder seed to nearly 80000 farmers and 9795 MTs of quality tested TMR to farmers on 75% subsidy Under YSR Pasu Nashta Parihara Padhakam, During 2021-22 (upto Dec, 2021-22), compensation claimed for 51622 deaths for an amount of ₹113.25 crores. AP is the only state in the country which collects farm prices from each RBK on a daily basis through an App 'Continuous Monitoring of Agriculture prices and Procurement(CM APP), developed for providing end to end solutions, from taking daily price alerts from each RBK to undertaking procurement wherever necessary.

### Awards received:

1. RBKs bagged SKOCH Gold Award for the year 2021 which is a stupendous achievement
2. RBK Channel achieved Silver button award from Youtube for crossing 143k subscriptions

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**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 : Mumbai
2. Periodicity : Quarterly
3. Printer's Name : K.K. Ravindran
- Nationality : Indian
- Address : 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 : K.K. Ravindran
- Nationality : Indian
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Development Banks' Federation Limited  
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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.

Navi Mumbai  
31st March, 2023

sd/-  
**(K.K. Ravindran)**  
Signature of the Publisher

# FEDERATION NEWS & EVENTS



## 1. 170<sup>th</sup> Board Meeting of NAFCARD

The 170<sup>th</sup> Board meeting of the Federation was held on 24<sup>th</sup> January, 2023 at Ahmedabad, Gujarat. The board meeting of the Federation was attended by the Chairpersons of member banks who are members of the Board and the CEO's of member banks as special invitees. Subject deliberated in the meeting included Computerisation of ARDBs, Joint Meeting of NABARD & Ministry of Cooperation



Shri Dollar Kotecha, NAFCARD Chairman addressing the 170<sup>th</sup> Board meeting of NAFCARD.



View of delegates attending the 170<sup>th</sup> Board Meeting of NAFCARD

## 2. Executive Committee Meeting of the Federation

The Executive Committee Meeting of the Federation was held on 24<sup>th</sup> January 2023 in Ahmedabad, Gujarat. Shri Dollar Kotecha, Chairman presided over the Meeting. Dr. Bijender Singh, President, Delhi SCB and Shri D. Krishnakumar, President, Karnataka SCARDB also participated in the meeting. The Executive Committee reviewed income and expenditure position during the year, investment of funds and also approved the expenditure towards office renovation.

to deliberate on the Recommendations of National Conference of ARDBs 2022, Banking Licence to ARDBs, Social Media outreach to National Cooperative Federation, Drafting of the New National Cooperation Policy, Multi state Cooperative Societies (Amendment) Bill 2022, Operational issues faced by member banks and review of performance in key operational areas and Administrative matters of the Federation.



Shri K.K. Ravindran, MD, NAFCARD deliberating on the Agendas in 170<sup>th</sup> Board Meeting of the Federation.



170<sup>th</sup> Board Meeting of NAFCARD -Group Photograph

## 3. Study on Reforms, Restructuring and Innovations in ARDBs

NABARD at the instance of Govt of India has initiated a study on Rform, Restructuring and Innovations in ARDBs. NABCONS, the consultancy wing of NABARD has constituted an expert team under the leadership of Shri Arvind Kumar Srivastava to undertake the study. Leader of the study team along with 2 Project Directors, Shri R. Srinivasan and Shri P.A. Premakumar visited Federation office on 3<sup>rd</sup> March 2023 and held detailed discussion on the terms of reference of



the study with Shri K.K. Ravindran, Managing Director Federation and representatives of select member banks who joined the discussions online. The team will be visiting all SCARDBs in all states in the course of next few weeks and



will submit its reports within 3 months. The report of the study team is expected to be on the basis of the revival package for LTCCs being implemented by the Govt.



Felicitated for Study Team of NABCONS

#### 4. Appointments/Elections

1. Shri Sanjay Singh Chauhan has assumed charge as Chairman of the Himachal Pradesh State Cooperative Agriculture & Rural Development Bank Ltd., Shimla w.e.f. 6<sup>th</sup> February, 2023.
2. Shri Amit Dhaka, IAS has assumed charge as Managing Director of the Punjab State Cooperative Agricultural Development Bank Ltd., Chandigarh.

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Others	:	₹200/- for one year (4 quarterly issues)



## Farmers' Income May Rise 70% In 7 Years Through 2022-23

The farmers' income on an average may increase by around 70% nationally in 7 years through June 2023, falling short of the target of doubling their income during the period, even though some states including Andhra Pradesh and Madhya Pradesh may achieve the goal fully. "At the national level, one of the reasons for not achieving the target will be the non-implementation of farm reforms such as model Agriculture Produce Marketing (Regulation) Act, Livestock Marketing Act and Land Leasing Act. Due to prolonged protests, the Centre also had to roll back 3 new Central government acts for farm sector reforms. Implementation of these reforms could have elevated the trend income of farmers by another 21% from the baseline trend. While the exact achievement of doubling farmer's income will be known by August-September next year, in some states, the target will either be achieved or very close to the target," said Niti Aayog member Ramesh Chand. Telangana, Tripura and Mizoram's achievement will be close to the target. The realisation by farmers for their produce is likely to be better in 2022-23 due to elevated inflation. According to the doubling farmers' income (DFI) roadmap, an average farmer's agri-based income was to double from ₹ 58,246 in 2015-16 prices to ₹ 1,16,165 (constant prices) by the 2022-23 agriculture year ending June 2023. Including non-farm income, the average annual income of the farmer at the national level in 2015-16 was taken as ₹ 96,703 by extrapolating the 2012-13 NSSO estimates. The targeted farmers' income (farm and non-farm) at the national level was targeted to be ₹ 172,694 in 2022-23. For Madhya

Pradesh, the target was to raise the average farmer's income from agri-based activities to ₹ 2,01,813 in 2022-23 from ₹ 89,434 in 2015-16. According to the target, the income of an average Andhra Pradesh farmer from farm activities was to rise from ₹ 54,135 in 2015-16 to ₹ 1,05,768 in 2022-23. Better price realisation for farmers' produces and diversification towards high-value crops were among the 7 sources identified in Niti Aayog's policy paper to achieve the goal of doubling farmers' income. These measures required policy and marketing reforms like direct marketing, contract farming, e-trading, special treatment of food and vegetables in APMC Law, private mandis, etc. Little or no progress is seen at the state level to bring reforms in agriculture policies and the system of marketing. Doubling real farmers' income till 2022-23 over the base year of 2015-16, required annual growth of 10.41% in farmers' income. Even though this implied that the ongoing and previously achieved rate of growth in farm income has to be sharply accelerated, states failed to implement meaningful reforms in the farm sector, a state subject as per the division of power between the Centre and state in the Constitution. For example, the Centre was persuading states to enact a model APMC Act to keep fruits and vegetables out of the purview of the mandis, abolition of Aarthia commission and permission for hassle-free inter-state trade. To augment farmers' income, the Centre has been providing ₹ 6,000 per year to about 110 million farmers under the PM-KISAN scheme.

## MIIRA: India Readies Plan To Popularise Millets On World Stage

With food security and nutrition a top priority in agriculture during its G20 Presidency, India is planning to propose the launch of a global initiative to encourage the consumption and production of millets. The Indian Express has learnt. "MIIRA" or Millet International Initiative for Research and Awareness will be aimed at coordinating millet research programmes at the international level. It is in line with the UN declaring 2023 as the International Year of Millets and the Centre's plan to make India a global hub for millets. While the main G20 Summit will be held on September 9-10, 2023 in New Delhi, India's Presidency year will also see five

meetings on agriculture: three of Agriculture Deputies, one of chief scientists, and one where the Agriculture Ministers of all G-20 countries will gather. MIIRA will be launched keeping in mind the nutritional value and the climate resilient nature of millets, adding a draft charter of the initiative is ready and will be placed for approval at the first meeting of the Agricultural Deputies from February 13-15 at Indore. MIIRA will aim to connect the millet research organisations across the world while also supporting and research of millet crops. Besides setting up a web platform to connect researchers and holdings supporting research on millet crops.





platform to connect researchers and holding international research conferences, the plan is also to promote millet consumption by raising awareness. For MIIRA to take off, India will contribute the “seed money” while each G20 member will later have to contribute to its budget in the form of a membership fee. The MIIRA secretariat will be in Delhi, with India being a major producer of millets, ensure a flow of investment from the country’s industry and research bodies. In her Budget speech, while describing various types of millets as ‘Shree Anna’, Finance Minister Nirmala Sitharaman said, “Millets have been an integral part of our food for centuries. I acknowledge with pride the huge service done by small farmers in contributing to the health of fellow citizens by growing these Shree Anna. Now to make India a

global hub for Shree Anna, the Indian Institute of Millet Research, Hyderabad will be supported as the Centre of Excellence for sharing best practices, research and technologies at the international level.” Millets are small-grained cereals such as sorghum (jowar), pearl millet (bajra), foxtail millet (kangni/ Italian millet), little millet (kutki), kodo millet, finger millet (ragi/ mandua), proso millet (cheena/ common millet), barnyard millet (sawa/ sanwa/ jhangora), and brown top millet (korale). These crops require less water than rice and wheat, and are mainly grown in rainfed areas. Now grown in more than 130 countries, millets are the traditional food for more than half a billion people in Asia and Africa.

### **TransUnion CIBIL, SIDBI, Online PSB Loans Launch MSME Rankings**

Credit bureau TransUnion CIBIL, in collaboration with Online PSB Loans and MSME lender SIDBI announced the launch of FIT Rank – a comprehensive ranking model for MSMEs. FIT Rank will leverage the details available with Goods and Services Tax (GST) filings, Bank Statements, and Income Tax Returns (ITR) information to provide a ranking model for MSME lending. “Insights show that only about one-third of MSMEs in India are served through the formal credit ecosystem, indicating significant opportunities for increasing credit penetration in this key sector. Credit flow to MSME entities can be further expanded and also made more efficient by widening the risk underwriting parameters of MSMEs based on multiple data sources available in the marketplace. FIT Rank will benefit MSMEs with a satisfactory

track record of GST payments, banking behaviour and Income Tax Returns to be able to become more credit eligible.” S Ramann, CMD, SIDBI. Using FIT rankings, SIDBI has launched a new express loan product for MSMEs to provide them loans up to ₹ 50 lakh for purchase of machinery and roof top solar equipment. The ranking model uses machine learning algorithms to predict the probability of an MSME becoming a non-performing asset (NPA) in the next 12 months. FIT Rank provides a ranking for the MSME, based on its financial, income, and trade data on a scale of 1 to 10, FIT Rank 1 being for the least risky MSME and FIT Rank 10 being for the most at-risk MSME. Each FIT rank corresponds to a Probability of Default (PD). The lower the FIT Rank, the lower the perceived risk of default associated with the MSME.

