



POTENTIAL LINKED CREDIT PLAN “SANGLI DISTRICT – 2015-16”



24 FEBRUARY 2015

PLP 2015-16 SCOPE



1. Estimate potential for deployment of credit in farm and Off-farm sectors under Priority Sector for the year 2015-16
2. Identification of infrastructural gaps/ other issues to be filled/ resolved, in order to realise the estimated potential
3. Evolve an action plan to achieve the estimated potential

THE CONCEPT OF PLP



In 1988-89, NABARD started preparing Potential Linked Credit Plans (PLPs) for all the districts

1. PLPs

- map the existing potential for development
- evolve appropriate mechanism through which potential could be exploited over a specified time frame

2. PLPs act as reference document for:

- Banks in direction of credit flow
- Govt. in assessing gaps in infrastructure
- Private sector & Development Organizations to ascertain scope for their business / service delivery

CONTENTS OF PLP



- ✦ District Profile
- ✦ Sectoral Review and Projections of Potential - activity wise
- ✦ Infrastructure support
- ✦ Support requirements for development of weaker sections
- ✦ Role of Informal Credit Delivery System
- ✦ Performance of Credit Agencies
- ✦ Policy initiatives - by Central and State Govt, RBI and NABARD
- ✦ Response from Farmers
- ✦ Block wise, activity wise, physical and financial projections

FEATURES OF PLP



- ✦ Participative approach in planning
- ✦ Identifies sector-wise and activity-wise exploitable potential in the district within priority sector area
- ✦ Bottom up approach – Block level
- ✦ Systematic assessment of potential for exploitation with resource identification
- ✦ Factors in programs of Government and Financial Sector reforms
- ✦ Identifies gaps for Government intervention

HLC RECOMMENDATIONS



- ✦ PLPs to form basis for ACP for Agri. & Allied sectors with little/ no deviation
- ✦ Govt may factor in PLP projection in State/ District Plan
- ✦ Upscale SHG-Bank linkage programme; lending to SHGs for becoming micro enterprises
- ✦ Business Plan of Banks to take into account projections in ACP
- ✦ ACPs to clearly indicate proposed coverage of SCs/ STs/ Minorities/ promotion of SHGs

PLP PREPARATION



- ✦ Adopts a Consultative approach
- ✦ Pre / post PLP meets with LDM, Banks and development agencies
- ✦ Assesses sector-wise, activity-wise exploitable potential with credit
- ✦ Scientific method adopted in assessment of the potential for each activity within the sector
- ✦ Presentation of PLP projections for review and adoption
- ✦ **Final projection would form basis for DCP**

DISTRICT PROFILE



- ✦ Number of inhabited villages : 728
- ✦ Rural Population : 55%
- ✦ Small and marginal farmers: 74.5%
- ✦ Cropping Intensity: 126%
- ✦ Rain shadow area > 2/3 of the total area
- ✦ Major crops –Cotton, Jowar, Maize, Soyabean, Sugarcane, horticultural crops, etc.
- ✦ As many as 11.3% of the Households have to fetch drinking water from far off places.
- ✦ As many as 23.2% of the Households defecate in the open.
- ✦ 21.3% of the household don't have full banking facility.
- ✦ BPL Population- 13.10% of total
- ✦ HDI (2011): 0.742 as against Maharashtra HDI of 0.752

SANGLI VIS-À-VIS MAHARASHTRA



PARTICULARS	SANGLI	MAHARASHTRA
Geographical Area (lakh sq. Km)	0.86	3.08
Rural Population (in crore)	0.21	6.15
Net sown Area (lakh ha.)	6.73	174.06
Net sown Area / cultivator (ha.)	1.20	1.1
Gross Irrigated Area (lakh ha.)	1.54	40.5
% of Gross Irrigated area to Gross cropped Area	19.18	17.9
Share of Agriculture in total Income (%)	27	11
Per Capita Income (₹)	87615	103991
Human Development Index (HDI)	0.742	0.752

VISION FOR DEVELOPMENT OF SANGLI DISTRICT



Taking steps for enhancing agricultural productivity and incomes of farmers by:

- 1. Improving water resources and irrigation**
- 2. Watershed Management**
- 3. Implementing Value Chain Management Projects**
- 4. Diversification of agriculture, contract farming, value addition and post harvest management (including storage) through Public and private partnership, formation of producers' organisations, direct marketing, etc.**
- 5. Development of rural infrastructure**
- 6. Promoting rural livelihoods and building social capital**
- 7. Strengthening of rural credit delivery mechanism**

SECTOR-WISE ACHIEVEMENT (₹ IN CRORE)



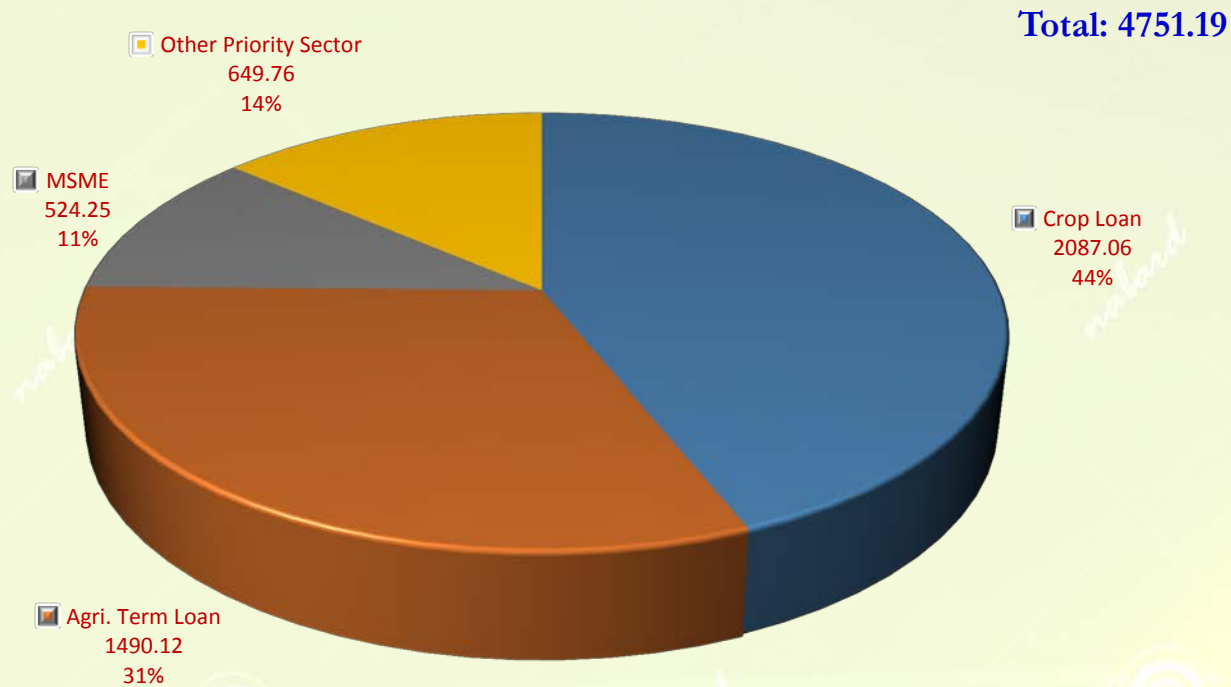
Sector	2011-12	Achievement % to Target set	2012-13	Achievement % to Target set	2013-14	% change over previous year
Crop Loan	677.31	109.12	1109.09	132.98	1088.07	(-)1.90
Agriculture (MT + LT)	427.97	82.52	638.60	85.65	579.97	(-)9.18
Total Agriculture	1105.28	97.01	1747.69	110.64	1668.04	(-)4.56
MSME(Non-farm Sector)	127.32	59.99	231.72	94.90	365.83	57.88
Other Priority Sector	199.64	66.18	337.09	96.32	476.59	41.39
Total priority Sector	1432.23	86.63	2316.50	106.57	2510.47	8.37

REVISED VIS-S-VIS BASE PLP PROJECTIONS FOR 2015-16 (₹ IN CRORE)



