

NABARD State Focus Paper 2014 - 15 Jharkhand

State Focus Paper 2014-15
Jharkhand State

EXECUTIVE SUMMARY

The State Focus Paper for XII five-year plan 2012-13 to 2016-17 with special reference to 2014-15 presents a comprehensive plan / perspective of the exploitable credit potential for various sectors/sub-sectors / activities under the Priority Sector in the State. The plan has been prepared taking into account the resource endowments, present level of infrastructure and extension support available/being developed, current and likely future market trends and skill profile of the people of the State while also underlining the further infrastructure requirements. It has also taken into account various initiatives being taken currently by Govt. and other stakeholders with a view to increasing production and productivity under Agri. and Allied sectors. Attempts have also been made to list out some of the critical issues which need to be addressed to improve credit absorption capacities of various sub-sectors and also to improve the banking outreach to harness the credit potential in the State to an optimum extent. The strategies / action points suggested in the document are expected to be mulled in greater details and deliberated upon by the respective Institutions/agencies and implemented appropriately in order to achieve planned development of the State through efficient deployment of targeted level of credit.

1. STATE PROFILE

The Jharkhand State has a total geographical area of 79,714 sq Km i.e. 2.42% of India's total geographical area. The State has 24 districts, 5 divisions, 38 sub-divisions, 260 development blocks, 149 towns, 4423 panchayats and 32620 revenue villages. According to the Census 2011, State population stood at 3.29 cr (2.7% of India's total population) with a decadal growth of 22.34%. Out of total population, 2.50 cr (75.95% of total) is rural and 0.79 cr (24.05% of total) is urban. Rural population has decreased by 1.81 % from 2001 to 2011. The population density per sq km is at 414 (338 as per census 2001). As per 2011 census, the ST & SC population constitute 26.19% and 12.0% of total state population, respectively. Literacy rate stood at 66.41% (National literacy rate of 74.04%) with 76.84% for males and 55.42% for females leaving a huge gender gap of over 20%.

The State comes under Agro-Climatic Zone VII i.e. Eastern Plateau & Hills Region having net sown area of 25.75 lakh Ha. out of 39 lakh Ha. of total cultivable land. The Agricultural economy of the State is characterized by dependence on monsoon, low investments, low productivity, mono-cropping with paddy (covering ~80% of total cropped area) leading to huge rice fallows, inadequate irrigation facilities (irrigation potential is only ~20% of the total cultivated area) and wide prevalence of small and marginal holdings with average land holding of the State at 0.83 Ha. The share of small and

marginal farm holdings to the total holdings is 84.06% whereas only 0.73% of operational holdings are above 10 Ha. covering about 9.82% of area. The major crops of the State are rice, maize, wheat and chick pea. The State has an eminent position in terms of vegetable crop production as well as productivity. Also, the State is a potential hub for horticulture, medicinal & aromatic plants and organic farming. There has been a phenomenal growth in sericulture sector. A record production of Tassar Silk has been achieved in recent years generating employment opportunities for around 2.00 lakh persons in the sector.

Huge availability of mineral resources (40% of India's) has led to establishment of significant number of major industries in the State under Iron and Steel, Automobiles, Fertilizers, Chemicals, Cement, etc. sectors and thus, the State holds immense further potential for planned industrialization as well as growth of MSME sector.

The State has a huge number of natural sites viz. rivers, waterfalls, wild life sanctuaries, national parks, historical sites, etc. which provide good opportunities under tourism sector, especially eco-tourism.

GSDP of Jharkhand at current prices has increased from Rs 87,793 crore in 2008-09 to Rs 1,47,840 crore in 2012-13. Share of Primary Sector i.e. Agri & Allied Activities and Mining & Quarrying to GSDP stood at 27.20% (for Agri & Allied activities : 14%). Similarly, the per capita income of Jharkhand has also increased from Rs 28,844 in 2008-09 to Rs. 45,972 in 2012-13.

2. FINANCIAL SECTOR DEVELOPMENT IN THE STATE

2.1 Branch Network :

As on 31.03.2013, the State had a network of 2391 bank branches of 24 Public Sector (71.45%) & 13 Private Sector Commercial Banks (6.15%), 02 Regional Rural Banks (17.65%), 8 District Central Cooperative Banks (which are in process of merging in recently created State Cooperative Bank) which further increased to 2510 as on 30.9.2013.

Against the position obtaining as on 31.3.2013, 1262 branches are in rural area (max. of Public Sector i.e. 46% of their total branches and min. of Private Sector Commercial banks i.e. 8% of their total branches), 584 are in semi-urban area and 545 are in urban area. Private Sector CBs have largely remained confined to urban centers / district towns and they are yet to make a meaningful foray into rural hinterlands of State and as such, there are ample opportunities for Private Sector CBs to expand themselves into rural/semi-urban areas of the State.

