



ਪੰਜਾਬ ਨੈਸ਼ਨਲ ਬੈਂਕ
punjab national bank

राज्य स्तरीय बैंकर्स समिति , पश्चिम बंगाल : STATE LEVEL BANKERS' COMMITTEE , WEST BENGAL

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Ref : SLBC/WB/FPI/ 48 /2020

Dated, the 12th May, 2020

- 1) Member banks under SLBC, West Bengal
- 2) Lead District Managers in West Bengal

Re : Minutes of the SLBC meeting on Food Processing industries & Horticulture

During the special SLBC meeting held on 04-05-2020 under the Chairmanship of Dr Amit Mitra, Hon'ble Finance Minister of GoWB, it was advised for forming a separate Sub Committee of SLBC on Food Processing Industries & Horticulture and holding a meeting immediately for preparation of a target oriented strategy for focused lending in this important sector. The 1st meeting of the Committee was convened by SLBC on 11-05-2020 accordingly.

The meeting Chaired by Mr. Subrata Gupta, Principal Secretary of Food Processing Industries & Horticulture was also graced by Dr Pradip Majumdar, Advisor on Agriculture to Hon'ble Chief Minister of West Bengal along with other senior Govt officials of the Department & representatives from RBI, NABARD and the major banks operating in the State. At the outset, Mr Gupta spoke on the objective of forming a separate Committee for Food Processing Industries & Horticulture while Dr Mazumdar informed the House regarding the potential of the State in Horticulture activities and the need for focussing extensively in channelizing flow of credit to this important sector. The gist of the discussions & action points emerging thereof is appended below.

- Mr S. Gupta informed the House that there is an immediate requirement of Rs.101 crore to Horticulture Sector and Rs.351 crore to Food Processing sector by way of Term Loan with matching working capital loan in the State as assessed by the Department. This will also enable the existing units to cope up with the adverse situation emerging out of the COVID 19 pandemic. Most of the intending beneficiaries have also indicated their preference for the banks based on which the said banks are to take up the proposals for extension of credit commencing in this quarter itself. The Department will coordinate in sourcing of the proposals to the banks.

Mr B Sinha of NABARD mentioned that as per Potential Linked Plan for FY 20-21, Rs.3135 Cr is earmarked for Food & Agro Processing while Rs.2533 Cr has been marked for Plantation & Horticulture sector. While Mr M Dhar informed that the PLP has been adopted by SLBC, Mr M R Ray added that the bank-wise allocation will be shared after receipt/compilation of Bank wise allocation by the LDMs in their respective Districts.

(Action point 1. LDMs, SLBC Member banks & Food Processing Industries & Horticulture Deptt)

- Dr P. Majumdar informed that the State has the 2nd highest tonnage of different vegetables in the Country and is also the 2nd largest fruit producing State with one of the highest producer of Pineapple. He advised that the Banks need to consider the following points for proactive and accelerated growth in advances to this sector.
 - a) The horticulture sector is immune from the effects of COVID 19, but the producer needs bank credit during this challenging time.
 - b) Focus should be on intensive credit linkage on large scale in view of requirement of small land holding with identification of the target group.
 - c) Banks should lend to the eligible farmers with working capital under Kishan Credit Card.



- d) Scale of Finance should be prepared for horticultural activities, particularly the cash crops.
- e) Banks should encourage the farmers involved with cultivation of high tech varieties.
- f) Horticulture through Green House/Poly House technology is largely being adopted by conscious farmers in the State. Banks should encourage extending credit under this segment.
- g) Floriculture - Many areas in the State witness adoption of floriculture by the cultivators by way of growing different varieties of flowers including exotic breeds like Gerbera etc to cope with the increased demand of flowers in the State as well as to meet demand from other States. This creates a potential avenue for financing the floriculture sector by the Banks.
- h) Tissue Culture like banana etc is also grown in many parts of the State by the farmers there by creating a field for appropriate credit linkage to this segment also.
- i) Landscape of Cultivated area in the State has changed from growing of traditional cereals & a pulse to cash crops like Horticulture produces in many geographical areas. The nature and flow chart for growing of all crops are followed in a structured way by the cultivators. This gives ample scope to Banks to invest in all segments of short and medium term crops in the State.

(Action Point 2 . Member banks)

- Both Dr Majumdar and Mr Dhar opined that in view of the damages suffered by frequent hailstorms & other calamities, the banks need to step up the process of restructuring of loans of the affected loanee farmers in notified areas.

(Action Point 3 . Member banks)

- Mr Pramanick from Horticulture Department briefed the House about the Poly house scheme which also has a provision for back-ended subsidy. It was requested by the banks for sharing model schemes along with district level potentials for implementation by the banks. It was also suggested by Mr S Saha from Canara Bank and Mr Ray from SLBC that there should be a minimum level of Margin for non-KCC loans.

(Action Point 4. Member banks & Food Processing Industries & Horticulture)

- It was opined by Mr Dhar and Mr Ray that some awareness-cum-sensitization program needs to be undertaken at potential clusters/centres through NABARD with participation of the local banks as well as farmers/entrepreneurs for achieving the desired result. The DDMs of NABARD are to take the initiative in co-ordination with the LDMs, LDOs from RBI & Line Departments.

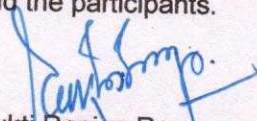
(Action Point 5 . NABARD & LDMs)

- Sri Ray requested the department to share the model schemes for growing of all Horticulture products and setting up of units to support scientific growing of such products. He emphasized on sponsoring of proposals by the Deptt from the eligible farmers in adequate numbers under a proper monitoring mechanism.
- Officials from FPI Department highlighted on the following issues.

- (a) Need for establishment of Pineapple processing units in North Bengal including Uttar Dinajpur and Dakshin Dinajpur and credit linkage thereof.
- (b) Finance for setting up more processing centres of Mango Juice, Rice and Wheat etc.
- (c) Financing of Small Onion Cold Storages which also comes under FPI.
- (d) Explore financing units in food parks established by the State Government.

It was suggested by SLBC that the Authorities may consider development of an App/Online portal which may assist in tracking the development made in delivery of credit to the segment. Summarizing the action points, Mr Gupta opined that a positive beginning has been made and assured of support from the Department for the endeavours on the part of the banks in achieving the agreed target.

The meeting ended with vote of thanks by Mr J. L Tobius, General Manager of Punjab National Bank to the Chair and the participants.



Mukti Ranjan Ray
General Manager &
Convener of SLBC