### **Biogas Plant Models Developed For Rural Population**

The models of biogas plants are being developed for different regions in Rajasthan for providing guidance to the rural population, to meet its energy needs, through renewable and environment-friendly sources. The initiative forms part of the rural component of “Swachh Bharat Mission”. The village panchayats would participate in the formulation of the district plans for a scheme called “Galvanising Organic Bio-Agro Resources (GOBAR)-Dhan.

The village groups of Rajasthan Grameen Ajeevika Vikas Parishad will operate and maintain the biogas plant models. The villagers would be motivated in their field visits to observe the models and encouraged to adopt the system for turning the agricultural waste and sewage, into sustainable energy and fertilisers, under the “Swachh Bharat Mission”, Abhay Kumar, Additional Chief Secretary (Rural Development), said in Jaipur.



## UIDAI Urges Aadhaar Card Holders to Update Documents Submitted 10 Years Ago

The Unique Identification Authority of India (UIDAI) has urged Aadhaar holders who were issued the unique identity 10 years back and who have never updated their records, to revise their information in its database. Aadhaar holders can update their unique ID records by uploading supportive documents (proof of identity and proof of address) either online through myAadhaar portal or offline by visiting the nearest Aadhaar centre, UIDAI said in statement. "Residents who had got their Aadhaar issued 10 years back, and have never updated after that in these years, such Aadhaar

number holders are encouraged to get their documents updated," the statement said. During the past decade, Aadhaar number has emerged as a universally accepted proof of identity of residents in India. More than 1,100 government schemes and programs, including 319 run by the central government, use Aadhaar based identification for delivery of services. Besides, many financial institutions like banks and NBFCs use Aadhaar to authenticate and onboard customers seamlessly.

## Free Import Policy For Key Pulses Extended By A Year

To ensure adequate domestic supplies of pulses, the government extended its decision to keep 'free-import' policy for two varieties – tur and urad by a year till March 31, 2024. The government in March 2022 had extended the 'free-import' policy for two varieties of pulses by a year. Under the regime, introduced in May last year, specified pulses can be imported without any quantitative restrictions. The decision has put to rest the speculations regarding the import policy regime for pulses in the next financial year and it also signals a stable policy regime. Inflation in pulses in November, 2022 was 3.15% on year. Modal retail prices of tur and urad according to department of consumer affairs data rose to ₹ 110/kg and ₹ 115/kg respectively from ₹ 100/kg for both the varieties of pulses six month back. India's pulses production rose by close to 9% to 27.75 million tonne (MT) in the 2021-22 crop year (July-June) compared to previous year. India is largely self-sufficient in chana production which has

a share of 50% of the total pulses production. According to estimates, the country imports around 15% of annual pulses consumption. Around 2 MT of pulses were imported in FY22. Under the bilateral agreement signed last year, India has committed to import 0.25 MT urad and 0.1 MT of tur annually from Myanmar between 2021-22 and 2025-26. India signed an MoU with Mozambique for import of 0.2 MT of tur annually for five years when the retail prices of tur skyrocketed to ₹200/kg in 2016. This MoU was extended for another five years in September 2021. In 2021, India entered into a MoU with Malawi for the import of 0.05 MT tur p.a., till 2025. Imports from all the three least developed countries are exempted from import duties. According to a notification issued by the Directorate General Foreign Trade, import of pulses are allowed through five ports – Mumbai, Tuticorin, Chennai, Kolkata and Hazira.

## Centre's New Year Gift: Small Savings Rates Hiked

The finance ministry raised by up to 110 basis points interest rates on most small savings schemes which don't extend tax benefits to investors for the March quarter. However, it kept the rates unchanged on deposits under the popular schemes with tax benefits – public provident fund scheme and the Sukanya Samridhi Yojana – at 7.1% and 7.6%, respectively, for the January-March period. While the hike on most small savings rates was widely anticipated in a rising interest rate scenario, some analysts had expected it to be more substantial, given the elevated inflation. But that would

also have raised the government's interest outgo further at a time when its finances are already strained in the wake of the Ukraine war — a scenario the Centre wanted to avoid. This is the second straight quarter of a hike in interest rates for select schemes. The government had earlier raised the rates for the December quarter after a gap of nine quarters. Of course, as bankers had been saying, the small savings rates were kept at elevated levels for long, especially after the pandemic, even when the central bank had repeatedly cut key policy rates. The small savings rates



are typically reviewed every quarter. The latest move is in sync with the rising yields on government securities. The government seems to be confident that even without raising the rates for two popular schemes, it can ensure decent inflows of funds into the National Small Savings Fund (NSSF) for its use. The Centre has already declared a cut of ₹10,000 crore in its FY23 gross market borrowing plan, which may increase its reliance on the NSSF to finance a part of its FY23 fiscal deficit. The government has budgeted its offtake from the NSSF to drop to ₹ 4.25 trillion in FY23 from a record ₹5.92 trillion in FY22. The interest rates have been hiked by 110 basis points for the March quarter on time deposits for one year, two years and three years to 6.6%, 6.8% and 6.9%, respectively. The rate has been raised by 30 basis points on time deposits for five years to 7%. The rates on the senior citizen savings scheme and on the monthly income account scheme have been raised by 40 basis points to 8% and 7.1%,

respectively. Kisan Vikas Patra will fetch 7.2% (with maturity after 120 months), against 7% (maturity after 123 months). Last fiscal, the Centre was forced to reverse swiftly a proposed cut in interest rates on small savings schemes, ostensibly not to upset middle-class voters amid Assembly polls in states like West Bengal and Assam. The Reserve Bank of India has already raised the repo rate by 225 basis points since May to 6.25% to tame inflation. This prompted banks to increase their deposit rates to woo investors. While retail inflation hit an 11-month low of 5.88% in November, having dropped to the comfortable limit of the central bank after a gap of 10 months, it still remains elevated. This will continue to influence interest rates. Of course, with the tightening of interest rates by key central banks and slowdown in global economic growth, inflation is expected to decelerate in the coming quarters.

### **Cards, Mobile, Net Banking Top Complaint Areas at Banking Ombudsman: RBI**

Issues related to ATM/debit cards and mobile/electronic banking were the top grounds of complaints received at the Office of Banking Ombudsman (OBO) during April 1, to November 11, 2021. The volume of complaints received under the Ombudsman Schemes/Consumer Education and Protection Cells during 2021-22 increased by 9.39% over the previous year and stood at 4,18,184. Of these, 3,04,496 complaints were handled by the 22 Offices of RBI Ombudsman (ORBIOs), including the complaints received

under the three erstwhile Ombudsman Schemes till November 11, 2021, it said in a report. Complaints related to ATM/ debit cards were the highest at 14.6% of the total, followed by mobile/ electronic banking at 13.6%. Majority 66.1% of the maintainable complaints were resolved through mutual settlement/conciliation/mediation. The RBI further said the rate of disposal of complaints by ombudsmen improved to 97.9% in 2021-22 from 96.6% in 2020-21.

### **National Fertiliser Policy in works to Boost Local Manufacturing**

The government is working on a national policy to boost local manufacturing of fertilisers and reduce dependency on imports. The roadmap of the scheme is likely to be announced during the upcoming budget and it will consist of special incentives to set up fertiliser units and reduced import duty on raw materials with a focus on organic fertilisers. Work is in progress over a draft national fertiliser policy and the budget may provide a roadmap regarding this. A duty reduction on imported phosphoric acid and ammonia to improve the competitiveness of the domestic fertiliser manufacturers has been a long-pending demand of the industry. This was one of the suggestions during the pre-

budget meeting of the finance ministers with representatives from the agri sector and agriculture economists. Another proposal is to give an incentive for the promotion of the organic fertiliser industry, as India already has the potential to become the hub of organic fertiliser production and this will be in accordance with the long-term food security strategy. The Niti Aayog is already working to promote organic fertiliser production and has set up a task force under its member Ramesh Chand to assess the status of local production and devise ways and policies to promote the cattle economy, converting them into economic assets.



## The Centre is also Considering Running a Campaign to Increase The Use of Organic Fertilisers.

India is among the top fertiliser users and, despite the demand, it relies heavily on imports, pushing both import bills and the subsidy burden. The high cost of natural gas, along with the disruption of exports from Russia and Ukraine, caused prices for chemical fertilisers to more than double in the last two years. This is increasing the financial burden on

the Centre, which is funding a large portion of the price hike through subsidies to safeguard farmers' interest. The fertiliser subsidy bill has gone up in the last few years, going up to ₹ 1.62 lakh crore in 2021-22 from ₹ 83,000 crore in 2019-20.

## RBI asks Bank Customers to Update KYC in Some Cases

The Reserve Bank of India (RBI), while taking measures to rationalise KYC-related instructions within the framework prescribed under the Prevention of Money Laundering Act, 2002 (PMLA) and rules framed thereunder, has asked bank customers to update their KYC by furnishing a fresh KYC or re-KYC in certain cases. "As the banks are mandated to keep their records up-to-date and relevant by undertaking periodic reviews and updations, a fresh KYC process / documentation may have to be undertaken in certain cases,

including where the KYC documents available in bank records do not conform to present list of the Officially Valid Documents (viz., passport, driving license, proof of possession of Aadhaar number, the Voter's Identity Card, job card issued by NREGA and letter issued by the National Population Register) or where the validity of the KYC document submitted earlier may have expired," RBI said in a circular.