Further, start of full-fledged functioning of StCB is likely to provide a further fillip to credit flow to agri. sector especially for crop loan (KCC) purposes. GoJ is also visualising to make certain changes so as to designate PACS as BCs of StCB.

As on 31.03.2013, per branch population works out to be 13793 which is 16.70% more than the national avg. of 11820. District-wise analysis reveals that per branch population is max. for Garhwa (i.e. 25431) while it is min. for East S'bhun (i.e. 9918). Thus, in order to promote equity and reduce geographical disparities in development as also keeping in view the Gol's focus on DBT & other developmental schemes, especially in LWE affected districts, **there is a strong need for focused attention to be given by banks to increasing their outreach in districts with relatively higher per branch population.**

Regarding ATM coverage, as announced by H'ble Union FM P. Chidambaram in his Union Budget 2013-14 speech, all branches of 26 Public Sector CBs will have an on-site ATM (within 500m radius of branch) by end of March 2014. In this regard, in case of Jharkhand, as on Sept. 2013, gap of 345 ATMs still exist. Further, RRBs are still'nt able to provide ATM facilities to their customers.

2.2 CD Ratio :

As on 31.03.2013, CD Ratio for the State stood at 52.12% (59.47% including RIDF and place of utilisation) against All-India CD Ratio of 78.1%. District-wise analysis reveals that as many as 16 districts of the State had a CD ratio below 40% of which the lowest was for Chatra district at 28.62 %. With a view to giving focused attention on improving CD ratio in these districts, a separate Sub-Committee of DLCC has been constituted in each of these districts.

2.3 The performance of the banking sector based on a trend-analysis on a year to year basis under key parameters is as below :

S. No.	Key Business Parameter		Position as on 31.03.12	Position as on 31.03.13	National Benchmark (%)*
1	CD Ratio	With RIDF & place of Utilisation	60.08%	59.47%	60%
		Without RIDF	51.94%	52.12%	
		Rural CD Ratio	38.39%	41.22%	
		Semi-Urban CD Ratio	39.57%	38.99%	
2	Share of PSA to Total advances (%)		54%	63.02%	40%
3	Share of Agri Advances to Total advances (%)		12.99%	13.33%	18%
4	Share of MSEs to Total advances (%)		27.40%	34.70%	
5	Share of advances to Micro enterprises to total MSE advances		38.49%	36.77%	60%
6	Share of weaker section Advances to Total Advances (%)		18.1%	13.84%	10 %
7	Share of DRI Advances to Total Advances (%)		0.82%	0.18%	1 %
8	Share of advances to women in Total Advances (%)		6.39%	13.08%	5%
9	Share of advances to Minorities of PSA (%)		7.48%	9.23%	15 % of PSC

*% of ANBC or credit equivalent amt of off-Balance Sheet Exposure, whichever is higher. [Source : SLBC]

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2.4 Trends of Ground Level Credit (GLC) flow

A trend analysis of achievements during last three years, i.e, from 2010-11 to 2012-13 indicates that :

Priority Sectors

- While the achievement level of banks under Non Priority Sectors has been in the range of more than 90% and over 150%, the same has **remained relatively lower** and ranged between 68% and 89% **in respect of priority sector.**
- Except for the year 2012-13, the credit disbursement under priority sector has not shown any significant growth.

Agriculture Sector

- The share of agri. Sector in the total GLC flow under Priority Sector has remained within 30% while that of MSE has been in the range of 37-49% during the review period.
- Though credit flow to agri sector has witnessed a growth of 14.84% & 30.93% in the years 2011-12 & 2012-13 respectively, it fell much short of the targets as the achievement levels remained at 49.26%, 71.46% and 85.26% for the years 2010-11, 2011-12 & 2012-13 respectively.
- GLC flow under agri. Sector in the State during 2012-13 which was at Rs 2248.42 crore constituted a meager **0.37% of the GLC flow for agri. Sector at all-India level**, while the **Gross Cropped Area (GCA) of the state is 2% of All-India GCA**. Thus, the above data is a pointer to a symptom of credit insufficiency under agri. sector in the State and entails enhanced credit flow to the sector.
- Agri. sector advances in terms of outstanding credit has also remained at a much lower level **at around 13%** as against the min. prescribed 18% target which is a matter of great concern.
- The commercial banks as a group have been accounting for more than 85% of the credit flow to agri. sector in the State.
- The achievement level of RRBs as a group has generally remained at a relatively lower levels vis-a-vis targets during these years.
- Cooperatives have not been found to be playing any significant role in dispensation of agri. credit in the State.
- There's a wide difference in provision of agri. credit by Commercial Banks and RRBS on a per branch basis which is at Rs.107.55 lakh for commercial banks as against Rs. 62.97 lakh for RRBs for the year 2012-13.
- Sub-sector wise data under agriculture credit is not being sourced, compiled and consolidated at any level in the State on account of non-stabilisation of LBR system. Hence, no meaningful analysis of sub-sector-wise trend of agri finance in the State could be presented here.