Sector	Base PLP Projected	Revised PLP	% Decrease
Crop Loan	2425.95	2087.06	(-)16.24
Agriculture (MT + LT)	1498.41	1490.12	(-)0.56
Total Agriculture	3924.36	3577.18	(-)9.71
MSME(Non-farm Sector)	542.63	524.25	(-)3.51
Other Priority Sector	734.88	649.76	(-) 13.10
Total priority Sector	5201.87	4751.19	(-) 9.49

BROAD SECTORWISE PLP PROJECTIONS FOR 2015-16 (₹ IN CRORE)

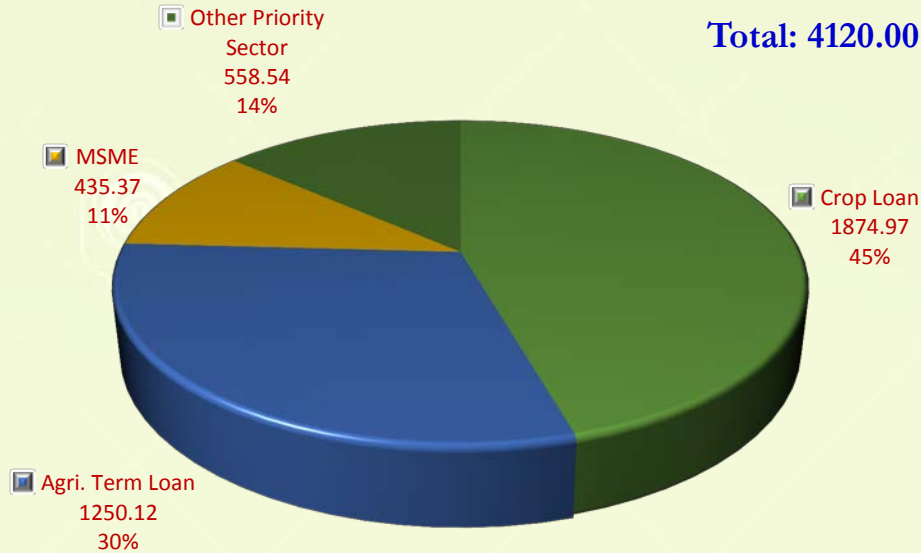


BROAD SECTORWISE PLP PROJECTIONS FOR 2015-16 (₹ IN CRORE)