## Centre's Distribution of Free Grains Begins

The Centre will provide foodgrains to states under the National Food Security Act (NFSA) free for one year. Last week, the cabinet had decided to provide grains under NFSA free-of-cost to the 813 million beneficiaries during 2023 while it decided against extending the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY or free ration scheme) Around 55 million tonne of foodgrains was provided to states annually for distribution to NFSA beneficiaries through 0.53 million fair price shops across the country. Under the food security legislation, the Centre distributed 5 kg of foodgrains per person per month at highly subsidised rates of ₹ 3 and ₹ 2 per kg for rice and wheat, respectively to states. Additionally, the families covered under Antyodaya Anna Yojana got 35 kg of foodgrains per month free. The estimated economic cost of foodgrain procurement by the Food Corporation of India (FCI), which includes expenses such as Minimum Support Price payment to farmers, procurement, acquisition and distribution costs, etc. for rice and wheat, are ₹ 36.7/kg and ₹ 25.8/kg, respectively, in 2022-23. The annual cost to the

exchequer for providing free grains under NFSA is estimated at ₹ 2 trillion for 2023-24. Meanwhile, through a new integrated scheme which would subsume two current food subsidy schemes – food subsidy provided to FCI for NFSA, and food subsidy provided for decentralised procurement states relating to procurement, allocation and delivery of free foodgrains to the states. The food ministry has issued an advisory for working out a mechanism to provide dealer's margin for fair price shops distributing foodgrains to the beneficiaries. The cost of dealer's margin would be shared between Centre and states. Meanwhile, the free ration scheme is likely to cost the exchequer about ₹ 3.91 trillion since its April 2020 launch in the midst of the first Covid-19 wave. Since its launch, the scheme has run continuously with several extensions, except for the period between December 2020 to April 2021. The latest extension was for three months to December 31, 2022. Under the PMGKAY, 800 million people have been getting 5 kg of food grains free-of-cost every month.



## India Considers Lifting Rice Export Curbs as Supply Improves

India the world's biggest rice exporter, is likely to lift restrictions on grain shipments in a move that would mark a further easing of a global wave of food protectionism after Russia's invasion of Ukraine. Authorities are actively considering removing curbs on some rice exports as domestic prices are stable, according to a person familiar with the matter. Government stockpiles are adequate to meet the needs of welfare programs. India accounts for about 40% of global rice trade. Any relaxation of the export curbs will likely cool benchmark prices in Asia, which are trading near the highest since mid-2021. The move is being

discussed as concerns over food inflation have eased. Global food costs ended 2022 roughly where they started despite a year of disruptions from the war in Ukraine and extreme weather. A spokesperson for the food and commerce ministries declined to comment. India imposed a 20% duty on shipments of white and brown rice in September, and banned broken rice sales abroad. The curbs, which apply to about 60% of Indian rice exports, came on top of restrictions on wheat and sugar sales. Rising Global Food Protectionism Risks Worsening Inflation.

## Grape Farmers Forgo Sleep, Light Bonfires to Save Crop

The sudden drop in the mercury levels has forced the farmers to resort to bonfires and drip irrigation at their vineyards throughout the night. The farmers are staying awake all night braving the cold to protect their produce. If

the minimum drops below 5°C, the ready to harvest grapes will develop cracks. To avert this, the farmers are doing everything to regulate temperature in their vineyards.

## Sugar Exports Stood at 17 lakh Tonnes for Oct.1 - Jan 4 Period

India exported 16.92 lakh tonnes of sugar till January 4 of the ongoing marketing year, including 59,596 tonnes of the sweetener to neighbouring China, trade association AISTA said in a statement. India also exported 1.47 lakh tonnes of sugar to Bangladesh, and 82,462 tonnes to Sri Lanka during October-January 4 of the current marketing year. All India Sugar Trade Association (AISTA) said. The sugar marketing year runs from October to September. The centre has allowed export of 6 million tonnes till May. Mills exported

16,92,751 tonnes of sugar from October 1, 2022 to January 4, this year. More than 3.47 lakh tonnes of sugar is under loading, while 2.54 lakh tonnes of sugar have been delivered to refineries, seen as deemed export. The maximum exports were to Somalia at 1.70 lakh tonnes, followed by the UAE at 1.69 lakh tonnes, Djibouti at 1.50 lakh tonnes, and Sudan at 1.37 lakh tonnes. India sugar exports were 11.2 million tonnes in the 2021-22 marketing year.

## Drones on Rent for Farmers

Low income group farmers in Rajasthan will be provided drones on rent that will help them monitor crops and spray chemicals in a wide agricultural area with less cost and time. Around 1,500 drones will be made available at custom hiring centres by the state government in two years. "The use of artificial intelligence and drones for agricultural work is increasing all over the world and in the state also, the government is promoting the use of technology to enable farmers increase their income and yield. Progressive farmers of the state have already started using drones in agriculture. In the coming time there will be a huge increase in the demand and utility of drones in agriculture. Looking at

this, the government has decided to provide drones on rent to such farmers who have limited income and cannot afford advanced and expensive drones," said Principal Secretary, Agriculture and Horticulture, Dinesh Kumar. In conventional agricultural practices, pesticides are sprayed either manually or with the help of tractor-mounted sprayers. Drone-based spray requires less quantity of water, as well as pesticides. Another official said 70 to 80 % water can be saved by spraying with drones. "Deficiency of nutrients in the standing crop can be determined and replenished easily through drones," said Agriculture Commissioner Kana Ram.



## ISMA Revises Sugar Production Estimate To 340 Lakh Tonnes

Sugar production during the current season is expected to be 340 lakh tonnes, after diversion of 45 lakh tonnes for ethanol production, according to the second advance estimate of Indian Sugar Mills' Association. Total sugar production is likely to be 385 lakh tonnes, ISMA said. The area

under sugarcane had increased 6%. ISMA had revised the estimate based on satellite images of harvest and balance area, field visits, sugar recoveries achieved till now, and current trends of yields.

## Coriander Seed Imports Spice up Russia trade

Alongside the exponential jump in India's imports of Russian crude oil in recent months, another commodity is spicing up trade with Moscow in the aftermath of its invasion of Ukraine, the relatively humble coriander seed, or sabut dhaniya. Although the volume as well as the value of coriander seed imports from Russia are not in the same league as petroleum or even thermal coal, the upswing in its imports has been rather sharp. India's official trade data, shows that coriander seed imports from Russia increased by 1,313% year on year in the first 8 months of the current fiscal year to just over 23,000 tonnes. In value terms, the spice's import from Russia shot up by 1,272% in April-November to \$18.64 million from a relatively paltry \$1.36 million in the corresponding period of last year. While India's total import of coriander seed in April-November jumped nearly 250%.

year on year to 26,143 tonnes, imports from Russia rose by a disproportionately higher rate. So much, so that Russia accounted for 88% of India's coriander seed imports for the period under consideration. Coriander seed imports had registered moderately year on year growth and imports from Russia had actually fallen. Overall imports of the spice more than doubled year on year April-November \$22.24 million from \$10.20 million. But Moscow's share jumped to nearly 84% from around 13% in the year ago period. The analysis is based on country-wise import data released by the Commerce Ministry for harmonized system code - or HS code - 090921, which stands for 'Seed of Coriander neither crushed nor ground'. Country-wise and commodity-wise import data are released with a lag, and the government has only released data through November.

## Women get a One-time Small Savings Scheme

Union Finance Minister Nirmala Sitharaman announced a one-time small savings scheme for women to commemorate celebrations of 75 years of India's Independence. "Commemorating Azadi Ka Amrit Mahotsav, a one-time new small savings scheme, Mahila Samman Savings Certificate, will be made available for a two-year period up to March 2025," Ms. Sitharaman said while presenting the Union Budget. The small saving certificate will have a fixed interest rate of 7.5% for two years. The deposit can be made in the name of a woman or a girl child. The maximum deposit amount has been kept at ₹ 2 lakh and the scheme will have a partial withdrawal facility as well. The Union Minister said that women's self-help groups (SHGs) have achieved remarkable success under the Deendayal Antyodaya Yojana National Rural Livelihood Mission by mobilizing rural women into 81 lakh SHGs. "We will enable these groups to reach the next stage of economic empowerment through formation of large producer

enterprises or collectives with each having several thousand members and managed professionally," she said. The Budget envisages that through supporting policies, the SHGs will be enabled to scale up their operations to serve the large consumer markets, as has been the case with several start-ups growing into 'Unicorns'. The amount allocated to the Women and Child Development Ministry in the Union Budget 2023 saw an increase of ₹ 267 crore from ₹ 25,172.28 crore allotted in 2022-23. The largest allocation of ₹ 20,554.31 crore has been for the Saksham Anganwadi and POSHAN 2.0 schemes, ₹ 1,472 crore has been allotted to Mission VATSALYA (Child Protection Services and Child Welfare Services), ₹ 3,143 crore to Mission Shakti (Mission for Protection and Empowerment for Women). Autonomous bodies, including Central Adoption Resource Agency, National Commission for Protection of Child Rights and National Commission for Women have been given ₹168 crore.



## KYC Process to be Simplified, DigiLocker will be 'one stop shop' for Updating Details: FM Sitharaman

Financial institutions will be able to have a 'risk-based' know-your-customer (KYC) policy instead of a 'one-size-fits-all' one, Finance Minister Nirmala Sitharaman said while presenting the Union Budget 2023–24. "The financial sector regulators will also be encouraged to have a KYC system fully amenable to meet the needs of Digital India." Businesses will be able to use their PAN as a common identifier across government platforms. As for individuals, DigiLocker and Aadhaar will serve as a "foundational identity," from where

changes in address or identity will be reflected across other platforms. Currently, updating one's Aadhaar doesn't, for example, update the address on their Income Tax portal registration. This announcement could mean that the government is working to synchronize citizen data across multiple portals when just the Aadhaar is updated. "To enable more fintech innovative services, the scope of documents available in DigiLocker for individuals will be expanded," Ms. Sitharaman said.