Agriculture Term Loan

- The share of credit flow under agriculture term activities is at 11.02% and 28.39% during the

years 2011-12 and 2012-13 respectively and thus, it's not quite significant and large part of financing under agri. is confined to KCC scheme only.

- In order to boost up capital formation so as to facilitate increase in agricultural productivity and sustainability, term financing assumes critical importance. Thus, the same needs to be monitored and reviewed properly.
- Certain constraints identified in financing of agricultural term projects such as updation and computerisation of land records, certain restrictive provisions of CNT and SPT Acts, negligible contribution of Private Sector CBs, etc. need to be adequately addressed in order to ensure that project financing under agriculture sector picks up to the desired levels.

Recovery Position under Agriculture Sector

- Recovery position under Agri. Sector State at 61% for 2012-13, though less than All-India position (74% for 2012-13), has shown improvement.

Non Farm Sector / Micro Small Enterprises

- There has been a successive growth in credit flow under NFS/MSE sector registering a growth of 25.89% during year 2011-12 and 9.02% during year 2012-13.
- In terms of outstanding credit, the share of credit to micro enterprises in total credit to MSE sector during last three years has remained at 30.09%, 38.49% and 36.77% respectively against the stipulated level of 60% which needs to be given attention to.
- Commercial Banks accounted for a overwhelmingly majority share of 94.79%, 82.07% and 97.16% during the years 2010-11, 2011-12 and 2012-13 respectively. Among Commercial banks, Public Sector Commercial banks had a major role.
- RRBs accounted for a very thin share in total credit flow to the sector and there has been no perceptible growth in credit flow to the sector by them.
- Cooperatives are yet to make any headway in terms of finance to the sector.
- Keeping in view, employment generation and increase in income in rural areas, banks especially RRBs should devise innovative products such as cluster approach, etc to support the sector.

Non-Performing Assets (NPAs)

- Increasing NPAs has remained a concern for the banks. As on 31st March 2013, total NPAs (including PS and NPS) of the banks stood at Rs 2766.88 crore in which the share of different sectors, viz, Agri., MSE, OPS & NPS stood at Rs.574.73 crore, Rs 1192.31 crore, Rs.318.41 crore and Rs.761.07 crore respectively.
- Banks need support of State Govt such as appointment of Certificate Officers at district level, etc. for containing their NPAs.
- Wide publicity and promotion of Gol's Interest Subvention scheme for prompt repayment by farmers under KCC, WSHG and other schemes by all stakeholders could prove to be a game-changer strategy for improving overall recovery climate in the State.

2.5 Kisan Credit Card Scheme coverage and issues

- From the year 2011-12 onwards, there's a perceptible growth in credit flow to the sector which could be attributed to the special emphasis given by the GoI for coverage of all eligible farmers under KCC scheme, KCC intensification scheme launched by GoJ, efforts of banks, NABARD, etc.
- With issuance of a total number of 6,88,705 KCCs during the year 2012-13, the cumulative number of KCCs issued by banks thus far in the State stood at 27.51 lakh. Out of this, a total of 15,72,764 KCCs were issued during last 03 years.
- The share of commercial banks (CBs) in the same is a predominant 77.61%. However, among CBs, the banks from Pvt Sector are yet to make any meaningful foray into this area.
- The revised KCC scheme provides for assessment of all necessary requirements of farmers and fixation of quantum of credit based on latest Scale of Finance (SoF) plus amounts for certain other components such as insurance premium, post-harvest / household / consumption requirements, maintenance expenses of farm assets, etc. so as to facilitate KCC which was expected to result in a substantial hike in **disbursement amount per KCC**.

However, it has been observed that disbursement amount per KCC is still at a low level of which is even less than avg SoF/hectare. Since availability of adequate credit has been recognized as one of the critical inputs that go into raising of agricultural production and productivity, it has to be ensured by all stakeholders that legitimate credit requirements of farmers are met by banks.

Further, on a comparison of the average financing per KCC of State with All-India i.e. 16000 and 48000, respectively, a huge gap is observed. It may further be noted that %age of SF/MF in total number of farmers for the State as well All-India is same at around 84%. Thus, there is a strong case for the need to upscale financing per unit through KCC by taking into account SoF and size of farmer's landholding plus other admissible components as per revised guidelines. An action plan may be prepared for improving the state of financing in next 2 years to bring it to the national level.

