

Executive Summary

“Accelerating the pace of capital formation in agriculture and allied sector” is the main theme of this Potential Linked Credit Plan for 2016-17.

I Introduction

(a) Tiruppur District was formed in 2009 by carving out 6 blocks from Erode district and 7 blocks from Coimbatore district. The district, with 265 village panchayats, falls under Western zone of agro-climatic region of the state and the soils of the district are suitable for cultivation of wide range of crops. Paddy, Cholan, Maize, Pulses, Groundnut, Coconut, Onion, Drum stick, Glorisa Superba, Tomato and Sugarcane are the major crops grown in the district. Tiruppur is a famous apparel city accounting for as much as 45% of the country's cotton knitwear exports. Seed processing units, Rice mills and Oil mills are some of the major agro and food processing industries functioning in the district. Broiler farming is the major activity under Animal Husbandry playing a major role in providing livelihood opportunities in rural areas. The per-capita income of the district (at 2004-05 prices) during 2010-11 was Rs 72479, registering an annual average growth rate of 11.87 %.

Ground Level Credit (GLC) – Trends

Agency wise progress in ground level credit in the district for the last 3 years:

(Rs. crore)

Purpose	2012-13		2013-14		2014-15		2015-16
	Target	Achvt.	Target	Achvt.	Target	Achvt.	Target
Crop loan	1184.45	1055.63	1202.99	1217.22	1626.70	1378.47	1538.00
Term loan	618.86	297.51	607.15	622.90	523.66	840.69	1004.50
Total agri	1803.31	1353.14	1810.14	1840.12	2150.36	2219.16	2542.50
SME sector	3660.38	2742.20	3665.12	3760.40	4239.65	4267.59	4618.85
OPS	640.03	618.08	705.02	741.78	720.16	735.95	756.30
Grand Total	6103.72	4713.42	6180.28	6342.30	7110.17	7222.70	7917.65

The average share of credit flow to agriculture and allied activities during the previous three years was around 29.6 % of the total priority sector lending. The average share of secondary sector and tertiary sector were around 59 % and 11.4 % respectively.

II PLP 2016-17 – Highlights

The credit potential for the year 2016-17 has been estimated at Rs.9989.23 crore as against Rs.7968.26 cr during 2015-16, an increase of 25.36 %. While retaining the broad projections envisaged in the Base PLP 2016-17, revision of physical/ financial projections has been necessitated on account of changes in unit costs & scales of finance, trends in credit flow, technical parameters, revised priority sector guidelines of RBI and the national priorities of Government. An amount of Rs. 2556.71 cr is estimated as credit potential for agriculture credit which includes Rs.1610.00 cr towards short term credit for agriculture. The credit potential for MSME sector is estimated at Rs.5912.08 cr. As per the revised priority guidelines of RBI, for the first time, credit potential for export and social infrastructure through bank credit has been estimated under the PLP and they stood at Rs.480.00 cr and Rs.18.72 cr respectively. Keeping

in view the priorities of GoI on Housing for all, the credit potential for housing has been estimated at Rs.447.75 cr.

III Constraints faced and suggested action points for Government and Banks

(i) Agriculture today is plagued with many problems, such as, pressure on cultivable land due to fragmentation, diversion of productive agricultural lands to non-agricultural purposes, deficient monsoon, dwindling ground water resources, etc. The Government is addressing the above problems by introducing various schemes and initiatives. Some of the suggested action points for the Government to address the constraints are : Stress on increasing acreage under vegetable cultivation and dryland crops such as minor millets and pulses, promotion of seed village concept, imparting productivity enhancement techniques, integrated farming, organic farming concept, soil and water testing, maintenance of the drip systems, disease/feed management of livestock, etc.,

(ii) The major concern in Bank credit are the predominance of agri. jewel loans under crop Loan and low level of achievement of only 9.63% (average of previous three years) under term lending for agri. and allied activities. Banks may therefore issue KCC Rupay cards to all farmers, implement the mandatory crop insurance scheme (MNAIS), monitor end use of credit particularly in case of crop/agricultural loans issued under jewels as security, forming and supporting Joint Liability Groups (JLGs) of oral lessees/tenant farmers, financing of produce pledge loan, increase the investment lending portfolio and support creation of agri. marketing infrastructure including storage godown. The Financial Inclusion has now gained a momentum with the introduction of social security schemes viz., Pradhan Manthri Jeevan Jyothi Bhima Yojana”, “Pradhan Manthri Jeevan Suraksha Bhima Yojana” and “Atal Pension Yojana” with the ultimate objective of penetration of micro insurance, especially among rural poor in the country. Considering the potential of Dairy farming, an area development scheme for supporting various activities under the sector in all blocks have been prepared for use by the banks for wide replication. Micro Units Development and Refinance Agency Ltd (MUDRA) launched to extend finance and credit support to Banks, Microfinance Institutions (MFI) and agencies that lend money to small businesses, retailers, self-help groups and individuals

(iii) With upgradation of CETPs, possibility of signing of free trade agreement, timely and continued flow of orders, reduced power cuts and industry friendly initiatives of the Government, the garment sector is on the revival path. Some of the suggested interventions for the Government are setting up of a technology transfer centre for providing guidance, technical knowhow, skill upgradation etc. to the entrepreneurs as well as to the workers.