## Budget will Lay Strong Base to Build a Developed India: PM

Prime Minister Narendra Modi on February 1, 2023 termed the Union Budget as the "first budget of Amrit Kaal" (the 25-year period between the 75th year of independence and its centenary) and said that it would lay a strong foundation for building a developed India. "The first budget of Amrit Kaal will build a strong foundation for building a developed India. It gives priority to the deprived. This Budget will fulfil the dreams of an aspirational society including poor people, middle-class people, and farmers. I congratulate Nirmala Sitharaman and her team for this historic budget," Prime Minister Modi said in a televised address after the presentation of the Union budget. The Prime Minister called the middle class a big force to fulfil dreams of prosperous, developed India and said his government has taken many decisions to empower them. The Budget for this year rejigs tax slabs and exempts those with an income of ₹ 7 lakh p.a. (up from ₹ 5 lakh p.a. in the past) from paying personal income tax and also brings down the effective rate of tax for the higher tax brackets as well. He hailed the unprecedented

investment of ₹ 10 lakh crore in infrastructure and said it will give speed and new energy to development. Noting that PM Vishvakarma Kaushal Samman will bring a huge change in the lives of "Vishvakarmas. Those toiling traditionally through their hands for the country, 'Vishvakarmas' are the creators of this country. For the first time scheme related to training and support for 'Vishvakarma' has been brought into the budget. Preparations have been made for their training, technology, credit and market support. PM Vishvakarma Kaushal Samman means PM Vikas will bring about a huge change in the lives of crores of Vishvakarma," the Prime Minister said that for the first time schemes relating to their support has been incorporated into the budget. He also underlined the government's efforts to enhance the lives of women. The government has taken several steps to make the lives of women, in rural and urban areas, easy. Women's self-help groups will further enhance them. Special savings scheme will be started empowering women in households.

## Public Procurement via GeM Portal to Cross ₹ 2 lakh crore in FY23

Procurement of goods and services from government portal GeM is expected to cross ₹ 2 lakh crore during this fiscal year on account of an increase in buying activities by different ministries and departments. The procurement crossed ₹ 1.5 lakh crore on February 1, 2023. "Huge potential is there in states and public sector undertakings to increase the buying from the platform. The portal was launched on August 9, 2016, for online purchases of goods and services

by all the central government ministries and departments. After crossing ₹ 1.5 lakh crore, we are aspiring for ₹ 2 lakh crore for the full fiscal," said CEO of the Government e-Market (GeM) P K Singh. The portal has over 66,000 government buyer organisations and more than 58 lakh sellers and service providers offering a diverse range of goods and services.



### Interest Rate on PF Deposits May be Near 8 % for FY23

They said the earnings of the Employees' Provident Fund Organisation were being worked out but 8% was double considering higher returns on investments this year. Return on EPFO investments this year have been strong with reduced withdrawals on account of Covid-19 pandemic. Even investments in equity are expected to fetch better returns than last year, making a clear case of either retaining the interest rate at 8.1% or bringing it a tad lower to 8%. Raising the interest rate beyond 8.1% will widen the difference between PF rates and rates on public provident fund (PPF) and general provident fund (GPF) which stands at 7.1%. The government will stick to around 8% to avoid any

political backlash as it heads into key state assembly elections this year, followed by general elections next year. The central board of trustees of EPFO is expected to meet later this month or in early March to decide on the interest rate that will be recommended by its Finance Investment and Audit committee based on the earnings for 2022-23. The retirement fund body had announced the interest rate of 8.1% for 2021-22, which was the lowest in four decades and was significantly lower than 8.5% credited in the preceding year. This was on an estimated income of ₹ 76,768 crore with ₹ 450 crore as surplus.

### Goyal Directs FCI To Sell More Wheat In Open Market

To cool down the price of wheat, Union food and consumer affairs minister Piyush Goyal has asked the Food Corporation of India (FCI) to open more procurement centres covering all the districts in Uttar Pradesh for the benefit of farmers and sell more grain in the open market. Last month, the government approved selling 3 million tonne (mt) of wheat in the open market from FCI's stocks through e-auctions. While 0.92 mt of wheat has been sold in the first e-auction held at the beginning of the month, 1.5 mt will be sold in the e-auction. Wheat inflation was reported at 22.05% in January, 2023. As on February 9, 2023, the FCI had wheat stock of 14.6 mt which was above the buffer norm of 13.8 mt for January 1. As per the food ministry's assessment the

wheat stocks held with FCI by April 1, 2023 would be a comfortable 9.7 mt against a buffer of 7.4 mt. According to the department of consumer affairs price monitoring cell data, the model retail price of wheat and flour (Atta) rose to ₹ 28/kg and ₹ 35/kg, respectively, from ₹ 22/kg and ₹ 28/kg six month ago. While reviewing the issues related to wheat and paddy procurement in Lucknow, he directed the FCI should open more procurement centres covering almost all revenue districts so that the farmers have the option to sell their produce to FCI or another agency. Goyal directed FCI officers to use their expertise in the field of foograin management and suggest a better design for godowns.

### 21 More Airports to be Linked to Krishi Udan Scheme

"The government will soon add 21 more airports under the Krishi Udan scheme, aimed at facilitating faster movement of agricultural produce in north eastern, hilly and tribal regions of the country. At least 31 airports are under the Krishi Udan scheme and we are speaking with the minister of defence to include 21 more airports under the scheme," Civil aviation Minister Jyotiraditya Scindia said while briefing reporters about the second-day of deliberations at the first G20 agriculture deputies meeting being held here. Scindia said that because of Krishi Udan scheme, fruits such as lemon,

jackfruit and grapes from north-eastern states are being transported to not only other parts of the country but also to other countries including Germany, the UK, Singapore and Philippines. To promote transportation of perishable agricultural produce from the north-eastern, hilly and tribal regions, under the Krishi Udan scheme 2.0 launched in October 2021, the Airports Authority of India provides waiver of landing charges, parking charges, terminal navigation landing charges and route navigation facility charges to cargo aircraft.





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## 3 New Cooperatives To Help Boost Exports, Seed Availability

The Centre's push to reinvent cooperatives with the Union cabinet clearing proposals for setting up three cooperatives at the national level will help improve exports and availability of quality seeds to farmers, and enhance footprint of organic products in India and outside. Many products produced by cooperatives have a huge demand in many countries, but in the absence of an umbrella cooperative society, the export potential of cooperative services remains hugely untapped. While national cooperatives for exports and seeds will be set up in the national capital, the cooperative for organic products will be headquartered at Anand in Gujarat. The cooperation ministry has roped in the external affairs ministry and commerce department to provide support and share studies on demands in foreign countries to help boost cooperatives' exports. While cooperatives contribute significantly to production in some sectors, their share in exports is miniscule. Cooperatives account for 30.6% of the country's total sugar production, but direct exports by cooperative sugar mills is less than 1% of the total sugar exports. Cooperatives contribute substantially to various sectors

such as 28.8% in fertiliser production, 35% in fertiliser distribution, and 17.5% in procurement of marketable surplus of milk in the national economy. However, many of them remain underutilised due to lack of infrastructure. The export society will focus on exporting the surpluses available in the country in the cooperative sector by removing such inadequacies. This will enable the farmers to access wider markets. As per official data, there are an estimated 854,000 registered cooperative societies in India with more than 290 million members, particularly from the marginalised and lower income groups in rural areas. For organic products, India accounts for a meagre 2.7% of world organic market despite having the third in the world when it comes to area of land under organic cultivation at 2.7 million hectares. Out of total 3.4 million organic producing farmers in the world, 1.6 million are from India, while certified Indian organic product retail market is estimated to be ₹ 27,000 crore which includes export of ₹7,000 crore, as per the cooperation ministry.

## Free Grain Scheme Named 'PMGKAY'

The government approved naming the scheme under which free foodgrain under the National Food Security Act (NFSA) will be provided to states as the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY). According to an official statement, PMGKAY will subsume the two schemes subsidies provided through the food ministry to those states who follow the decentralised procurement system and the Food Corporation of India (FCI) for procurement, allocation and delivery of free foodgrain to states under NFSA. The Centre last year decided to provide foodgrain free to states under NFSA for one year beginning January. Till December 31, 2022, under the food security legislation, the Centre distributed 5 kg of foodgrain per person per month at highly subsidised rates of ₹ 3 and ₹ 2 per kg for rice and wheat, respectively, to

states. Additionally, families covered under Antyodaya Anna Yojana received 35 kg grain per month free. Around 55 million tonne was provided to states annually for NFSA beneficiaries through 5.3 lakh fair price shops. The integrated scheme will strengthen the provisions of NFSA, 2013 in terms of accessibility, affordability and availability of foodgrains for the poor. The estimated economic cost of foodgrain procurement by FCI, which includes expenses such as minimum support price payment to farmers, procurement, acquisition and distribution costs for rice and wheat, is ₹ 36.7/kg and ₹ 25.8/kg respectively, in 2022-23. The annual cost to the exchequer for providing free grains under NFSA is estimated at ₹ 2 trillion for Fy24.