- A study need to be conducted by lead banks under SLBC guidance in certain districts to find out adequacy of credit, proportion of operational and dormant KCCs, etc. and to prepare a comprehensive data base of existing KCCs in order to effectively evaluate the true status of implementation of KCC scheme at the field level and assess the adequacy of availability of institutional credit to farmers as against their dependence on money lenders for farming requirements.
- **Smart Kisan Card/RuPay Kisan Card** : The Progress made by RRBs in issuance of RuPay Kisan Credit Cards as on 31st December 2013 is 43,934 and 25,402 cards by Jharkhand and Vanachal

Gramin Bank, respectively. The status for Commercial Banks as on 31.03.2013 is 33536 Rupay Kisan Cards. As deadline to cover 100% KCC under RuPay has already crossed, there is a need for assigning greater priority to this task and undertaking of review of bank-wise action-plan by SLBC and RBI.

- **Crop Insurance :**

In the State, the crop insurance is provided by various insurance companies for the State Govt. notified districts and crops for both loanee and non-loanee farmers. Presently, 02 pilot schemes viz. Modified National Agricultural Insurance Scheme and Weather Based Crop Insurance Scheme are being implemented in 18 districts of the State for the notified crops. In remaining 06 districts, National Agriculture Insurance Scheme is being implemented. GoJ is instrumental in gradual success of the scheme by extending its support to farmers (by paying a part of premium) as well as to agriculture insurance companies (by creating awareness at village level). Recently, a National Crop Insurance Programme has been announced by Gol in which the existing WBCIS and MNAIS have been made as components of NCIP. However, issues like specified cut-off dates for sanction of KCC facility/disbursement of loans for coverage under insurance scheme, etc. need to be addressed appropriately by the State Govt/Gol in order to facilitate synchronization of the same with KCC scheme.

2.6 Role of Scheduled Private Sector Commercial Banks in the State

The role of Private Sector Scheduled Commercial Banks (PSSCB) in Jharkhand is not at par with the potential and capabilities shown by these banks in other states, especially in rural areas as well as towards agriculture and allied activities. This can be gauged from the fact that as on 31st March 2013, Rural CD Ratio of all the PSSCB except ICICI Bank is much below the State as well as national benchmark and it is zero for most of the PSSCBs. Similarly, as on 31st March 2013, the contribution of PSSCB towards Agri. ACP is only 6.20% with the most of the PSSCBs contributing nil. In terms of agricultural credit outstanding as on 31st March 2013, the contribution of PSSCB is only 2.93% and here again for most of the PSSCBs it is zero. The share of total deposits of PSSCBs in outstanding deposits as on 31st March 2013 in the State stood at 7.06% and the share of total advance of PSSCBs in outstanding advances as on 31st March 2013 in the State stood at 9.15%

2.7 Status of Financial Inclusion in the State

For the Jharkhand State, in 1st phase of FIP, as per the SLBC Jharkhand, 1541 villages of Jharkhand with 2000+ population which were allotted to different banks for opening of banking outlets are being serviced through 1463 BCs and other modes. In 2nd phase of FIP, it has been extended to ensure that there is at least one bank branch in every 5 kms and 01 BCA in 2 kms covering all remaining villages. Besides this, other initiatives under FIP includes opening of Financial Literacy Centre (FLCs) in all the districts, support to banks for adoption of technology, awareness programmes, etc. All banks have give

03 years' programme upto 31.03.2016 to cover all villages. RBI, NABARD, SLBC and bankers are playing crucial role to make the state financially inclusive. It will help to implement schemes of EBT, DBT, etc more efficiently and effectively.

2.8 Status of Microfinance in the State

As per SLBC figures, in 2012-13, 27887 SHGs have been saving linked with banks and out of which 5250 SHGs have been cumulatively credit linked by banks in Jharkhand.

Under NABARD SHG-BLP programme, as on January 2014, 7315 SHGs have been formed, of which 5705 have been savings linked and 2652 have been credit linked with banks. Similarly, under GoI's WSHG programme, as on 31st January 2014, 27775 SHGs have been formed, of which 17057 have been savings linked with banks. However, of the above, only 1248 SHGs have been credit linked with banks. Thus, the pace of providing credit linkage of WSHGs is very slow and as such, it's a matter of concern.