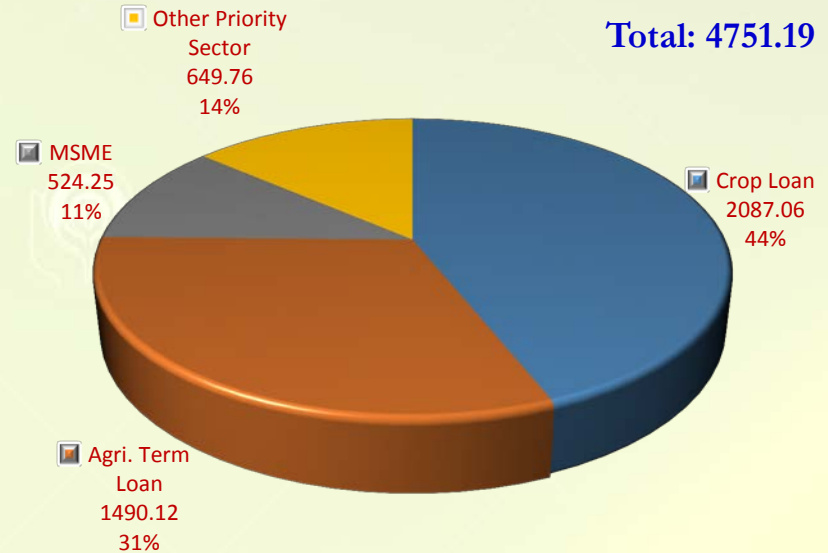
Growth of 15.32%

Total: 4120.00



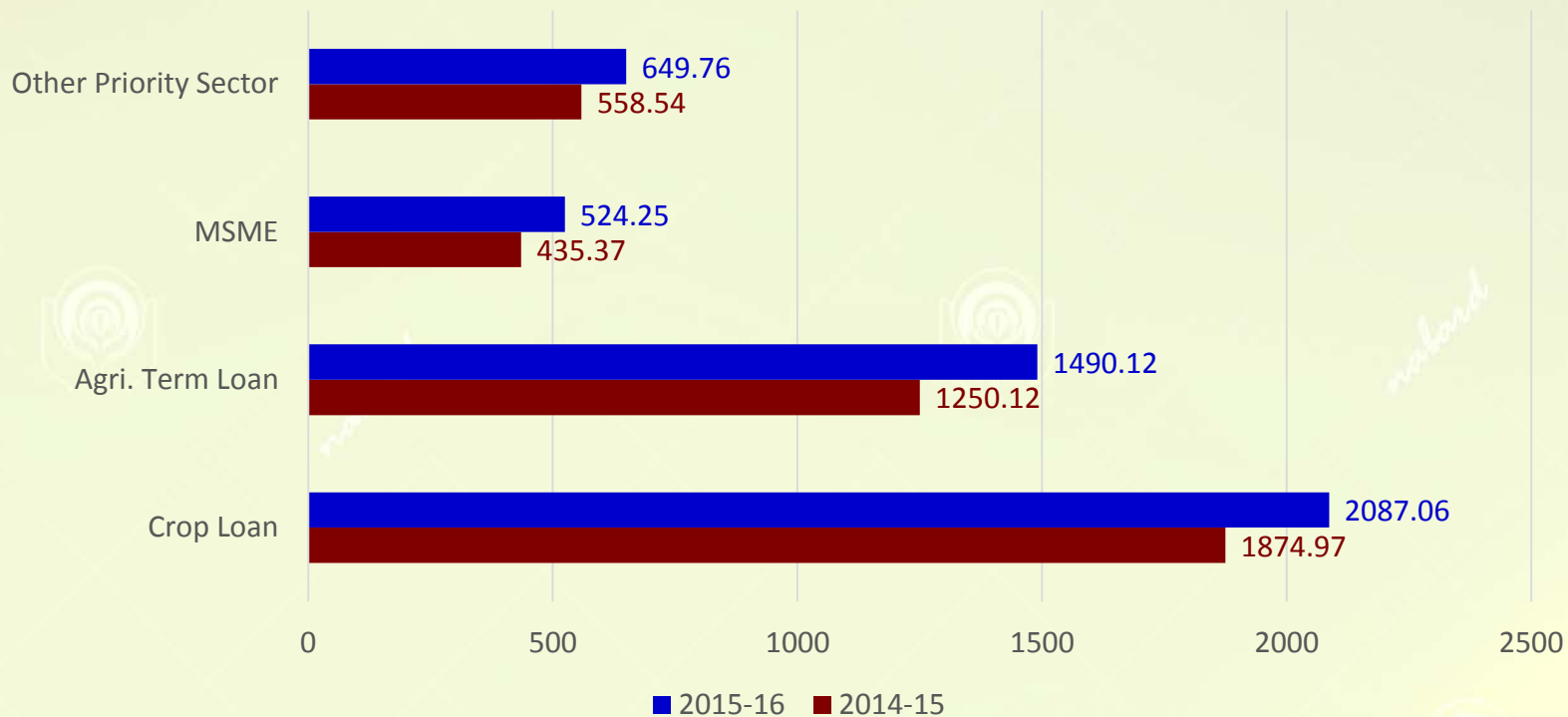
2014-15

Total: 4751.19