## 5 Agricultural Products Of Kerala Get GI Tag, Taking The Total Count To 17

5 agricultural products of Kerala have been granted Geographical Indication (GI) status. Attappady Attukombu Avara (beans), Attappady Thuvara (red gram), Onattukara Ellu (sesame), Kanthalloor-Vattavada Veluthulli (garlic) and Kodungalloor Pottuvellari (snap melon) are the latest Geographical Indications that have been registered. This achievement is the result of the team work of Kerala Agricultural University, Department of Agriculture and farmer groups of the respective areas. The Attappady Aattukombu Avara Uthpathaka Sangham, Attappady Thuvara Uthppadhaka Sangham, Onattukara Vikasana Agency, Anchunad Vattavada-Kanthalloor Veluthulli Udpadhaka Karshaka Sangam, Kodungallur Pottuvellari Karshaka Kshema Vikasana Samiti and Pottuvellari Ulppadaka Sangham-Alangad are the respective registered owners of the Geographical Indications. The unique features of the products, imparted by the agro-climatic conditions of the geographical area of their production, are the basis for getting geographical indication tag. Attappady Attukombu Avara, cultivated in the Attappady region of Palakkad, is curved like a goat's horn as its name indicates. Its higher anthocyanin content compared to other dolichos beans imparts violet colour in the stem and fruits. Anthocyanin is helpful against cardiovascular diseases along with its antidiabetic properties. Other than this, calcium, protein, and fibre content are also high. The higher phenolic content of Attappady Attukombu Avara imparts resistance against pest

and diseases, making the crop suitable for organic cultivation. Attappady Thuvara is having seeds with white coat. Compared to other red grams, Attappady Thuvara seeds are bigger and have higher seed weight. This delicious red gram, which is used as vegetable and dal, is rich in protein, carbohydrate, fibre, calcium and magnesium. Compared to the garlic produced in other areas, the garlic from the Kanthalloor-Vattavada area of Devikulam block panchayat in Idukki contains higher amount of sulphides, flavonoids, and proteins. It is rich in allicin, which is effective against microbial infections, blood sugar, cancer, cholesterol, heart diseases, and damages to blood vessels. The garlic cultivated in this area is also rich in essential oil. Onattukara Ellu and its oil are famous for its unique health benefits. Relatively higher antioxidant content in Onattukara Ellu helps in fighting the free radicals, which destroy the body cells. Also, the high content of unsaturated fat makes it beneficial for heart patients. Kodungalloor Pottuvellari cultivated in Kodungalloor and parts of Ernakulam is consumed as juice and in other forms. This snap melon, which is harvested in summer, is an excellent for quenching thirst. It contains high amount of Vitamin C. Compared to other cucurbits, nutrients such as calcium, magnesium, fibre and fat content are also high in Kodungalloor Pottuvellari. With the latest five GIs, 17 agricultural products of Kerala facilitated by the Kerala Agricultural University have received the GI status.

### E-platform to Come in Handy for Nashik Grape Growers

The 2023 grape season in Dindori, Nashik will be special for 6,000-odd farmers of the berry. For the first time, their produce will be sold in a market which will be owned and operated by them, without having to be at the mercy of traders. From a verbal contract system, they will be graduating to an e-commerce platform that will track every grape that is traded, the price it is traded at and all negotiations with traders. The farmer-owned Sahyadri Farmers Agricultural Produce Marketing Committee (APMC) market is all set to launch operations in this grape season with trials set to begin in mid-January and roll smoothly by

the time the season ends in mid-April. Sahyadri is the first farmer producer organisation in the country to get a license for a private agricultural produce market. Vilas Shinde, Chairman and Managing Director, Sahyadri, said lack of post-harvest and marketing infrastructure lead to traders dominating the relationship and putting farmers in a vulnerable position, with no recourse when payment defaults occur. All trade would now be routed through the platform with traders on boarded after a proper verification and KYC process. Around 50 traders are on board already and the target is to have 100. The market will start



with trading in grapes and resins. Shinde expects total trade on the market this January-April grape season to reach ₹ 100 crore and cross ₹ 500 crore in grapes and resin trade within the first year of operation. The APMC will solely focus on horticulture crops and domestic trade which is grown extensively in the region. Tomatoes will be traded in the September-December period next year. With more competition and better price discovery, farmers could expect remunerative prices for their produce and faster payments. Farmers would get access to a daily dashboard to view arrivals, prices and trade volumes. Storage capacity is being expanded from 4,000 tonne to 20,000 tonne to improve the farmers' holding capacity and enable off-season trade. The market will offer testing facilities, inputs, banking

support and training support. Around ₹ 10 crore has already been invested and ₹ 25 crore will be invested over the next few months in the electronics platform, software and cold storage. While the benefits to farmers would be enormous, their challenge would be to get more and more traders onto the platform. If they can do this, they would be successful and other farmer producer organizations can replicate this model. Sahyadri APMC has about 17,000 farmers in its network who largely grow grapes with an annual production of 0.15 million tonne. They export around 20,000 tonne of grapes with the rest sent to the domestic market. They will now find an organized market next door for their produce. Farmers here also grow around 1,00,000 tonne of tomatoes which will soon be traded on their market.

### **Kerala Farmer Uses UAVs in his Plantation, Shares the Idea with Agricultural Scientists and Officials**

With unmanned aerial vehicles (UAV) or drones emerging as a powerful tool in the agricultural sector, a farmer in Wayanad has trained himself in the technology for use in his plantation as well as to train officials of various government agencies. C.P. Chandrasekharan, an engineer-turned-farmer at Muttill in the district, has been using the technology on his farm and has also trained the officials for the past year after completing a six-month online course on 'Drones for Agriculture' from the Wageningen University and Research, The Netherlands. He procured a base model drone and started trials by calculating area, elevation, and gradient in his own plantation, and later started doing bigger projects. He says "When we think about drones, what comes to mind is aerial spraying. Actually this is just a minimal application."

Whereas with the help of various software and different types of sensors, mainly electrochemical, the potential of drones is innumerable as it can revolutionise agriculture. The advantage of drone imaging is more accurate and precise than satellite images, as the former can capture micro-level images. In cloudy weather conditions, the satellite images get obstructed but the weather conditions will not affect the drone imaging. Mr. Chandrasekharan has handled various sessions on 'Drones and Artificial Intelligence in Agriculture' for the officials of the Agricultural department and Agricultural Technology Management Agency (ATMA), Wayanad, as well as the scientists of the Krishi Vigyan Kendra, Ambalavayal, and the ICAR-Central Tuber Crops Research Institute in Thiruvananthapuram.

### **Agriculture & Allied Goods Exports Rises 11% In April-Oct, 2022**

India's export of agriculture and allied commodities rose by 11% in dollar term to \$ 30.21 billion during the April-October period of the current fiscal year compared to the same period in 2021-22, the agriculture ministry said. Agri-exports had risen by 20% to \$ 50.24 billion in the previous fiscal. Wheat, basmati rice, raw cotton, castor oil, coffee and fresh fruits are the major commodities exported. According to

provisional data by the Directorate General of Commercial Intelligence and Statistics, the value of basmati rice exports rose by more than 37% in the first seven months of the current fiscal to \$ 2.5 billion. Shipment of non-Basmati rice registered a growth of 8% to \$ 3.2 billion during the same period. Export realisation from shipment of aromatic long grain basmati rice grew by 23% to \$1056/tonne.



## FCI To Sell 2 MT Of Wheat In Open Market In January

The Food Corporation of India (FCI) will undertake open market sale of 2 million tonne of wheat to bulk buyers such as flour millers, next month to curb rising prices of the grain. Sources told the inter-ministerial group is likely to give the nod for the sales soon. Following the government decision to discontinue the Pradhan Mantri Garib Kalyan Yojana or free ration scheme from December 31, 2022, the FCI is likely to have 3 MT of surplus wheat stock by the end of the current fiscal against the buffer. As per latest assessment, the wheat stocks held with FCI by April 1, 2023 would be a comfortable 11.3 MT against a buffer of 7.4 MT. The corporation had earlier stopped sale of wheat in the open market from its stocks for the first time more than a decade in view of a sharp drop in procurement in 2022-23 rabi marketing season and additional allocations of the grain under the free ration scheme. The FCI has fixed ₹ 2250 a quintal (excluding transportation cost) as the Open Market Sale Scheme (OMSS) price. The FCI's open market sales stood at 7 MT in 2021-22 and 2.5 MT in 2020-21. Wheat will be offered to

small flour millers across all the depots in smaller quantities while in the previous years, when the grain used to be offered to large buyers from depots in Punjab. The FCI usually follows Minimum Support Price (MSP) and freight cost to the delivery points from Punjab as cost for OMSS. Wheat prices shall remain under check, prior to commencement of procurement season which begins from April 1, 2023. The MSP announced for wheat to be procured during 2023-24 marketing season (April-June) is ₹ 2125/quintal. If mandi prices of wheat prevails far above MSP, it would adversely impact the government's MSP procurement drive. According to the department of consumer affairs' price monitoring cell data, the modal retail price of wheat and flour (atta) rose to ₹ 28/kg and ₹ 35/kg, respectively, from ₹ 22/kg and ₹ 28/kg six months ago. Wheat retail inflation rose by 17.6% in November 2022 on year. Wheat output in the 2021-22 crop year (July-June), as per the agriculture ministry, has declined by around 3% on year to 106.8 MT because of heat waves.

## Approval For Nano-DAP Soon: Minister

After the launch of nano-urea last year, the government is likely to make available nano-diammonium phosphate (nano-DAP), a variety of soil nutrient, to farmers by 2023 kharif season, fertilisers minister Mansukh Mandaviya said. "All the tests on biosafety and toxicity have been completed, the approval for commercial use of nano-DAP would be announced soon," Mandaviya said in an interaction with farmers here. He said with the wider use of nano-urea and nano-DAP, the fertiliser subsidy incurred by the government could be reduced significantly over the next couple of years. Earlier, a fertiliser ministry official had stated that field trials for nano-DAP have been completed and data has been

submitted to the agriculture ministry. Sources said nano-DAP will be sold at ₹ 600 per bottle of 500 ml by farmer's cooperative - Indian Farmers Fertiliser Cooperative (IFFCO). One bottle of nano-DAP is equivalent to one bag of DAP, which costs ₹ 1,350 per bag to farmers, while actual cost of a bag is ₹ 4,000. The gap between actual cost and prices paid by the farmers is borne by the government under fertiliser subsidy head. Nearly half of India's DAP requirements are imported via West Asia and Jordan. In June 2021, Iffco launched nano urea in liquid form as an alternative to conventional urea.