Interventions required for Micro finance :

- Banks should adopt micro finance policy as a part of their credit policy.
- FLCs should be established in all blocks and FLCs to be more proactive.
- Cooperatives being closest to excluded people should win greater interest in Microfinance Programme / FIP.
- Cooperatives to be activated & start micro finance and financial inclusion campaign.
- Massive publicity is required through audio-visual media.
- JLGs need to be promoted to cover 20 lakh excluded farmers and tenant farmers.
- Sensitization of bank officials and their controllers
- Standardization of different practices of SHGs.
- Anganwadi workers need to be roped in as SHG promoters with incentives.
- Convergence of schemes directed towards SHGs.
- Publicity for micro-insurance and micro-pension may be taken up.
- Bankers should adhere to relaxed KYC norms while opening A/Cs for excluded people.

2.9 Various initiatives of GoI, GoJ, RBI and NABARD for access to Institutional Finance

Various initiatives by GoI like GoI ISS for ST Crop loans extended to Pvt Sector CBs, greater support to MSMEs as well as handloom sector, FPOs, SHGs, etc; GoJ like fast progress in updation and computerisation of land records, waiver of stamp duty on development activities related loans, etc; RBI like issuing revised and more inclusive circulars to banks, etc; NABARD like more promotion of SHGs, JLGs, Farmers' Clubs as well as successful implementation of various pilots, etc. alongwith initiatives by bankers may increase the GLC flow in coming years in the State.

3. NABARD'S PERCEPTION ON THE DEVELOPMENT PERSPECTIVE FOR THE STATE

The development of various sectors of rural economy viz. Agriculture and allied activities, skill and entrepreneurship development, etc is dependent on various factors such as development potential, current stage of development, availability of linkages, infrastructural facilities and markets, tastes and preferences of market, Govt's policies and incentives, easy availability of bank credit, etc. Thus, in order to be able to decide and plan appropriately about various interventions needed for securing a holistic development of each of the sectors, it is important to attempt an analysis of such factors including issues, constraints and challenges under important sectors viz. agriculture and allied activities.

Accordingly, in the backdrop of the above, an analysis of various sectors as perceived by NABARD such as agriculture and allied sectors, MSME as well impact of prevailing poverty in the State on the long-term development vision of the State has been presented in the document.

4. NABARD'S INITIATIVES IN THE STATE

NABARD has also been contributing in Rural Poverty Alleviation through its various initiatives/schemes like SHG-Bank Linkage Programme, JLG, Watershed development, Tribal development, WADI, CDP, REDP, support to weavers, RIDF, R&D Fund, etc.

NABARD has been implementing various Model Projects with an objective of increasing production, productivity and providing sustainable livelihood in drought prone, marginal and rain-fed areas of Jharkhand through schemes such as SRI Method for cultivation of paddy, Watershed Development, Tribal Development through Horticulture based livelihood interventions (WADI and Lac Cultivation), Propagation of Drip Irrigation System in Vegetable Cultivation, Augmenting Production of Lead Crops, etc. All these interventions have resulted in improved natural resources viz.

- Improvement in soil moisture,
- Groundwater recharge,
- Increase in vegetative cover
- Creation of irrigation structures, etc

The above positive factors have resulted in providing a favourable condition to increase agriculture production, productivity, increase in cropping intensity, crop diversification, etc., particularly in water scarce and drought prone areas. Besides, these pilot projects have led to formation of Community based Organisations like, Village Committees, Water users' Association (Pani Panchayats), SHGs, JLGs, Farmers' Clubs, etc. Formation of such Community Organisations assures democratic and judicious use of infrastructure created in the project areas. These interventions results in improvement in social indicators viz.

- Reduction in migration,
- Improvement in health and hygiene,
- Literacy level,
- Women Empowerment, etc.

5. INFRASTRUCTURE PLANNING

Economic growth and human development are strongly determined by the prevailing infrastructure development scenario. Infrastructure especially rural infrastructure is almost totally publicly funded, and the govts at the Centre and the States level, have budgetary constraints. Rural infrastructure in the State in terms of its roads, bridges, electricity supplies, communication facilities, irrigation systems, water supply and sanitation, warehouses, godowns and market yards, schools and health centres is woefully short of demand as can be gauge from infrastructure development index as well as closely related agricultural development index and human development index of the State presented in the document.