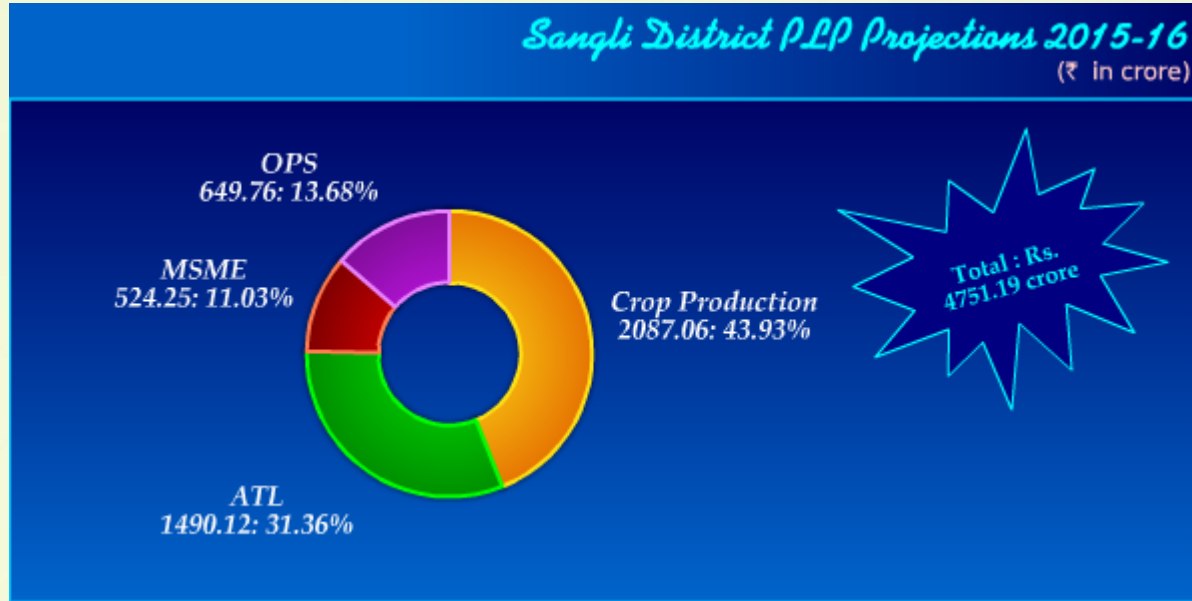


2015-16

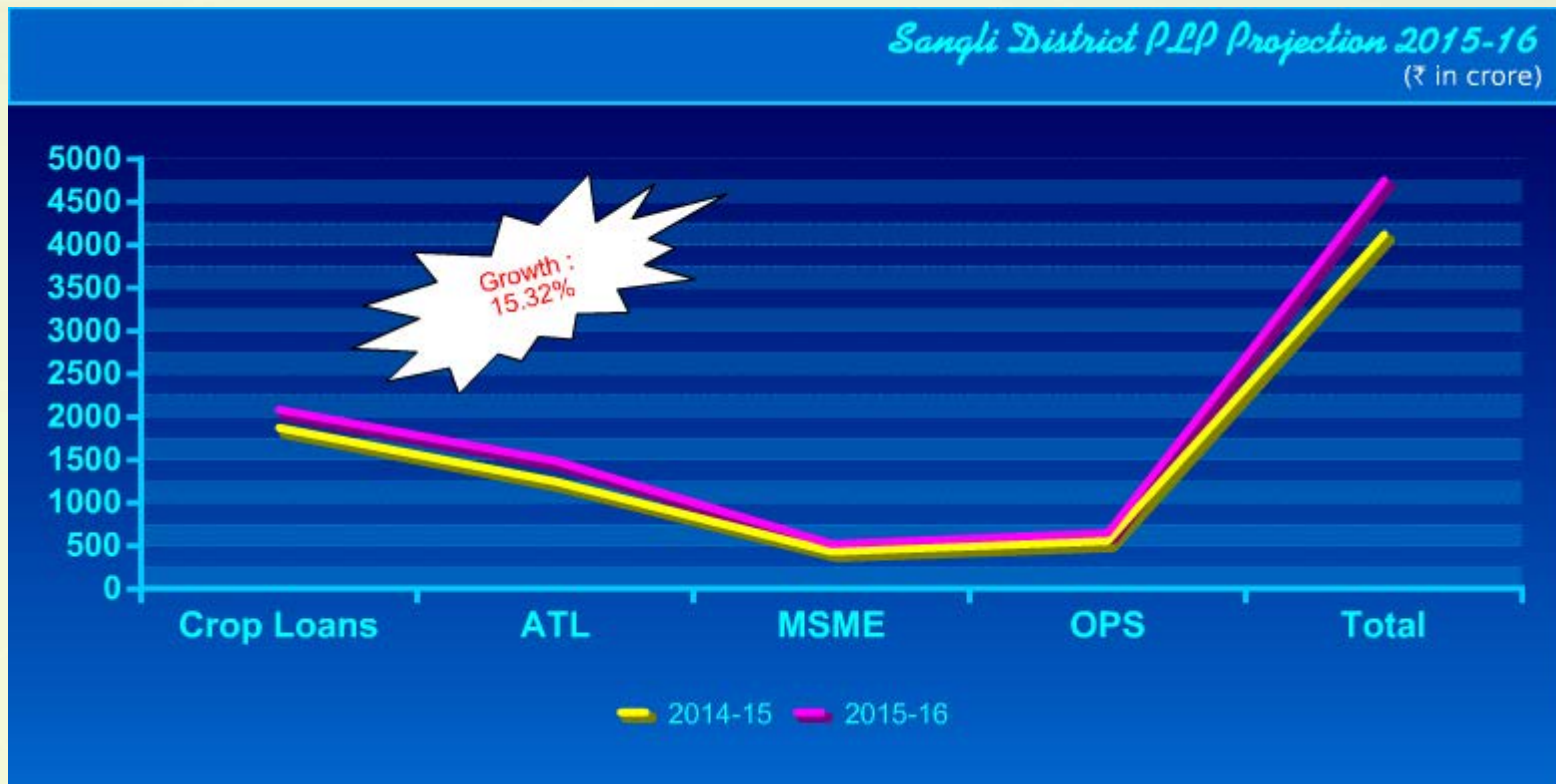
PLP 2015-16 VIS-À-VIS 2014-15 (Amount ₹ in crore)



