



युनाइटेड बैंक ऑफ़ इंडिया : United Bank of India
अग्रणी बैंक प्रभाग : LEAD BANK DIVISION

E-mail: slbc.westbengal@unitedbank.co.in
Telephone: 033-2262-7365, 033-2231-1716

11, Hemanta Basu Sarani
Kolkata- 700 001

Ref : SLBC-WB/Potato Sub Com/ ८७५ /2019

Dated, the 7th December, 2019

Member Banks under SLBC, West Bengal

Minutes of the SLBC Sub Committee on Agriculture meeting dated 05-12-2019

- Agenda:**
1. Fixation of ceiling price of potato for 2019-20 season.
 2. Stress in Cold Storage sector and restructuring thereof.
 3. Miscellaneous.

The meeting held on 05-12-2019 was convened to finalize the ceiling price of the potato for bank finance pertaining to the current season through the cold store owners as well as directly to the farmers. The meeting was attended by The Advisor, Institutional Finance (GoWB), Asstt General Managers from RBI & NABARD, Dy Director, Agri Marketing Deptt along with the representatives of the W Bengal Cold Storage Owners Association and the member banks.

1. Fixation of ceiling price of potato for 2019-20 season:

At the outset, the House was informed of the various parameters related to cultivation & pre-harvest cost along with the post-harvest & storage charges for assessing the price. SLBC informed that data on the same was collected from 9 districts, namely, Bankura, Birbhum, Hooghly, Malda, Murshidabad, Purba Burdwan, Paschim Burdwan, Purba Medinipur, Paschim Medinipur & Purulia through the LDMs. The House was requested to take a consensus call on the same for arriving at a uniform price for the State under the prevailing market condition. It was informed by the cold store owners that the price of potato has stabilized since October, 2019 and the production is expected to be normal in this season. The stores are also expected to be offloaded by December, 2019. Cultivation is also expected to start from mid-December, 19 onwards in Hooghly, Burdwan followed by Medinipur, Bankura in the later part of December, 2019. Loading of the new potatoes also expected to commence in time from 1st week of March, 2020 as such.

After a detailed discussion and based on the inputs from the participants regarding major expenses for preparation of land, fertilizers-pesticides, seeds, irrigation, labor cost, etc it was assessed that the average production cost would increase to Rs.64700/- for the current year. This is mainly due to increase in labor charges with around Rs.200/- payable for 100 workers per acre. The yield per acre was assessed to be 120 quintals (including non-sorted potatoes). It was also informed that the storage rent of Rs.157/- for the major potato growing South Bengal districts is Rs.157/- while it is Rs.161/- for North Bengal based stores,



Item wise average production cost as received by LDMs of 9 Districts:

Sr. No.	Items / Parameters	Proposed Average Cost	Accepted Cost
1.	Land Preparation	7362.22	4000.00
2.	Cost of Seed	15627.78	19800.00
3.	Cost of Manure	3170.22	3000.00
4.	Cost of Fertilizer	8499.00	11000.00
5.	Cost of Plant Protection	3440.22	2000.00
6.	Cost of Labour	13670.56	18000.00
7.	Cost of Irrigation	4113.11	3500.00
8.	Cost of Insurance	3451.11	3400.00
Average Production Cost /Acre in Rs.		59334.22	64700.00
9.	Yield/Acre in Quintal	116.56	120.00
Average Production Cost / Quintal in Rs.		509.06	539.17
10.	Cost of Bag /Quintal in Rs.	21.89	21.39
11.	Cost of Assortment & Drying /Quintal in Rs.	32.11	32.11
12.	Cost of Loading & Transportation /Quintal in Rs.	35.00	35.00
13.	Cost of Unloading /Quintal in Rs.	19.89	15.00
14.	Storing Charge /Quintal in Rs.	152.36	157.00
Total Cost of Storage in Rs.		261.24	260.50

Based on above considerations, the House agreed for the following schedule of cost on average basis for ceiling price of potato covering the entire State.

(A) Average Production Cost / Acre	64700.00	(B) Cost of Storage	260.50
Average Yield/Acre in Quintal	120.00		
(C) Avg. Production cost in Quintal	539.17		
(D) Total Cost per Quintal (B+C)	799.67		
Ceiling Price for Cold Storage Owners @ 30% Margin	Rs. 559.75		
Ceiling Price for Farmers @ 25% Margin	Rs. 599.75		

Based on the consensus, it has since been decided to round off the assessed amount and Rs. 560/- (Rupees Five Hundred Sixty) has been adopted as ceiling price for financing cold storage owners against pledge of cold storage receipts.

2. Stress in Cold Storage sector and restructuring thereof:

During the discussion, representatives of the Cold Storage Owners Association informed about the financial stress faced by them on account of unfavorable market condition in the past couple of years and requested the banks to consider their request for restructuring of the loans. The Advisor of Institutional Finance also opined that the request has been made by the store owners for the last years and needs a considerate view on the part of the banks. It was unanimously accepted that the sector is facing stress for the last three years due to market dynamics. The prevailing price at the present point of time is favorable enough for the producers to take release of the stored potatoes, but the price adjustment happened too late say in October, 2019 only after the cold storage owners had already passed off the adverse market condition and incurred the unwanted loss.



