



**UNITED BANK OF INDIA : LEAD BANK DEPARTMENT**  
Convener : State Level Bankers' Committee for West Bengal

Ref : SLBC-WB/Sub-Comm/Agri-Potato/ 548 /2018

Date : 18-12-2018

**For all the Member Banks under SLBC, West Bengal**

**Re : Minutes of the SLBC Sub Committee on Agriculture Meeting on 18-12-2018 for  
Fixation of Ceiling Price for Potato in 2018-19 season**

The captioned meeting was convened by SLBC ,West Bengal at United Tower to finalize the ceiling price of potato for finance through the Cold Storage Owners as well as directly to the Farmers for the season 2018-19 . The meeting was chaired by Sri M R Ray, General Manager (Prisec) & Convener, SLBC .During the discussion the members of the Committee comprising of both the Joint Secretaries of Agriculture & Agriculture Marketing Department, senior executives of the banks and representatives from WB Cold Storage Association, few important cold storage owners, etc actively participated with emphasis on the current market scenario.

Starting the discussion, Sri M R Roy, General Manager & Convener of SLBC, West Bengal gave a brief outline on the background and necessity of forming the Sub-Committee and holding the meeting on annual basis for fixing the price of potato for storage in the cold stores across the State. The various parameters based on Cultivation cost, Yield, Storage charges, etc, were mentioned along with the information that SLBC has taken into consideration the status of 8 districts ,namely, Murshidabad, Purulia, Burdwan, Birbhum, Hooghly, Paschim Medinipur, Bankura and Malda and the average of these districts has been considered as the standard unit cost for the State. He then requested the participating members for deliberation on the matter and arriving at a consensus in fixing the price.

During the discussion the members have taken into account the important factors for production like Cost of Land Preparation, Labor, Fertilizers/Pesticide cost, and post production costs like sorting/drying, loading/unloading, transportation and the storing charges. It was also clarified that the yield per acre has been pegged at 105 quintal refers to the sorted potatoes only with 10-12% of total production not deemed fit for storage type to maintain the quality. It is also observed that while the cost of seeds has not been stable throughout the year, it is currently on the lower side. However Fertilizer cost is showing an increasing trend along with transportation charges.

Taking into consideration all the above factors, the Committee agreed for the following costs on average basis for calculation of the ceiling price covering the entire State.

(A) Avg Production Cost/Acre	Rs. 56000	(B)Avg Post production Cost	Rs. 280
Average Yield /Acre In Qt	110		
(C)Average production cost In Qt	(Rs. 509.09) Say, Rs. 509		
Total Cost per Quintal (B+C)	Rs. 789		
Ceiling Price for Cold Storage Owners @ 30 % Margin			Rs.552.30
Ceiling Price for Farmers @ 25 % Margin			Rs.591.75

Based on the consensus, it was proposed to round off the assessed amount and Rs.550/- (Rupees Five Hundred Fifty ) has been adopted as ceiling price for financing cold storage owners against pledge of cold storage receipts.

With permission from Chair, the next round of discussion was on the prevailing market condition and the issues faced by the farmers & cold storage owners. The representatives from the WB Cold Storage Association and the Store Owners expressed concerns over the falling prices of the potato and the problem faced by them in offloading the stock fully due to inability & reluctance of the farmers to release the stock. They requested that SLBC should take up the matter with appropriate authorities for initiating a package for restructuring of A/c's to the extent of outstanding amount still lying against the limit for 2017-18 season. However, representatives from the banks and RBI expressed reservations in this regard in view of the changes brought in February,2018 by RBI withdrawing the extant guidelines on restructuring of stressed accounts. Expressing empathy for the distressed farmers Sri U Kumar, General Manager, UCO Bank, Sri P Chakraborty, AGM (RBI), Sri H S Sarkar,AGM, SBI echoed the observation of the Convener that the main cause is due to market driven dynamics which does not come under the norms of restructuring. It was also discussed in the last SLBC Meeting held on 11-12-2018 and was flagged off by Govt authorities. However as requested SLBC proposes to refer the matter to the appropriate authorities for consideration, if deemed fit. The Convener of SLBC also requested the member banks to explore the possibility of resolution of the issue under the ambit of the extant guidelines.

The meeting ended with vote of thanks by Sri Ramendu Bhattacharjee, Dy General Manager, Prisec (Agri) & Lead Bank, UBI.

  
General Manager (Prisec)

& Convener, SLBC.  