BROAD SECTORWISE PLP PROJECTIONS FOR 2015-16 (₹ IN CRORE)



PLP 2015-16 VIS-À-VIS 2014-15

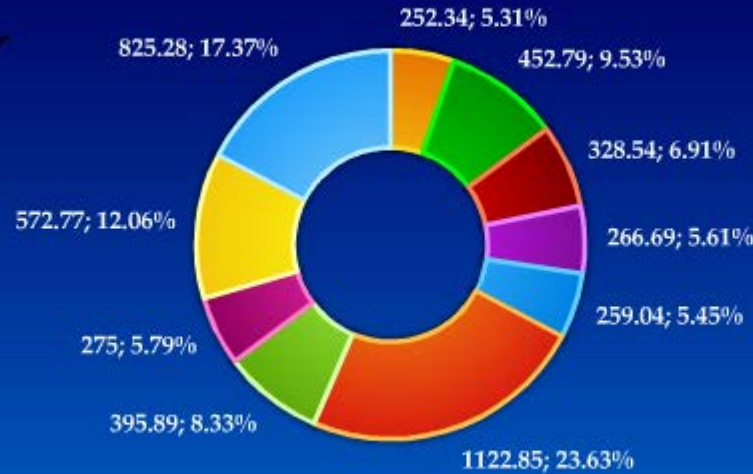


BLOCK WISE PLP PROJECTIONS FOR 2015-16



Block wise PLP Projections - 2015-16 (₹. in crore)

Total :
Rs. 4751.19



ATPADI JATH KADEGAON K-MAHANKAL KHANAPUR MIRAJ PALUS SHIRALA TASGAON WALWA

SECTOR WISE CREDIT POTENTIALS FOR 2015-16



Purpose	Plan (₹ in crore)	Share % to Priority Sector
Crop Loan	2087.06	43.93%
Water Resources	236.24	4.97%
Land Development	29.62	0.62%
Farm Mechanization	215.49	4.54%
Plantation & Horticulture	460.38	9.69%
Dairy	247.09	5.20%
Poultry	32.02	0.67%
Sheep / Goat / Piggery	60.66	1.28%
Fisheries	7.2	0.15%