The gap between Jharkhand and all-India average is considerable for physical infrastructure. As per Gol sources, 97% of India's habitations have access to safe drinking water while the figure is 64% for Jharkhand. 75.32% of India's households have toilets (IHHL), while the figure is 45.15% for Jharkhand. As per the 'Basic Road Statistics of India 2012', the road length in Jharkhand is 299.9 km per 1000 sq km compared to national average of 1426 sq km. Similarly, the rural surfaced road length in Jharkhand is 77 km per 1000 sq km, compared to national average of 261.41 sq km. Similarly, in 2011-12, per capita consumption of electricity in Jharkhand is 552 kWh, compared with 879.22 kWh for India. As per Economic Survey 2012-13, Jharkhand is among high focus state due to significant gaps in the required number of primary health centres (i.e. 66% of the requirement). Further, there is huge rural-urban gap between the safe delivery (those in health facilities or home deliveries assisted by health providers) i.e. 39% for rural and 75% for urban areas. The critical elements in physical infrastructure are roads, electricity and water, of the drinking and irrigation variety. If parts of Jharkhand are bypassed and marginalized on access to these, it shouldn't be surprising that large segments of the population will be bypassed and marginalized on access to growth opportunities as well. The 12th Finance Commission have grouped States into 05 categories and placed Jharkhand under "low" category.

Storage Godowns / Warehousing facilities in the State is not adequate. As per data provided by FCI, Gol's High Level Committee (HLC) 2010 approved 4.75 lakh MT storage capacity for the State under PEG but till date the creation of infrastructure (in complete) is negligible i.e. at 15,000 MT (under PEG). Apart from completed capacity, about 65000 MT capacity is likely to be completed by March 2014 under

PEG Scheme.

The GoJ has taken initiatives for development of infrastructure in rural areas with its own resources, funds from Gol and various other agencies. Among these, financial assistance from Gol via NABARD under RIDF has a significant role. Since the inception of RIDF during 1995-96, 2770 projects involving RIDF loan of Rs 5290.56 crore under RIDF-III to XVIII in the State. Out of Rs 5290.56 crore loan sanctioned, Rs 3305.66 crore has been disbursed to State Govt as on 31st December 2013. As against 2770 projects sanctioned, 1669 projects have been completed and remaining 1101 projects are under various stages of implementation.

Potential Investment required to be made in :

- Infrastructure in the power sector with the help of public as well private investment
- Connectivity (Rural Roads, Bridges, etc)
- Infrastructure related to agriculture Inputs like seed farms provide quality seed and nurseries provide quality planting material, infrastructure for supply of inputs, marketing, transporting, preservation and processing facilities for vegetable & fruits, special development zones to raise production as well as productivity of agriculture besides increase in farmers'/producers income.
- Infrastructure for development of Animal Husbandry especially Dairy and fisheries
- Schools and related infrastructure as Education creates empowered social capital which will facilitate accelerated growth of various sectors of rural economy, leading to sustainable development of rural areas.
- Rural IT infrastructure such as the Village Knowledge Centres to ensure outreach of e-governance initiatives, etc. to the rural masses.
- Drinking water supply, public health centres and toilets as these ensure not only health but also quality of human capital creation.

Action Points for Stakeholders

- The District authorities need to give priority to the infrastructure gaps indicated in PLPs for enabling better credit flow to various sectors and submit necessary proposals to the nodal depts at the State level for seeking assistance under RIDF.
- Irrigation structures especially under Medium Irrigation category may be given priority so as to ensure bringing more areas under cropping.
- The State is deficient in Power generation and distribution. The components of power sector viz. Generation, Distribution and Transmission need urgent attention.
- Rural connectivity (Roads, Bridges), rural Drinking Water supply, Sanitation, Primary Health Centers/additional PHC/Sub-centers/CHCs with stock of proper medicines and diagnostic facilities

are other areas which need immediate attention.

- Delay in implementation/completion of infrastructure in all sectors by Govt should be avoided.
- Major & Minor Irrigation project commenced/almost completed but pending for utilizing the benefit due to delay in land acquisition/forest clearance should be taken up on war footing and matter may be sorted out quickly. It is estimated that 40000 ha of command area would be benefited immediately if some of these projects are completed.
- Efforts should be made to reduce time taken in processing of cases & tendering etc.
- There is need to have a close monitoring of non-starter projects sanctioned under RIDF
- State Govt may take advantage of RIDF/NIDA schemes of NABARD as well as NABARD 's Warehousing scheme in addressing infrastructure requirements.

NABARD have short-listed various infrastructure projects (Annexe III of this document), which have been categorized as (i) last mile projects, (ii) projects which will improve the growth of the sector, (iii) post harvest mgt./value addition, (iv) rural connectivity and (v) social sector. This list can be used by various stakeholders especially state Govt and Gol while planning for infrastructure.

5. RURAL CREDIT OUTLAYS UNDER VARIOUS SECTORS

The credit potential projections for the state of Jharkhand have been based on the potential available in each district for development of agri., allied and other rural sectors which could be exploited with institutional credit. Critical gaps in infrastructure and support services which need to be filled-in are underlined in respective chapters. It is pertinent to consider policies and operational measures required for addressing the constraints in development of the potential available under entire rural sector and facilitate channelizing credit to promote development of rural areas through credit and non-credit support services.

