

NABARD CONSULTANCY SERVICES

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Nabcons & Bank of India have a handshake to boost Agriculture financing

In the series of signing Memorandum of Understanding with major commercial Banks, Bank of India is the second after Punjab National Bank, in doing so. A MoU was signed on 05 August 2005 between the heads of both the organisations. Mr YSP Thorat, MD, NABARD & Chairman, Nabcons and Mr M Balachandran, CMD, BoI signed the MoU in the presence of Mrs Ranjana Kumar, Chairperson, NABARD. This will further boost the agriculture financing as the expertise of Nabcons/ Nabard would be utilized in Identifying, Formulating, Appraising, Monitoring and Evaluating the projects related to agriculture and rural development. The strong muscle of the commercial banks would be used in financing them.

Nabcons inks MoU with SFAC

Nabcons has signed a MoU with Small Farmers' Agri Business Consortium (SFAC) New Delhi, to provide its services for DPR & Techno economic appraisal of projects relating to post harvest management of agricultural produce.

GoI has identified post harvest management of agricultural produce as thrust area to promote development of agriculture. MoU has been signed by Mr S M Sheokand, CEO, Nabcons & Ms Suranjana Ray, Managing Director, SFAC. It is hoped that this arrangement would help both institutions in providing better services to agricultural sector.

Mile Stone Crossed

Nabcons has crossed a landmark of contracting more than 200 assignments. At the end of September 2005 it had contracted 201 assignments from a wide range of domestic and international clients.

| PROGRESS | | |
|-------------|-----|----------------|
| Assignments | No. | Fee (Rs. Lakh) |
| Total | 201 | 1667.02 |
| Completed | 155 | 502.66 |
| Ongoing | 46 | 1164.36 |

| TYPES OF ASSIGNMENTS | | |
|--------------------------------------|------|----------------|
| Type | No. | Fee (Rs. Lakh) |
| Project Preparation | - 82 | 334.32 |
| Project Appraisal | - 28 | 39.70 |
| Feasibility Studies | - 25 | 55.56 |
| Turnaround Strategies | - 02 | 5.50 |
| Financial Mgmt. & Debt Restructuring | - 10 | 29.33 |
| Monitoring & Evaluation Studies | - 28 | 1059.80 |
| Exposure Visits | - 26 | 142.81 |

Ethiopia came calling to India

Having gained a good and fruitful experience from their study visit of Senior Executives, during November 2004, the Development Bank of Ethiopia deputed another delegation of 15

senior officers from various mFIs for a study visit to India. The visit was coordinated and executed by Nabcons. Apart from interaction with senior officials of NABARD at Mumbai, the delegation had a first hand experience of the development of the tribal families under WADI concept during their visit to Vansda taluka in Gujarat. They also had occasions for interacting with a few SHGs in the field. Nabcons is grateful to Chairman, Valsad Dangs Gramin Bank & his team for facilitating delegation's interaction with SHGs in the field. Visitors were impressed with the work done by NABARD & the bank in the field.

DDMs- Nabcons Ambassadors

Mr K Laxminarayana, DDM, Bhagpat, Uttar Pradesh has done extensive marketing for contracting business for Nabcons and has spread awareness of consultancy services available to various Government Departments, cooperatives, firms and entrepreneurs. He was successful in contracting 12 assignments.

National Seminar on Implementation of "NPCBB"



The National Seminar on Implementation of National Project on Cattle and Buffalo Breeding (NPCBB) was organized at National Institute of Industrial Engineering (NITIE), Mumbai on 7th and 8th June 2005. Sixty officials from GoI, State Govts, NABARD and NGOs participated in it. The seminar was inaugurated by Mr YSP Thorat, Managing Director, NABARD and

Chairman, Nabcons and the key note address was given by Ms Nita Chowdhury, Joint Secretary, Department of Animal Husbandry / Dairying, Ministry of Agriculture, Govt. of India. The officials of NABARD made state-wise presentations of study findings.

