***MEMORANDUM TO FINANCE MINISTER***

***Govt. of India***

***SUPPORT FOR ECONOMIC DEVELOPMENT OF LARGE AGRICULTURE SECTOR OF ASSAM* PREDOMINATED BY SMALL AND MARGINAL FARMERS *& IMPACT ON GDP***

* There is approximately 20 lakh hectare land and 25 lakh small and Marginal farmers.
* It is highly potential sector with unique crops but lacking optimum production due to very poor credit flow and absence of bank linkage till date.
* Schemes provided by the Centre for this sector failed to get utilised due to absence of bank linkage.

**Need of the hour is to revive the Assam’s large Agriculture sector with Bank linkage: -**

* This sector never had the privilege to get linked with the bank in an organised manner except KCC and Directive loan.
* We require continuation of all schemes in Agri, Allied & MSE sector viz. PMFME, PMEGP, AIF, NLM, AHIDF, PMMSY etc. which failed miserably in Assam and other parts of North-East due to failure in Bank Linkage.

**Causes of Failure: -**

* Assam agitation and insurgency for nearly 25 years and subsequently a very negative perception of all the banks in Assam about the farmers’ repayment capability.
* There is no customised bank product even for the sector organised and developed by govt. of India during last 10 years.

* We have been doing research for the last 10 years for creating bank linkage for this developed sector and generated awareness with few banks. A small intervention and support from the Finance Ministry will be able to create bank linkage in Assam which in turn can create a very big impact on GDP.

**Mitigations: -**

* Immediate introduction of customised bank products for the developed Agri, Allied and MSE sector of Assam for flow of credit in an organised way in both schematic and non-schematic investment/funding for a win win situation for both the bank and farmers.
* Immediate engagement of PMU to overcome the operational challenges faced by the banks in funding small ticket loans. The issue has already been communicated to our Chief Minister and he has taken initiative in appointing AFC India Ltd. As PMU for Assam.
* List of customised bank products is enclosed for your perusal.

**Piggery: -**

* North East has the highest consumption of Pig meat with a demand of 190000MT per annum.
* Majority of supply comes from outside of the state.
* If the organised Pig rearer of Assam like FPOs/FPCs, SHGs, PRGs are taken into consideration, they can produce (approx.) 50000 MT per annum. Provided small Pig rearer get a suitable scheme for scientific Pig rearing, feed mill and small slaughtering. The existing scheme from centre and the state are difficult to link with banks as the majority of the Pig rearers are tribal and of BPL category.

**Bamboo: -**

* North-east is highly suitable for bamboo plantation due to its soil and climate.
* Large scale bamboo plantation involving FPOs/FPCs is the need of the hour accompanied by post-harvest facilities.
* There will be increase in local demand due to production of Bio-fuel in large quantity, which our Prime Minister visioned and also given effect for such production.

**Conclusion: -**

* During the last two years we are building up the awareness on bank linkage in every level of banks, village panchayats, block level, district level with all the DC’s, higher administration including Secretary, RBI and NABARD.
* Your intervention will definitely help the large Agriculture and Allied sector of Assam to get need based flow of credit through bank linkage.