Growth in agri sector has been satisfactory over the recent years but the worrying factors had been low rural CD ratio which has recently shown an encouraging growth. State has a higher poverty ratio especially in rural areas. All the eligible and willing farmers are yet to be covered by KCC in the State despite launching of special drive for Intensification of KCC by the State Govt. There are other issues also which need immediate attention of stakeholders to make the general environment conducive for credit growth in priority sector especially in agriculture. Some of the important issues are as under :

- Updation and computerisation of land record and appropriate amendments relating to restrictive clauses in Land Tenancy Acts.
- Improvement in rural connectivity with good road and bridges.
- Electrification of villages remaining un-electrified so far.
- Development of infrastructure like cold storages, rural godowns, warehouses, market yards, hospitals, schools, colleges, etc in areas where these facilities are lacking.

- Improvement in transportation facilities and market infrastructure.
- Intensified creation of irrigation structures, viz. Check Dams, ponds, wells, etc.
- Promotion of micro-irrigation systems e.g. drip, sprinklers, etc.
- Better management of soil-health.
- Improve veterinary services and extension support services.
- Revamping of Cooperative Credit Institutions.
- Increasing outreach of banking to whole rural areas.

Keeping In view above developments, NABARD has made following projections of credit potential for 2014-15 which would help in enhancing the share of Agri and Allied activities towards Gross State Domestic Product (GSDP) further from the existing level of 14.00%.

Sector	PLP Projections (Rs. Crore)
Agriculture - Crop production	5136.90
Allied Activities - Term Loan	1837.12
Total Agriculture and Allied activities	6974.72
MSE / NFS including Food Processing	6319.01
Other Priority Sector	1999.87
Total Priority Sector	15293.60

Detailed sector wise as well as sub-sectorwise district-wise PLP Projects are given in the Annexure 1(B) of this document.

Some of the important Sectors which are having large opportunities in the state of Jharkhand and could have maximum impact on income generation have been identified as under :

5.3.1 Crop Production

5.3.2 Agriculture - Water Resources and Land Development

5.3.3 Plantation & Horticulture including Sericulture

5.3.4 Animal Husbandry including Dairy, Poultry, Goatry, Piggery, Fisheries

5.3.5 Non-Farm Sector/Micro Small Enterprises including Food and Agro-Processing

A major constraint observed in planned development of various Agri sub-sectors through bank finance is absence of sub-sector wise credit flow data as the LBR system is yet to stabilize in state.

Action Points : Action Points emanating out of the above analysis have been presented in Chapter 5 of this document.