## Import Duty Relief On Lentils, Edible Oils Extended

The government has extended concessional import duties on edible oils such as palm, soybean and sunflower and the duty waiver for lentils by a year, until March 31 2024. The duty reliefs for edible oils were first introduced in July 2021, in the wake of a spike in domestic prices. In September 2022, these concessions were extended by six months to

March 31, 2023. At present, crude palm, soybean and sunflower oils imports attract only the 5% agri infra cess and a 10% education cess upon it, meaning a total tax incidence of 5.5%. India imports around 56% of its annual edible oil consumption, in FY22, it had imported edible oil valued at ₹1.5 trillion. Annual imports of edible oil is around



13 million tonne (mt), mostly palm oil (8 mt), soybean (2.7 mt) and sunflower (2 mt). While palm oil is imported mostly from Malaysia and Indonesia, soybean and sunflower oils are imported mostly from Argentina and Ukraine. Palm oil prices rose sharply globally when Indonesia, the biggest exporter of oil, had imposed a ban on palm oil exports on April 28, which was lifted after three weeks. Since then, palm oil prices have

declined. The edible oil and fat category saw a negative inflation at 0.13% in November 2022, mostly contributed by decline in domestic prices of edible oil since May. According to estimates, the country imports around 15% of annual pulses consumption. Around 2 mt of pulses were imported in FY22, out of which 0.6 mt of lentils are imported.

### **Paddy Procurement By Govt Rises 10% So Far**

The government's paddy procurement for the central pool rose 9.58 % to 541.90 lakh tonne so far in the ongoing 2022-23 kharif marketing season, according to the food ministry data. Punjab, Chhattisgarh, Haryana and Telangana were the top contributors to the central pool. Normally, paddy procurement begins from October. However, in southern states, especially in Kerala and Tamil Nadu, it begins from September. The government aims to procure 775.72 lakh tonne of paddy in the 2022-23 kharif marketing season (October-September). The actual procurement stood at record 759.32 lakh tonne in the previous kharif marketing season. According to official data, the total paddy purchase increased to 541.90 lakh tonne till January 3 of the 2022-23 kharif marketing season from 494.50 lakh tonne in the year-ago period. Paddy purchase in Punjab declined marginally to 182.13 lakh tonne so far this marketing year from 187.12 lakh tonne in the year-ago period. The procurement in Chhattisgarh increased sharply to 82.89 lakh tonne from 55 lakh tonne, while the buying of the grain in Haryana rose to 58.96 lakh tonne from 54.50 lakh tonne. In Telangana, the

paddy procurement remained lower at 56.31 lakh tonne as against 63.84 lakh tonne in the year-ago period while in Uttar Pradesh, the procurement rose marginally to 42.96 lakh tonne from 42.73 lakh tonne in the year-ago period. In Madhya Pradesh, the procurement rose sharply to 34.50 lakh tonne so far this marketing year from 22.42 lakh tonne in the year-ago period, the ministry data showed. The paddy procurement is undertaken by both state-owned Food Corporation of India (FCI) and private agencies. It is procured at the minimum support price directly from farmers and is utilised for meeting the demand under several welfare schemes. Paddy is grown in both kharif (summer) and rabi (winter) seasons. But 80 % of the country's total paddy production comes from the kharif season. According to the first estimate of the agriculture ministry, the country's paddy production is estimated to decline 6 % to 104.99 million tonne in the 2022-23 kharif season due to decrease in paddy acreage in the wake of poor rains in key producing states, especially Jharkhand.

### **Mustard Output Seen to Hit Record**

With a record sowing of mustard in the current Rabi season, especially in the eastern region, the output of the key oilseed is set to hit a record. It is expected to boost domestic oilseeds production and reduce the country's import dependence on edible oils. Sources told that similar to the national mission on oil palm launched in August 2021, the agriculture ministry, under the national food security mission-oilseeds, has been supplying seeds, inputs and other services to farmers in Assam, West Bengal and Odisha to boost mustard cultivation in the region. From eastern Uttar Pradesh to Assam, areas under rabi rice are being

gradually shifted to mustard cultivation. As part of the initiative, the short durations of varieties of mustard seeds such as NRCHB 101 and DRMR 150/35, which matures in around 110 days, has been distributed to farmers in the eastern region, keeping into consideration the time available between harvesting of kharif crops such as paddy and rabi crops sowing. The varieties grown in key mustard growing states, including Rajasthan, Madhya Pradesh and Haryana, on an average, have a maturity period of 150-155 days. Area under mustard in the current rabi season has been reported at a record 9.4 million hectare (MH) which is 49%





more than last five years' average sown area of 6.3 MH. In the 2021-22 season, mustard sown areas stood at 8.6 MH. In Assam, mustard has been sown in 0.3 MH this season while it was around 0.1 MH a couple of years back. The record sowing is on account higher mandi prices realised last year,

### **High-Yielding Crop Varieties, Favourable Weather Expected To Add Wheat Output By 5 Million Tonnes**

The country's wheat output is expected to be 112 million tonnes in the 2022-23 crop year, almost five million tonnes more than last year's rabi harvesting season, with rise in area under high-yielding varieties contributing to this. Area under the winter crop this season was around 33 million hectares, which was expected to be up by 1.5 million hectares over last year. Punjab, Haryana, Uttar Pradesh, Madhya Pradesh, Rajasthan are among key growing areas for the wheat crop in the country. I am expecting 112 million tonnes of wheat crop. It will be 5 million tonne more than last year. There are three reasons for expected increase in wheat output. The area has increased slightly, favourable weather and thirdly, the area under new varieties has increased, on area under wheat cultivation in the country "said Singh when asked about wheat crop sown. The high-yielding varieties include DBW 187, DBW 303, DBW

which was significantly higher than the Minimum Support Price and the thrust on expanding areas under mustards in eastern region. Currently, Rajasthan (41%), Madhya Pradesh (15%) and Haryana (8%), have a combined share of 64% in the mustard seed sown area in the country this season.

222 and HD 3226 adding that these varieties are sown mostly in Haryana, Punjab, west UP and Rajasthan. These varieties are also recommended for eastern UP, Bihar and two of them are also recommended for Madhya Pradesh and Gujarat. DBW 187 and 303 are kind of pan-India varieties and they are recommended for larger areas. Farmers were made aware to go for newer varieties and for which seed was also made available, so the area under newer varieties has increased this time. As a result, the older, susceptible varieties, their area goes down. When asked how much effect on yield these new varieties have, the director of IICR said the yield increases by over ten quintals per hectare with new varieties. If farmers are growing old varieties and if they grow new varieties, 10-15 quintals advantage is always there. Because the new varieties are climate resilient and they will have the least effect of changing weather.

### **Sugar Exports To Resume Next Month**

Sugar exports will resume next month after a small gap. Since the sugar quota of 6 million tonne (MT) was issued in November last year, 3 MT of sweetener has been exported and by May the entire quantity of sugar approved for exports will be done by the mills. "We are getting divergent views about the quantum of sugar production this year by industry association and in the next couple of weeks we will firm our estimate on output," said Sanjeev Chopra, Department of food and public distribution. Based on estimated domestic consumption and allocation for ethanol manufacturing programme, the government will consider the second tranche of sugar exports. According to Indian Sugar Mills Association (ISMA), about 5 MT contracts for exports of sugar have already been entered into so far. The government may allow an additional 3-4 MT of shipments for the current season. The country's sugar production was initially projected to rise to a record 36.5 MT in the current year, now it is being revised to 34.3 MT because of excessive

rainfall and cloudy weather conditions which prevailed in September and October last year impacting the yield. According to ISMA, the country's sugar output for the 2022-23 season (October-September) is estimated to be around 41 MT which includes around 4.5 MT to be diverted towards making ethanol. The domestic consumption would be around 27.5 MT. In the 2020-21 season, sugar exports rose to 7.1 MT and in the last season exports was reported at 11.2 MT. In sugar seasons 2017-18, 2018-19 and 2019-20, only about 0.6 MT, 3.8 MT and 5.9 MT of sugar was exported. The government followed the maximum admissible export quota (MAEQ) in 2020-21 and the open general license system in 2021-22. In June, the government put restrictions on the quantity for exports without restriction. This was done to avoid any shortage in sweetener supplies in the domestic market. India exports sugar mostly to countries including Indonesia, Bangladesh, Malaysia, Sudan, Somalia and United Arab Emirates.



## **Agritech: Funds 2023: Agritech Sector Seeks Tax Sops, Cheaper Credit Score**

Agritech sector executives known as for tax sops and subsidised credit score from the federal government within the upcoming Union price range, arguing that the measures would assist expedite personal sector funding in agriculture and allow farmers to guard their crops from the results of local weather change. Prioritising efficient warehouse administration and increasing finance availability can even assist farmers in safeguarding their harvest from exterior threats. Shortcomings in post-harvest infrastructure are sometimes important components in figuring out how a lot meals is misplaced within the provide chain. An absence of processing tools, driers, chilly chain services and storage typically results in the pointless lack of produce, stated the executives. "It is anticipated that the Union price range would considerably emphasise personal sector funding. The

federal government may chill out rules to make investing simpler for the personal sector," stated Ashok Prasad, CEO of Unnati, a fintech-based agri-platform. The agritech sector is vital to India's agriculture sector's efforts to compete globally, stated trade executives, and the panorama is ripe for innovation because the pandemic has accelerated digital adaptation amongst farmers at an unprecedented price. "The price range ought to allot tax breaks and lengthen financial incentives comparable to subsidised credit score services and rate of interest subvention to agritech enterprises," stated Amith Agarwal, CEO, Agribazar. Aquaculture farming, an integral a part of rural economic system, has been adversely impacted by greater manufacturing prices as a consequence of elevated enter prices, making Indian exports much less aggressive.

## **Indian Farm Sector Performed Well, But Needs Re-Orientation**

Indian agriculture has performed well but the sector needs "re-orientation" in the backdrop of certain challenges like adverse impacts of climate change, rising input cost, etc, the Economic Survey for 2022-23 tabled in Parliament said. The other challenges are fragmented landholdings, sub-optimal farm mechanisation, low productivity, disguised unemployment, rising input costs, etc. "While Indian agriculture has performed well, the sector needs re-orientation in the backdrop of certain challenges." it said. Stating that the performance of the agriculture sector remains critical to growth and employment in the country, the Survey said investment in the sector must be encouraged through an affordable, timely and inclusive

approach to credit delivery. It may be noted that more than 75% of rural female workers are employed in the agriculture sector. This implies a need to upskill and create employment for women in agriculture-related sectors such as food processing. "Here, the self-help groups (SHGs) can play a crucial role in shaping rural women's potential into concrete developmental outcomes of financial inclusion, livelihood diversification, and skill development," the Survey said. According to the Economic Survey, the agriculture sector has grown at an average annual growth rate of 4.6% during the last six years. It grew by 3% in 2021-22 compared to 3.3% in 2020-21.