Purpose	Plan (₹ in crore)	Share % to Priority Sector
Forestry & Waste Land Dev.	4.09	0.09%
Storage & Market Yards	154.53	3.25%
Renewable Sources of Energy	36.68	0.77%
Other Activities	6.12	0.13%
Total Agri. Term Loan	1490.12	31.36%
Total Agriculture	3577.18	79.29%
MSME	524.25	11.03%
Other Priority Sector	649.76	13.68%
Total Priority Sector	4751.19	100.00%

SHARE OF AGRICULTURE TERM LOANS IN TOTAL AGRICULTURE CREDIT



Year	Total Agriculture Credit (₹ in crore)	Of which to Agriculture Term Loan (₹ in crore)	% Share of ATL
2010-11	1105.28	427.97	38.72%
2011-12	1747.69	638.60	36.54%
2012-13	1979.63	776.86	39.24%
2013-14	1668.04	579.97	34.77%
2014-15(up Dec 2014)	2887.29	1642.54	56.69%

STRATEGIES FOR INCREASING TERM LOANS TO AGRICULTURE



- ✗ Banks to prepare sector-wise and district/branch-wise Credit Plan keeping PLP projections as a guiding factor
- ✗ Liaising with dist. Agri. Deptt. for participating in the Value chain projects and other Govt. schemes
- ✗ Financing area based projects and Farmers' Collectives
- ✗ Investment loans in the command areas of irrigation projects completed under RIDF, AIBP, Watershed Development, Tribal Development Fund, etc.
- ✗ Implementation of SHG and JLG programmes in a big way
- ✗ Banks should seek support of NABARD, if necessary, for capacity building of their officials.
- ✗ Sub-Committee of DLCC – Ensuring proper data generation and review of progress

DROUGHT MITIGATION- LONG TERM STRATEGIES

“WATER FOR ALL – DROUGHT FREE MAHARASHTRA 2019”



- ✘ Integrated and Comprehensive approach – agro-meteorology, production, post-harvest management, marketing, etc. through collaboration of all stakeholders
- ✘ Watershed development involving agri., horticulture, silvipasture, etc.
- ✘ Water Resource Development: Construction of check dams, farm ponds, water harvesting structures, etc.
- ✘ Micro-irrigation and Solar Pumping System for irrigation
- ✘ Subsidiary occupations like dairy, poultry, Off-farm, etc.
- ✘ Banks to participate in lending eligible activities and in CSR

RECENT INITIATIVES OF GOVERNMENT OF INDIA



- × All India credit disbursement target of ₹ 8 lakh crore
- × Fund of ₹ 5000 crore for promoting investment credit by RRBs and Cooperatives
- × Fund of ₹ 200 crore with NABARD for promoting 2000 Producers' Organisations
- × Financing of 5 lakh JLGs by the banking system to facilitate finance for landless farmers (Maharashtra target- 40,000)
- × ₹ 5000 crore for Warehouse Infrastructure Fund
- × ₹ 2000 crore Fund for financing food processing/Food Parks
- × ₹ 20000 crore for RIDF(for creation of rural infrastructure)
- × Concessional interest rate/rebate on ST-SAO will continue
- × Concessional interest rate for SHGs in selected districts/NRLM

SCHEME FOR FINANCING SOLAR PUMPING UNITS FOR IRRIGATION



- ✗ From 1-4-2014 to 31-3-2016 for models/specifications laid down by MNRE and as notified in their website www.mnre.gov.in
- ✗ Eligible borrowers : Individuals, SHGs, JLGs , NGOs , farmers' clubs, and farmers' Producer organizations, but Private / Public limited companies and corporates are not eligible
- ✗ Bench mark cost with DC/BLDC motor pump set-Rs 190 per Wp and AC motor pump set- Rs 161.50 per Wp
- ✗ The unit can be located in urban or rural areas.Capital subsidy is limited to 40% of approved unit cost for all categories of the borrowers
- ✗ Banks to ensure margin at 20% of TFO and security requirements as per RBI norms.
- ✗ Banks to ensure insurance requirements and insurance premia may be included in the TFO
- ✗ Repayment period will be 10 years

Allocation for Maharashtra : 600 units (2014-15)







THANK YOU