Organic Farming gets a Booster Dose

Indiscriminate use of chemical fertilizers and pesticides is leading to the deterioration of soil health and productivity, apart from environmental pollution and chemical residues, which make Indian food exports difficult. Intensive agriculture, though increased the food production in the past, is now showing yield stagnation and strain on natural resources. The land, soil and water resources are declining fast and would not support long the agriculture in the present way. A paradigm shift is needed. A UN thematic paper on the subject outlines that organic agriculture, rural development and natural resources conservation, all have a common thread.

The basic principles of organic farming underlines, promotion of sustainable production, without the use of artificial inputs. It lays stress on diversification and adaptive management leading to the improvement in soil and water quality while decreasing the vulnerability to weather factors. The main goals in this method of farming include:

- Make use of natural, local and renewable resources.
- Increase the biological diversity among plants, soil biota and animals
- Use low energy inputs
- Depend largely on natural equilibrium for crop protection from pests, diseases and weeds
- Do not pollute soil, ground water and food products thus grown
- The production system remains stable and viable

In this approach, soil health improvement and fertility build-up are the key factors, along with effective water and crop management. This calls for practices that enhance soil biological

activity, which in turn depends on supply of organic material, increase in plant biodiversity and congenial crop rotations, etc.

In view of the various benefits that are intrinsic to the organic system and well-documented evidence that it brings sustainability in small farms, the Country has decided to promote organic agriculture in a big way. The standards and certification methods have been streamlined by GOI to give a thrust to the programme. Ministry of Agriculture has set up National Centre for Organic Farming with headquarters at Ghaziabad and 6 Regional Offices. Production of organic inputs like bio-fertilisers, bio-pesticides, and composts are crucial in promoting large-scale organic farming. They require systematic planning and substantial investments. Infrastructure for making organic manures needs capital and knowledge. A number of innovative technologies are now available from various research institutes. They need to be popularized. In order to encourage the entrepreneurs to set up such production units, MOA, GOI has initiated a new scheme called "capital subsidy for organic inputs" from the year 2005-06. The scheme is being implemented in collaboration with NABARD and NCDC.

New production units, as also expansion and renovation of existing units are eligible under the scheme. Individuals, group of farmers, proprietary and partnership firms, cooperatives, NGOs, SHGs, private entrepreneurs, etc. are eligible to avail the benefits.

Interested entrepreneurs have to get suitable project reports prepared and apply to the

financing banks for scrutiny and consideration of bank loans, who in turn apply to NABARD for eligible subsidy. NABARD considers subsidy to Commercial Banks, RRBs, SCBs, SCARDBs etc., whereas NCDC would release for projects funded by them in the cooperative sector.

Nabcons can help interested entrepreneurs in project preparation on consultancy basis.

Detailed reports would be prepared with details of technology and financial analysis by studying the sites. There has been tremendous growth in the potential and trade for organic products world over. The growth rate is reported to be as high as 30% per annum. It is time to harness the vast potential available in this sunrise sector.

Salient features of the scheme are as follows:

| Particulars | Types of organic input production units | | |
|---------------------|--|--|---|
| Eligible activities | Bio fertilizer | Vermiculture hatcheries | Compost from fruit & vegetable waste |
| Suggested unit size | 150 ton p.a. | 150 ton p.a. | 100 ton per day of waste processing |
| Outlay (Rs Lakh) | 91.01 | 6.26 | 156.00 |
| Subsidy limit | 25 % of project cost subject to maximum of Rs.20 lakh per unit | 25% of the project cost subject to maximum of Rs.1.5 lakh per unit | 25% of the project cost subject to maximum of Rs.40 lakh per unit |
| Own Involvement | Minimum 25% | Minimum 25% | Minimum 25 % |
| Bank loan | Upto 50% of project cost | Upto 50% of project cost | Upto 50% of project cost |
| Repayment period | Upto 10 years with 2 years grace period depending on Economics | Upto 8 years with 1 years grace period depending on Economics | Upto 10 years with 2 years grace period depending on Economics |



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