## **At 66 MT, Paddy Procurement Marginally Higher Than Year-Ago Level**

Four months since the commencement of paddy procurement by the Food Corporation of India (FCI) and state government agencies for the 2022-23 current season (October-September), the total purchase was up marginally on year at 66 million tonne (MT) which is equivalent of 51.4 MT of rice. In the corresponding period last year, the paddy purchases were to the tune of 65 MT. Higher grain procurement has given a boost to FCI's rice stocks which had depleted by implementation of the free ration scheme. At the

beginning of the month, FCI had 17 MT of rice along with 30 MT to be received from millers which was far more than the buffer requirement of 7.6 MT for the beginning of the year. The corporation needs 40 MT of rice annually for distribution to beneficiaries under National Food Security Act. Officials said that surplus rains last year, by the end of September and the first week of October, prior to paddy harvesting, have not impacted mandi arrivals as earlier feared. Punjab, Haryana, Chhattisgarh, Uttar Pradesh, Tamil Nadu, Telangana and



Odisha have contributed the most to the procurement drive. In Punjab, the top contributor to the central pool, the agencies including FCI have purchased 18.2 MT of paddy this season, which is 2.7% less than during the same period in the previous year. Agencies in Haryana have procured 5.8 MT of

grains under MSP operations, which was marginally higher than a year ago. In Telangana, agencies have purchased 6.4 MT of paddy so far which is a marginal increase from the previous year.

### **Edible Oil Price Fall Spurs Rethink On Import Duty**

With a sharp fall in retail prices of edible oils over the last six months in line with the global trend, the government is considering withdrawing the import duty concessions on these products. The import tariffs on edible oils were slashed last year in the wake of elevated domestic prices. Sources said that a final decision to reintroduce/ hike duties will be taken after gauging the arrival of the fresh mustard crop and review the situation in May when the domestic mustard crop would enter the market. Source said the government is concerned that cheaper imports may prevent farmers from getting remunerative prices for mustard. Harvesting of the standing crop will commence by the end of next month. As per the preliminary projections, mustard seed production is likely to cross 12.5 million tonne (MT) in the 2022-23 crop year (July-June), up 7% from the previous year. The Soybean Processor Association in a recent communication to the commerce ministry has urged it to increase import duties on all types of edible oils. India imports about 56% of the total annual edible oil consumption of around 25 million tonne. The share of domestic edible oil includes mustard (40%), soyabean (24%) and groundnut (7%) and others. The landed prices of palm oil at Mumbai port, which has close to 60% share in the country's import basket, has declined by 38% to \$ 985/tonne on February 3, against \$1,594/tonne prevailed a year ago. Landed prices of crude soya and sunflower have

declined 18% and 17% to \$1,595/tonne and \$1,250/tonne respectively. The government cut import duties on crude palm, soyabean and sunflower oils in September 2022. In December 2022, it extended the concessional duties on edible oils till March 31, 2024. At present, crude palm, soyabean and sunflower oils imports attract only 5% agri infra cess and a 10% education cess upon it, meaning a total tax incidence of 5.5%. The government had approved import of 2 MT of crude soyabean and sunflower annually for FY23 and FY24 at zero import duty. Annual imports of edible oil is around 13 MT, mostly palm oil (8 MT), soyabean (2.7 MT) and sunflower (2 MT). While palm oil is imported from mostly Malaysia and Indonesia, soyabean and sunflower oils are imported mostly from Argentina and Ukraine. The country in FY22 had imported edible oil valued at ₹ 1.5 trillion. Palm oil prices rose sharply globally when Indonesia, the biggest exporter of oil, imposed a ban on palm oil exports on April 28 last year; it was lifted after three weeks. Since then, palm oil prices have declined. The edible oil and fat category saw marginal inflation at 0.53% in December 2022, mostly contributed by a decline in domestic prices of edible oil since May. For mustard oil, prices declined by 8.6% in December 2022. Inflation in refined oil (sunflower, soyabean and palm) was at 5.2% because of a decline in global prices of edible oil.

### **Wheat Export Ban Likely To Continue, Govt. To Scale Up Procurement**

The government is likely to extend the ban on wheat exports imposed last year till the end of the 2023-24 marketing season (April-June). It will also scale up procurement operations to ensure that the grain stocks remain at a comfortable level through the coming summer. The current situation doesn't warrant a review of the exports ban imposed in May 2022. Instead, they said, the focus would be on MSP purchases, especially in Punjab, Haryana,

Madhya Pradesh and Rajasthan. "Currently our main priority is to carry out procurement operations to build up the FCI's wheat stock which has depleted significantly," a food ministry official told. Even though wheat exports are banned, India allowed small consignments via government channels to meet food security needs of developing countries. India has exported 4.6 million tonne (mt) of wheat so far in the current fiscal against 7 mt shipped in the whole of Fy22.



To curb a spike in prices, the food ministry approved e-auction of 1.5 mt of wheat from the FCI's stock to be held on February 15, 2023 for bulk buyers like flour millers. The average floor price fixed for e-auction has been revised to ₹ 2,300-₹ 2,350/quintal, which includes transportation cost; in the first e-auction held at the beginning of the month, the average floor prices was ₹ 2,401/quintal, which excluded the freight costs. In its earlier auction, the FCI had sold 0.92 mt of wheat in the open market against an offer of 2.2 mt of grain. The government had earmarked 2.5 mt of wheat for e auction from the central pool stocks to bulk buyers. Wheat output in the last crop year (July-June), had declined by around 3% on year to 106.8 mt because of heat waves during

the flowering stage of the crop in March. Due to lower production and higher global demand, the FCI's procurement in the 2022-23 marketing season fell by more than 56.6% to only 18.8 mt against 43.3 mt purchased from the farmers in the previous year. On the current season's crop prospects, the prevailing day time temperature has been slightly on the higher side, but a drop in night temperature is at present conducive for the crop. According to agriculture ministry data, wheat has been sown in 34.3 million hectares (MH) this season, is marginally higher than the previous year. The agriculture ministry will release the first advance estimate of wheat output for the 2022-23 crop season (October-September) later this month.

### **Farmers Stare At Loss As Potato Prices Halve Amid Glut In UP, Punjab, Bengal**

Potato farmers are staring at a huge loss as prices have crashed to half from a year earlier, amid a glut in production in the major producing states of Uttar Pradesh, West Bengal and Punjab. Wholesale prices are currently ruling far below the production cost and traders expect prices to remain low this year due to high production. Sowing of potatoes usually begins in November, while the crop is harvested the following January. Uttar Pradesh, the largest producer of the tuber, has witnessed a 15% increase in production in the latest crop season compared with a year earlier, when the state had produced 15.5 million tonnes of potatoes. "Hybrid quality of potato is fetching a price of ₹ 3.00- ₹ 3.50 per kg at the wholesale, while the best Agra quality is fetching ₹ 5 per kg. This is half of last year's prices," said Arvind Agarwal, national coordinator of the Federation of Cold Storage Association of India. At the retail level, the common variety of potatoes is priced ₹ 12 - ₹15 a kg, while the better variety is fetching ₹ 18- ₹19, again half compared with this time last

year. "Due to falling prices, farmers are staring at a huge loss this year. And prices are unlikely to go up from this level this year. The weather has been conducive this season which has resulted in a bumper crop. Also, farmers have used a high-yielding variety of seeds, which has further increased productivity," Agarwal said. Exports of potatoes are happening but only to two regions - Gulf countries and Sri Lanka. Indian potatoes are not suitable for Southeast Asian countries. In West Bengal, the second largest producer of the tuber, production is estimated to be 11.5 million tonnes this year, compared with 8.5 million tonnes last year. In Bengal, traders were holding back the crop, as prices were zooming high and they anticipated the trend to continue for some more time. But prices tumbled after Diwali and there were huge stocks in cold storages. Some of the stocks from the cold storages are being offloaded even now, even as the new crop has arrived.

### **G20 Deliberation Will Give Solutions For Boosting Farm Productivity: Shivraj Singh Chauhan**

The G20 submit will come out with new solutions, such as new technologies, to boost farm productivity which is key to addressing the global food security concern, Madhya Pradesh Chief Minister Shivraj Singh Chouhan, said. Shri Chouhan was speaking while inaugurating the first meeting of the Agriculture Working Group (AWG) under India's G20 presidency adding that India will continue to play a major

role in fulfilling world's food requirements. The world will need 345 million tonnes (MT) foodgrains by 2030, the CM said. The world will need 345 million tonnes (MT) foodgrains by 2030. In the current fiscal year, out of India's 4.6 MT of wheat export, Madhya Pradesh contributed 2.1 MT. Area under cultivation in Madhya Pradesh has gone up to 29.9 million hectares from 19.9 million 18 years ago,



while production has increased to 61.9 million tonnes from 15.9 million tonnes. India is making the world aware about millets and their benefits, thus creating global demand for the cereal grains, the CM said. Chauhan said it was important to move towards natural farming in order to protect human health as well the health of the environment in order to pass on a better environmental to the future generations. Natural farming is promoted under the Bhartiya Prakritik Krishi Paddhati Yojana a sub scheme under the Paramparagat Krishi Vikas Yojana being implemented by the agriculture

ministry. According to the agriculture ministry, 0.5 million hectare (MH) is covered under natural farming mostly in Andhra Pradesh, Rajasthan and Uttar Pradesh. Andhra Pradesh has 0.1 MH under natural farming. More than 0.73 million farmers have already initiated natural farming methods. The three-day event organised to deliberate on agriculture-related matters on the first day. It is expected to be attended by around a hundred delegates from G20 member countries, guest countries and international organizations.