The Convener of SLBC stated that the restructuring of advances for stressed accounts can be undertaken under the provisions of the RBI circular issued on 01-01-2019 as applicable for stressed but standard accounts registered under MSME Act as on 31-12-2018. The member banks are to take a call on this matter individually and wherever required bankers are taking up the matter with the regulator for necessary clarification. Bankers also shared the opinion that based on the merit of the proposals received for restructuring, they will dispose of the same on priority basis. RBI has also informed that the decisions taken by the Central Office of RBI is to be followed in the context of the ambit of the master directives only.

3. Miscellaneous:

Reference was also made by Store Owners Association regarding compensation under the Market Intervention Scheme for Procurement Potato as notified by GoWB on 27-02-2019 it was stated by Agri Marketing Department that as per available information there should not be any pending claims regarding payment for loss incurred by store owners for sale of potatoes below the Threshold Price. It was decided that such claims, if any, should be taken up with the Departments along with necessary details/documents.

The meeting ended with vote of thanks to the participants by General Manager & Convener of SLBC, West Bengal.


General Manager
Prisec-Agri & Convener of SLBC

Enclose: List of Participants.



**Sub-Committee meeting on Agriculture (Fixing of ceiling price of Potato for Cold Storage) convened by SLBC,
West Bengal on 05.12.2019 at 3:30 P.M. at Board room, 3rd Floor, Head Office**

Sr No.	NAME (IN BLOCK LETTERS)	DESIGNATION	INSTITUTION	CONTACT NO.	MAILID (IN BLOCOK LETTER)	SIGNATURE
1	SASIBHUSAN MOHANTY	DVP.	AXIS BANK	8697731733	SASI.MOHANTY@AXISBANK.COM	
2	SANSIB SAHA	Regional Cr. Manager	Axis Bank	9732670103	SAHA.SANSIB@AXISBANK.COM	
3	RAVE SETH	Sr. Manager	Axis Bank Ltd	9903988907	RAVE.SETH2@axisbank.com	
4	SUPRIYO DEY	Chief Manager	Central Bank of India	8335000134	sd.kolko@centralbank.co.in	
5	Barnun Kundu	R.M.	BCVBL	9434160383	77msanithu.pgs@legub.co.in	
6	SUSHMITA KUMARI	MANAGER, AGR.	PNB	8335924850	sushmitaag12@gmail.com	
7	SATISH KR SHAW	OFFICER	PUNJAB NATIONAL BANK	9674711586	63 Cokol PNDQ PND.CO.UK	
8	MANTAR SINGH	C.M.	Allahabad Bank	6290966332	KPK.Kolkata@allahabadbank.com	
9	DR. H.M. THAKUR	SM	Bank of Baroda	9944652235	fi.e2@bankofbaroda.co.in	
10	N.S. MADHUKAR	Chief Manager	UCO Bank	9840113324	zo.calcutta@ucobank.co.in	
11	P.K. BANERJEE	Asst. Gen Manager	SBI	9674711586	agmsb2.lhokol@sbi.co.in	
12	Abhijit Mandal	Senior Manager	PBI	7980447980	abhythonandal2996@gmail.com	
13	TARUNKANTI GHOSH	President	W.B.C.S.A	9434026033		
14	PATIT PABAN DE	Ex President	W B C S A	9434088357	office.happ1@gmail.com	
15	RAJA CHAKRABORTY	MEMBER	WB C S A	9748402502	chl@abobty.zajaejato.co.in	
16	Haradhan Sanyal	"	W B C S A	9434223501	haradhan.sanyal@co	
17	Laxmi Sat Kothari	"	WB C S A	7980225970		
18	M.S. BHATTACHARYA	AGM	SBI	9674711422	AGMAGRI.LHOKOL@SBI.CO.IN	
19	KALYAN KAR	"	The WBSCB Ltd	8612R60533	wbseb.famerzadit@gmail.com	
20	P. DATTA	Dy. Director (IA)	Food Dept Govt	9432231602	partha.1486@yeha.co.in	
21	Partha Mitra	AGM	NABARD	9830622302	dor.kolkata@nabard.org	
22	Manas Ghose	Advisor- IF	WB Govt.	9831021619	advisorif.fid-wb@gov.in	
23	PARTHA CHAKRABORTY	AGM	RBI	9771431536	FIDDKOLKATA@RBI.ORG.IN	
24	KANAJIT SENGUPTA	DDA(M)	Dept of Ag-Mktg, WB	9733701465	agimanager@wb.gov.in	
25	Kanwal Jit Shorsen	SLIM	United Bank	9101402901	kgm@unitedbank.co.in	
26	Bhuvan J. Sharma	CM	United Bank	9401178676	name@unitedbank.co.in	
27	ASIT GHOSH	AGM	UBI	8585022667	agmpriee@unitedbank.co.in	
28	SANTOSH KR. GUPTA	CM	UBI	9331234429	msemelpe@unitedbank.co.in	
29						
30						