State Focus Paper 2014-15 Jharkhand State

SFP 2014-15 for Jharkhand State

ANNEXURE I (B) DISTRICT WISE / SECTOR WISE PLP PROJECTIONS FOR THE YEAR 2014-15

State : Jharkhand																	Rs. Lakh			
Sr. No.	Name of the Districts	Crop Production, maintenance and marketing	Water Resources	Land Dev.	Farm Mecha.	Plantation and Horticulture + Sericulture	Forestry and Wasteland	Dairy Dev.	Poultry Farming	Sheep, Goat and Pig rearing	Fisheries	Storage Godowns / Market Yards	Renewable Energy / Bio gas	Agri. others (Bullock, carts etc.)	Term Loan Agriculture (4 to 16)	Total Agriculture Loan (Term Loan+Crop Loan)	MSE / NFS incl. Food and Agro Processing (FAP)	Of which, Agro and Food Processing	Other Priority Sector	Total Priority Sector (17+18+19)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
1	Bokaro	29241.37	500.14	501.06	1006.22	499.80	387.20	4984.12	1509.26	275.44	1537.00	445.00	71.03	77.63	11793.90	41035.27	47007.90	56.40	11970.00	100013.17
2	Chatra	17805.15	589.63	155.95	1885.10	679.96	46.33	536.56	172.01	310.42	253.11	200.81	54.82	192.60	5077.30	22882.45	3785.57	104.00	2097.28	28765.30
3	Deoghar	13349.53	510.52	39.77	1272.08	562.02	165.62	2673.71	786.60	1175.60	159.67	750.00	132.76	221.33	8449.68	21799.21	19297.50	135.00	11700.00	52796.71
4	Dhanbad	32178.97	1142.55	248.00	1554.75	794.24	163.54	3269.53	2597.77	982.04	494.49	180.00	557.03	20.25	12004.19	44183.16	67285.01	317.01	18827.50	130295.67
5	Dumka	24594.32	561.62	98.52	1732.29	386.34	36.12	1508.90	190.02	570.21	220.98	675.00	25.81	58.50	6064.31	30658.63	4514.44	731.63	3126.94	38300.01
6	E.Singbhum	53486.01	405.08	351.52	1068.26	2399.80	255.03	5392.51	3566.36	1733.76	361.89	174.06	14.61	577.51	16300.39	69786.40	226586.10	7943.51	36369.58	332742.08
7	Garhwa	12507.41	781.83	342.64	1058.94	332.80	384.91	1046.65	275.14	282.94	309.26	197.50	106.07	47.70	5166.38	17673.79	6747.08	446.25	5730.70	30151.57
8	Giridih	40678.07	1191.96	588.94	2976.06	876.61	731.81	1461.02	877.44	388.17	1230.12	274.69	106.13	306.00	11008.95	51687.02	20743.82	732.06	4720.26	77151.10
9	Godda	22583.91	843.52	463.05	1767.75	759.45	78.47	2493.65	697.44	658.75	367.71	945.00	44.46	442.00	9561.25	32145.16	6648.19	935.00	1419.50	40212.85
10	Gumla	16152.67	600.41	338.85	692.00	626.42	96.25	575.59	685.40	351.57	140.08	285.00	5.61	24.70	4421.88	20574.55	2984.40	14.21	11491.20	35050.15
11	Hazaribagh	21285.13	1919.47	465.69	3085.59	2034.46	102.68	3022.76	840.93	509.35	623.54	1837.50	19.02	347.05	14808.04	36093.17	7162.04	162.80	10944.76	54199.97
12	Jamtara	11382.80	355.05	22.78	1308.28	282.88	91.46	1368.26	362.77	944.39	342.52	450.00	188.58	220.08	5937.05	17319.85	7929.00	45.00	8155.00	33403.85
13	Khunti	12006.09	1069.20	65.15	877.50	145.52	43.74	645.30	328.05	149.85	31.03	34.20	34.43	72.00	3495.97	15502.06	8720.34	45.00	6750.00	30972.40
14	Koderma	17465.00	1839.20	79.05	556.95	170.99	92.16	988.26	482.58	188.30	162.76	555.00	465.90	291.90	5873.05	23338.05	6910.20	515.70	1962.00	32210.25
15	Latehar	7135.26	1062.23	483.76	512.16	237.58	131.43	751	161.92	458.81	129.95	191.25	34.42	339.49	4494.00	11629.26	4371.96	21.93	1188.72	17189.94
16	Lohardaga	13499.72	333.42	396.24	543.75	221.77	12.39	639.08	390.23	151.93	80.93	199.23	26.38	390.6	3385.95	16885.67	6077.55	16.20	1852.83	24816.05
17	Pakur	21037.55	178	35.17	372.47	114.25	26.66	470.9	176.35	435.95	48.59	237.68	28.48	85.26	2209.76	23247.31	8073.51	1415.29	1944	33264.82
18	Palamau	18879.39	2050.7	766.26	1426.3	326.89	358.78	1573.55	303.94	842.75	130.68	100.9	36.12	475.92	8392.79	27272.18	10005.45	8.08	1152.18	38429.81
19	Ramgarh	7152.99	480.65	203.49	626.01	840.59	62.02	1346.39	826.11	305.44	341.95	827.5	14.66	0.00	5874.81	13027.80	17006.86	203.20	5965.65	36000.31
20	Ranchi	44502	4371	291	3107	640	94	4391	1301	1200	241	2610	351	170	18767.00	63269.00	98621	1659.72	40163	202053.00
21	Sahibganj	21761.26	276.17	46.53	338.14	209.9	60.53	1162.44	75.24	237.21	105.21	132.59	21.84	49.73	2715.53	24476.79	4845.68	312.61	850.52	30172.99
22	Saraikeela	19532.96	239.58	229.6	2494.43	211.78	21.76	1592.65	272.28	977.95	47.6	100	26.54	308.5	6522.67	26055.63	16485.2	56.25	3473.1	46013.93
23	Simdega	15468.38	1800	33.78	519.99	127.21	31.29	215.39	156.78	597.13	61.38	0	16	5.86	3564.81	19033.19	10018.26	1.99	4430.67	33482.12
24	W.Singbhum	20003.83	1834.6	147.56	2828	424.52	62.77	184.33	141.76	454.2	47.75	1683	36.26	47.43	7892.18	27896.01	20073.52	7286.66	3701.75	51671.28
	TOTAL	513689.77	24936.53	6394.36	33610.02	13905.78	3536.95	42293.55	17177.38	14182.16	7469.20	13085.91	2417.96	4772.04	183781.84	697471.61	631900.58	23135.50	199987.14	1529359.33