### **Government Lowers Wheat Reserve Price**

To curb the spike in prices, the government announced further reduction in the reserve prices of wheat to be sold in the open market by the Food Corporation of India (FCI) to ₹ 2,150/quintal, from the next e-auction. The reserve prices of wheat of "fair and average quality" announced is marginally higher than the minimum support price (MSP) of ₹ 2,125/quintal for the next marketing season 2023-24 (April-June). In the second e-auction, where 0.38 million tonne (mt) of wheat was purchased by bulk buyers; the average price of wheat realised by the FCI was ₹ 2,338.01/quintal, which is close to the base price. In the first e-auction where 0.92 mt of wheat was sold, the government had fixed the base price of wheat at ₹ 2,350/quintal, which excluded freight cost from the depots. Out of 2.5 mt of wheat offered for open market sale, through e-auction to traders and flour millers, which commenced at the beginning of the month, the FCI has sold 1.4 mt of wheat in the last two e-auctions held. The government has also reduced the price of 0.2 mt of wheat offered to institutions like Nafed, NCCF and Kendriya Bhandar to ₹ 21.50/kg from ₹ 23.50/kg. These institutions were offered wheat for converting the grain into flour and selling it at a maximum retail price of ₹ 27.50/kg instead of ₹ 29.50/kg. The FCI will conduct e-auctions of wheat till March 15, 2023. "Reduction in reserve price will help in reducing market price of wheat and wheat products for consumers," according to a food ministry statement. Food

ministry officials said the focus is to reduce wheat prices to MSP level prior to the commencement of procurement by the FCI and state agencies from April 1. The FCI has wheat stock of 13.57 mt, while buffer requirement for April 1, 2023 is 7.4 mt. In the next two weeks, retail prices are expected to fall sharply because of improvement in supplies, because of open market sale. In addition, wheat crops of early varieties have started to arrive in the market in Madhya Pradesh and Gujarat, which is expected to cool down prices further. Inflation in wheat prices rose by a sharp 25.05% on year in January, pushing up retail food inflation to 5.94% from 4.19% reported in the previous month. Under the open market sale policy, the government allows the FCI to sell food grains, especially wheat and rice, at predetermined prices in the open market, from time to time, to bulk consumers and private traders. The aim is to boost supply during the lean season and moderate prices. The agriculture ministry's estimate of a record wheat harvest of 112.18 mt for the 2022-23 crop year (July-June) has given a boost to the prospects of the government's procurement drive for the next marketing season, which begins on April 1. Due to lower production and higher global demand, the FCI's procurement in the 2022-23 marketing season (April-June) fell by more than 56.6% to only 18.8 mt, against 43.3 mt purchased from the farmers last year.

### **Heat Likely To Damage Wheat Crop: IIWBR**

High atmospheric temperatures this month may cause damage to the wheat crop, Indian Institute of Wheat & Barley Research (IIWBR) has warned. It asked farmers to inspect

wheat crops for yellow rust disease. It said in case of a sudden rise in temperature, farmers should use light irrigation and spray potassium on the wheat plant to reduce



the damage. But watering the plants should be stopped if there is strong wind, as the crop may fall otherwise, causing more damage. "We are seeing that temperature is rising in the wheat growing regions intermittently and is continuing for two to three days. To avoid any damage, we have issued

an advisory in advance. Farmers who have the facility of sprinkler irrigation can irrigate their field with a sprinkler for 30 minutes in the afternoon." ICAR-IWBR director Gyanendra Singh told.

### **Mango Exports to US to Get Boost**

With the setting up of the fourth irradiation facility at Ahmedabad, India's exports of mangoes varieties Kesar, Alphonso and Banganappale to the United States is expected to give a boost in the coming season (April-July). Traders sources said while India exported around 1000 tonne of mangoes to the US last year while varieties such as that of Alphonso and Kesar mangoes have been sold in the US market at a premium of \$ 9 /a kg and \$ 7 / a kg respectively last year compared to \$ 3 to \$ 4 a kg realized from mangoes

sourced from other countries. India is aiming to expand its footprint in mango exports to high value markets including the United States, Japan, South Korea and European countries. Currently mangoes exported to the US undergo an irradiation process, where fruit is exposed to gamma radiation, which kills insects or pesticides inside the fruit while countries such Japan and South Korea seek imports of fruits which have undergone vapour heat treatment and hot water treatment for eliminating presence of pests.

### **Cumin Prices Shoot up on Higher Global Demand**

Prices of popular spice commodity cumin (jeera) have gone up sharply by at least ₹ 300 per 20 kg in a span of one week in the wake of growing domestic and global demand. The price of the commodity rose from ₹ 4,800-₹ 5,100 to ₹ 5,100 to ₹ 5,500 in the past week alone. This Bull Run is likely to continue as per market sources due to lower sowing and slightly unfavourable weather condition in cumin-growing areas in Gujarat and Rajasthan. At Unjha mandi – the world's largest trading hub of cumin, prices were hovering around ₹ 2,500 to ₹ 2,700 last season. Progressive cumin sowing in Gujarat has gone down from 0.27 million hectare to 0.26 million hectare as on December 19, 2022 as per the official data of state agriculture department. "There is a high demand for quality cumin in the international market. Even domestic traders are inquiring about huge quantities. But farmers are having limited carry forward stock this season. Of the nearly 1.5 million bags (55 kg per bag) carry forward stock, already more than 50 % has exhausted. Fresh arrival of cumin will initiate only from February," says Arvind Patel, vice president of Unjha Agriculture Market Produce Committee. Compared to the 2021-22 season's cumin crop of 5 million bags, cumin crop is likely to remain lower in the current 2022-23 year, says Patel. According to him, even last

year it was almost 40% lower compared to the 2020-21 season's crop of 8 million bags. As per traders' estimate, carry forward stock would be hardly 0.2 million bags by the time fresh arrival hit the market, he claimed. Patel says that exports of cumin are likely to remain higher and cross previous year's level of around 3.5 million bags as cumin season in Turkey and Syria is already completed and global importers will have to look at India only. Cumin is exported to nearly 43 countries across the globe from Unjha. Maximum exports are being done in the Gulf countries followed by the US, Europe, China and Latin American countries. India enjoys a lion's share of 75% in the international market. As cumin crops are highly sensitive to weather and disease, farmers in Rajasthan and Gujarat switched to other crops in demand, including cotton, mustard seed, groundnut, soyabean and coriander seed, he added. Cumin is cultivated in Rajasthan and Gujarat. Sowing of cumin happens during October to December and harvest starts from February till April end. Jodhpur and Nagaur districts in Rajasthan are the major pockets of cumin farming. In Gujarat, cumin is sown in the Banaskantha, Kutch and Saurashtra regions. Farmers and traders from both the states ultimately come to Unjha mandi to sell their cumin produce.



# Telangana State Co-operative Apex Bank Ltd.

(State Govt. Partnered Scheduled Bank)

Troop Bazaar, Hyderabad - 500 001, url: <http://tscab.org>. Phone : 040-2468 5650

## Financial Performance of TSCAB

(₹ In Crores)

S.No	Particulars	31.03.2021	31.03.2022 (Unaudited)	Percentage Increase (YOY)
1	Share Capital in Rs. Crores	230.64	289.25	25.41
2	Reserves	556.53	625.33	12.36
3	Deposits	5466.41	6941.95	26.99
4	Borrowings	5413.42	6261.80	15.67
5	Business Turnover	13245.69	16276.71	22.88
6	Loans & Advances	7779.28	9334.76	20.00
7	Investments	1467.72	2058.78	41.95
8	Operating Profit (Profit Before Tax)	59.38	96.63	62.73
9	Gross NPAs %	0.17	0.14	(-)17.64
10	CRAR %	9.90	10.53	6.36
11	CD ratio	142.31	134.47	(-)5.51

“Your Prosperity is our Priority”



## THE GUJARAT STATE CO-OP AGRICULTURE AND RURAL DEVELOPEMENT BANK LTD

489, Ashram Road, Ahmedabad 380 009.

Website: [www.khetibank.org](http://www.khetibank.org) Email: [info@gacardbank.org](mailto:info@gacardbank.org)

Phone: (079) 26585365-70-71

The Bank was established in 1951 to extend long term and medium term loans to farmers for agriculture and allied agricultural activities through 176 branches and 17 district offices located at each taluka places and district places respectively in the State of Gujarat. The Bank has significantly contributed 71 years towards rural development of Gujarat since Inception by advancing Rs 4543.25 crores long term loans to farmers for agriculture and allied agricultural activities up to 31.3.2022

### FINANCIAL DETAILS OF THE BANK AS ON 31-03-2022

Sr. No.	Particulars	2021-22 (Rs In Crores)
1	Owned Funds	643.42
2	Loans Disbursed	151.28
3	Investment	545.27
4	Fixed Deposit	238.10
5	Loan Outstanding	550.43
6	Net Profit	29.29
7	Dividend	20%
8	CRAR	75.10%
	Audit Class (2020-21)	A

### SALIENT FEATURES

1. New loan policy with reduction in Rates of interest with the effect from 1st April, 2022 is 10% per annum.
2. 2% rebate on amount of Interest paid by borrower who pays Installments regularly.
3. All the loans issued by the Bank are by registered mortgage of land.
4. Bank has covered accidental insurance of Rs. 2 lakhs for all the loan borrowers of bank on Hon;ble Prime Minister Shri Narendra Modiji's Birthday.

### INVEST YOUR SAVINGS IN KHETI BANK

Deposit Period	Interest Rate Individual/Member	Interest Rate Trust/society/other banks etc.
1 Year	6.00%	5.20%
2 Year	6.10%	5.30%
3 Year	6.25%	5.40%
4 Year	6.25%	5.50%
5 Year	6.25%	5.60%
6 Year and above	6.25%	5.75%

Additional 0.50% interest to Bank Employees & Senior Citizen

### THE BANK FINANCE FOR

Farm Mechanization, Horticulture/Plantation, Animal Husbandry, Rural Housing, Land Development, Non-Farm Sector, Minor Irrigation, Kisan Credit Card

Dollar V. Kotecha  
Chairman

Faljubhai G. Patel  
Vice Chairman

K.B. Upadhyay  
Managing Director  
I.A.S(Retd.)