(iv) In the context of holistic development, NABARD has been taking various initiatives in the district such as formation of Farmers Clubs, conduct of technology transfer programmes in Animal Husbandry, value addition in coconut, financial literacy, skill training programmes for SHG members, support to farmers producer companies and support to RUDSETI for conducting skill development training programmes for rural youth, women, poor, SHG members, etc.

IV Critical Infrastructure

The District Administration/implementing departments may identify projects in the agricultural infrastructure sector in consultation with stakeholders and create a shelf of projects. Setting up

of KVK and State Horticulture farm, strengthening / renovating existing water bodies, implementation of major irrigation projects like the Athikadavu-Avinashi, construction of additional storage capacities by TNCS/CWC/FCI are some of the critical infrastructure that may be explored for implementation by the Government.

V Status of SAMIS and other monitoring systems:

The level of submission of LBR 2 is 98 % as on 31 March 2015. For monitoring the various programmes, forum such as DCC/DLRC/BLBC are utilised. Implementation of Financial Inclusion Plan and Government sponsored programmes/schemes, etc are discussed during the meeting.

VI Thrust area for 2016-17:

Formation and credit linkage of joint farming groups, SHG financing, post-harvest infrastructure, food processing, Producer Organizations, Area Development Plans/Schemes, etc. are considered as major thrust area and the PLP estimates have taken into account the various potential available in the district for these sectors. .

VII Theme for 2016-17:

The basic theme of the PLP 2016-17 is "Accelerating the pace of capital formation in agriculture and allied sector". Over the years, while short term loans are flowing adequately, investments in agriculture has not shown greater momentum and there is a need to give a push for capital formation through term lending so as to achieve the growth rate of 4 % in Agriculture sector.

VIII Conclusion:

There is a need for a coordinated approach among various line departments and banks for enhancing capital formation in the Primary sector. Improving the submission of lead bank returns and other prescribed MIS by banks, active participation of banks in BLBC and DCC meetings, effective implementation of the financial inclusion plans, formation and support to Joint Liability Groups of small and marginal farmers, oral lessees, Tenant farmers will help in improving the flow of ground level credit flow as also to assess/ refine policies for priority sector lending.

**Annexure A to Annexure I
Broad Sector-wise PLP Projections - 2016-17**

(Rs lakh)		
S. No.	Particulars	PLP Projections 2016-17
A	Farm Credit	
1	Crop production, Maintenance & Marketing	161000.25
2	Term Loan for agriculture and allied activities	57706.38
	Sub Total	218706.63
B	Agriculture Infrastructure	20407.60
C	Ancillary activities	16557.50
I	Credit Potential for Agriculture (A+B+C)	255671.73
II	Micro, Small and Medium Enterprises	591208.63
III	Export Credit	48000.00
IV	Education	15615.00
V	Housing	44775.00
VI	Renewable Energy	21971.03
VII	Others	19810.00
VIII	Social Infrastructure involving bank credit	1872.00
	Total Priority Sector (I to VIII)	998923.39

Appendix B to Annexure I
Summary of Sector/Sub-sector-wise Estimates (2016-17)
(Rs. lakh)

Sl. No.	Particulars	PLP Projections 2016-17
I	Credit Potential for Agriculture	
A	Farm Credit	
i	Crop production, Maintenance & Marketing	161000.25
ii	Water Resources	10486.71
iii	Farm Mechanization	8449.20
iv	Plantation and Horticulture	21922.22
v	Forestry and Wasteland Development	1500.40
vi	Animal Husbandry - Dairy	8202.88
vii	Animal Husbandry- Poultry	4464.54
viii	Animal Husbandry- Sheep, Goat, Piggery, etc	2171.25
ix	Fisheries	23.18
x	Others – Bullock, Bullock cart, etc.	486.00
	Sub Total	218706.63
B	Agriculture Infrastructure	
i	Construction of storage facilities (Warehouses, Market yards, Godowns, Silos, Cold storage units/ Cold storage chains)	5570.50
ii	Land development, Soil conservation, Watershed development	11244.60
iii	Others (Tissue culture, Agri bio-technology, Seed production, Bio pesticides/ fertilizers, Vermin composting)	3592.50
	Sub Total	20407.60
C	Ancillary activities	
i	Food and Agro processing	16012.50
ii	Others (Loans to Cooperative Societies of farmers for disposing of their produce, Agri Clinics/ Agri Business Centres, Loans to PACS / FSS/ LAMPS, Loans to MFIs for on lending)	545.00
	Sub Total	16557.50
	Total Agriculture (A+B+C)	255671.73
II	Micro, Small and Medium Enterprises	
i	MSME – Working capital	441524.75
ii	MSME – Investment credit	149683.88
	Total MSME	591208.63
III	Export Credit	48000.00
IV	Education	15615.00
V	Housing	44775.00
VI	Renewable Energy	21971.03
VII	Others (Loans to SHGs/JLGs, loans to distressed persons to prepay non-institutional lenders, PMJDY, loans to state sponsored institutions for SC/ST)	19810.00
VIII	Social Infrastructure involving bank credit	1872.00
	Total Priority Sector (I to VIII)	998923.39

District Profile

District - TIRUPPUR	State - Tamilnadu	Division -
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1. PHYSICAL & ADMINISTRATIVE FEATURES

Total Geographical Area (Sq.km)	5186
No. of Sub Divisions	3
No. of Blocks	13
No. of Villages (Inhabited)	350
No. of Village Panchayats	265

2. SOIL & CLIMATE

Agro-climatic Zone	Southern Plateau and Hills		
Climate	Semi Arid Dry sub Humid		
Soil Type	RED GRAVEL,CLAY LOAM,LOAMY, RED LOAMY, BLACK LOAM,SANDY LOAM,SANDY CLAY LOAM,GRAVEL SANDY LOAM, CLAY LATERITIE SOIL		

3. LAND UTILISATION [Ha]

Total Area Reported	519559
Forest Land	48168
Area Not Available for Cultivation	71294
Permanent Pasture and Grazing Land	126
Land under Miscellaneous Tree Crops	1988
Cultivable Wasteland	3926
Current Fallow	92395
Other Fallow	122136
Net Sown Area	179460
Total or Gross Cropped Area	181471
Area Cultivated More than Once	2011
Cropping Intensity [GCA/NSA]	1.01

4. RAINFALL & GROUND WATER

Rainfall [in mm]	Normal	Actual	2011-12	2012-13	2013-14
	618.2		655.0	364	335.3
	Variation from Normal		6.0	-41.1	-45.8
Availability of Ground Water [Ham]	Net annual recharge		Net annual draft		Balance

5. DISTRIBUTION OF LAND HOLDING

Classification of Holding	Holding		Area	
	Nos.	% to Total	Ha.	% to Total
<= 1 Ha	71607	40	38219	11
>1 to <=2 Ha	50377	28	71912	20
>2 Ha	59164	33	245544	69
Total	181148	100	355675	100

6. WORKERS PROFILE [in '000]

Cultivators	180
Of the above, Small/Marginal Farmers	132
Agricultural Labourers	168
Workers engaged in Household Industries	1168
Workers engaged in Allied Agro-activities	NA
Other workers	975

7. DEMOGRAPHIC PROFILE [in '000]

Category	Total	Male	Female	Rural	Urban
Population	2479	1246	1233	957	1522
Scheduled Caste	395	197	198	NA	NA
Scheduled Tribe	5	2	3	NA	NA
Literate	1760	959	801	611	1149
BPL	NA	NA	NA	NA	NA

8. HOUSEHOLDS [in '000]

Total Households	700706
Rural Households	283140
BPL Households	417566

9. HOUSEHOLD AMENITIES [Nos. in '000 Households]

Having brick/stone/concrete houses	198212	Having electricity supply	655073
Having source of drinking water	669497	Having independent toilets	400593
Having access to banking services	700706	Having radio/ tv sets	609808

10. VILLAGE-LEVEL INFRASTRUCTURE [Nos]

Villages Electrified	265
Villages having Agriculture Power Supply	380
Villages having Post Offices	336
Villages having Banking Facilities	350
Villages having Primary Schools	NA
Villages having Primary Health Centres	43
Villages having Potable Water Supply	265
Villages connected with Paved Approach Roads	265

13. IRRIGATION COVERAGE [Ha]

Total Area Available for Irrigation (NIA + Fallow)	204454
Irrigation Potential Created	
Net Irrigated Area (Total area irrigated at least once)	112059
Area irrigated by Canals / Channels	26530
Area irrigated by Wells	69541
Area irrigated by Tanks	900
Area irrigated by Other Sources	15088
Irrigation Potential Utilized (Gross Irrigated Area)	113667

15. AGRO-PROCESSING UNITS**

Type of Processing Activity	No of units	Cap.[MT]
Food (Rice/Flour/Dal/Oil/Tea/Coffee)	76	NA
Sugarcane (Gur/Khandsari/Sugar)	3	NA
Fruit (Pulp/Juice/Fruit drink)	12	NA
Spices (Masala Powders/Pastes)	64	NA
Dry-fruit (Cashew/Almond/Raisins)	NA	NA
Cotton (Ginning/Spinning/Weaving)	2	NA
Milk (Chilling/Cooling/Processing)	64	NA
Meat (Chicken/Mutton/Pork/Dryfish)	1320	2042
Animal feed (Cattle/Poultry/Fishmeal)	12	NA

17. ANIMAL POPULATION AS PER CENSUS 2012 [in '000]

Category of animal	Total	Male	Female
Cattle - Cross bred	262	26	236
Cattle - Indigenous	24	7	17
Buffaloes	47	5	42
Sheep - Cross bred	6	2	4
Sheep - Indigenous	362	55	307
Goat	205	54	151
Pig - Cross bred		0	0
Pig - Indigenous	3	1	2
Horse/Donkey/Camel	0		
Poultry - Cross bred	16561		
Poultry - Indigenous	443		

11. INFRASTRUCTURE RELATING TO HEALTH & SANITATION [Nos]

Anganwadis	1512	Dispensaries	2
Primary Health Centres	43	Hospitals	8
Primary Health Sub-Centres	242	Hospital Beds	1129

12. INFRASTRUCTURE & SUPPORT SERVICES FOR AGRICULTURE

Fertiliser/Seed/Pesticide Outlets [Nos]	594	Agriculture Pumpsets[Nos]	50861
Total N/P/K Consumption [MT]	20552	Pumpsets Energised [Nos]	46297
Certified Seeds Supplied [qtl]	2427	Agro Service Centres [Nos]	111
Pesticides Consumed [lts]	33820	Soil Testing Centres [Nos]	13
Agriculture Tractors [Nos]	4368	Plantation nurseries [Nos]	NA
Power Tillers [Nos]	NA	Farmers' Clubs [Nos]	89
Threshers/Cutters [Nos]	NA	Krishni Vigyan Kendras[Nos]	nil

14. INFRASTRUCTURE FOR STORAGE, TRANSPORT & MARKETING

Rural/Urban Mandi/Haats [Nos]	35	Wholesale Market [Nos]	2
Length of Pucca Road [Km]	5193	Godown [Nos]	NA
Length of Railway Line [Km]	32	Godown Capacity[MT]	NA
Public Transport Vehicle [Nos]	568	Cold Storage [Nos]	5
Goods Transport Vehicle [Nos]	29157	Cold Store Capacity[MT]	NA

16. AREA, PRODUCTION & YIELD OF MAJOR CROPS

Crop	2012-13		2013-14		Avg. Yield [Kg/Ha]
	Area (Ha)	Prod. (MT)	Area (Ha)	Prod. (MT)	
Paddy	166	-	7511	43377	4811
Maize	17593	99664	22824	184519	7012
Pulses	14108	3090	19175	7674	348
Ground nut	4375	4922	7422	10507	1555
Gingelly	336	224	828	513	692
Sugarcane (in canes)	5395	428724	4713	461927	100234
Cholam	25608	10679	33203	13301	583

18. INFRASTRUCTURE FOR DEVELOPMENT OF ALLIED ACTIVITIES

Veterinary Hospitals/Dispensaries [Nos]	98	Animal Markets [Nos]	8
Disease Diagnostic Centres [Nos]		Milk Collection Centres [Nos]	41
Artificial Insemination Centres [Nos]	31	Fishermen Societies [Nos]	5
Animal Breeding Farms [Nos]	nil	Fish seed farms [Nos]	2
Animal Husbandry Tng Centres [Nos]	1	Fish Markets [Nos]	3
Dairy Cooperative Societies [Nos]	457	Poultry hatcheries [Nos]	1
Improved Fodder Farms [Nos]	nil	Slaughter houses [Nos]	3

19. MILK, FISH, EGG PRODUCTION & THEIR PER CAPITA AVAILABILITY

Fish	Production [MT]	91	Per cap avail. [gm/day]	NA
Egg	Production [Lakh Nos]	850	Per cap avail. [nos/p.a.]	NA
Milk	Production [lakh lts]	2.02	Per cap avail. [ml/day]	NA
Meat	Production [MT]	2042	Per cap avail. [gm/day]	BNA

** units registered with DIC Tiruppur. No information available about units registered prior to formation of the district.

Sources (if not mentioned against the respective item): Item Nos. 1, 6, 7, 9 & 10 - Latest Census ; Item Nos. 2, 3, 5, 12, 13 & 14 - Dept. of Agr./Dir. of Eco. & Stat; Item No. 4 - Dept. of Agr./Water Resources; Item No. 8 - BPL Survey ; Item No. 15 - District Ind Centre/Dir. of Eco. & Stat; Item No. 16 - DACNET; Item No. 17 - AH Census ; Item Nos. 18 & 19 - Dir. of Animal Hus./Dir. of Eco. & Stat.

