

# BASIX Financial Services for Agriculture



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Equity for Equity



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# Agriculture sector in India

S. No.	Particular	Unit	Remarks
1	GDP Total <sup>2</sup> 2009-10 (Million US Dollar*)	1,298,878	9.0% Growth Rate
2	GDP Agriculture (Million US Dollar*)	222,354	4.9% Growth Rate
3	Share of Agri GDP in Total GDP	17.11%	
4	Employment in the agriculture sector <sup>5</sup>	52.1%	
5	Agro Climatic Zones	15	

S. No.	Land Holdings <sup>1</sup> 2000-01	No. of Holdings '000	Percent
1	Marginal farmers (Less then 1 Hectare)	76,122	63.0%
2	Small farmers (1 to 2 Hectares)	22,814	18.9%
3	Semi Medium (2 to 4 Hectares)	14,087	11.7%
4	Medium (4 to 10 Hectares)	6,568	5.4%
5	Large Holdings (10 + Hectares)	1,230	1.02%
	<b>All Holdings</b>	<b>120,822</b>	<b>100%</b>

\* 1 US Dollar = 45.18 Rs. as on 24 Feb 2011

# Bankers Reach and Agriculture Lending

Disbursements under Special Agricultural Credit Plans <sup>3</sup>				
Agency		2007-08	2008-09	2008-09
	Number of Branches	Disbursement Amount Mn US\$	Disbursement Amount Mn US\$	% of Total Disbursement
<b>Commercial Banks</b>	<b>33,000</b>	<b>40,081</b>	<b>49,505</b>	<b>77%</b>
- Public Sector Banks		29,488	31,939	51%
- Private Sector Banks		10,594	13,237	21%
<b>Co-operative Banks</b>	<b>100,000</b>	<b>10,681</b>	<b>8,137</b>	<b>13%</b>
<b>RRBs</b>	<b>14,000</b>	<b>5,602</b>	<b>5,915</b>	<b>10%</b>
<b>Total</b>		<b>56,365</b>	<b>63,557</b>	<b>100%</b>

\* 1 US Dollar = 45.18 Rs. as on 24 Feb 2011

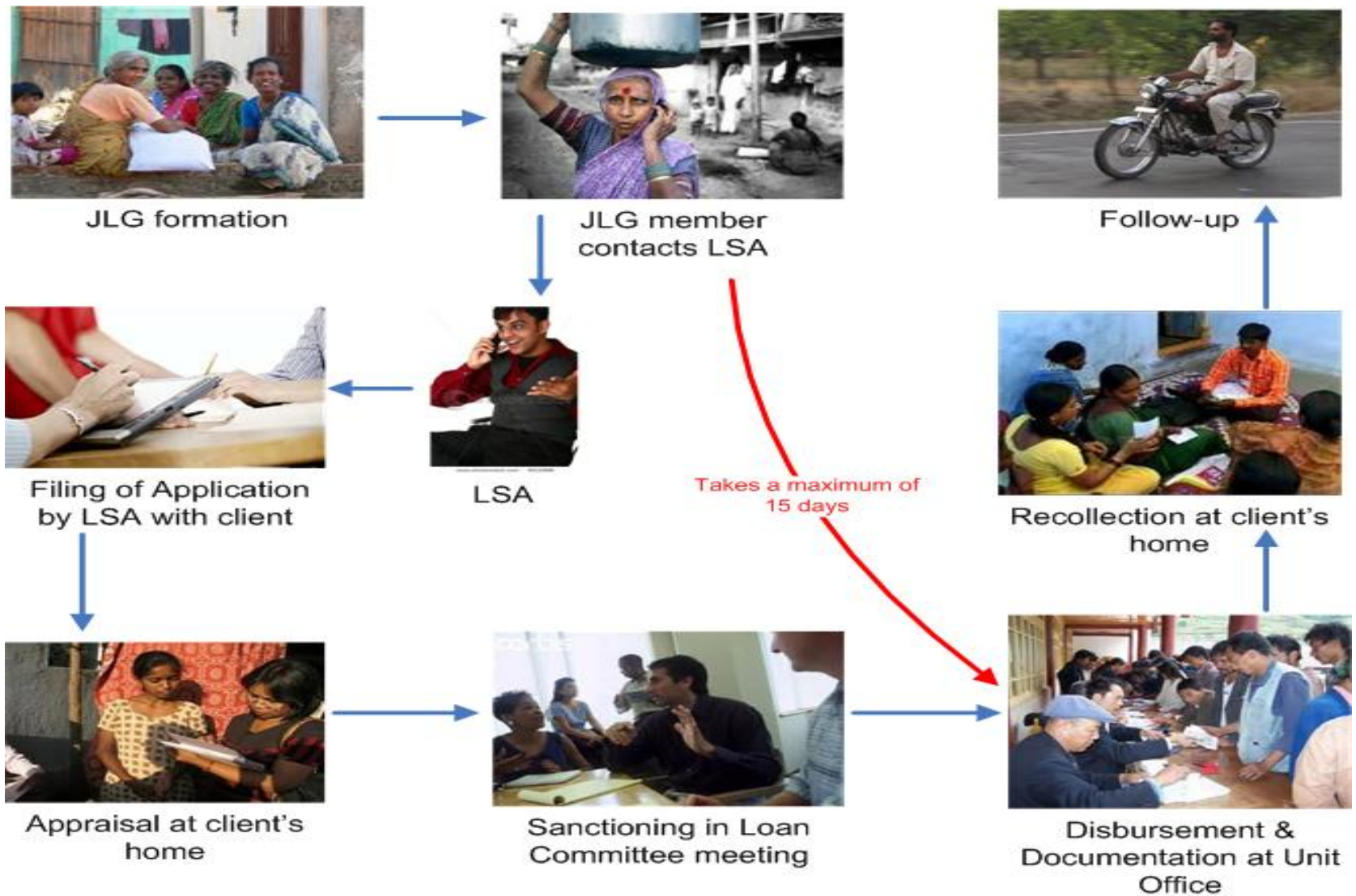
# BASIX Strategic Focus Areas

- Regions backward in Agriculture resources, practices and market linkages
- Farmers belonging to marginal (1 hectare) and small up (2 hectares)
- Dry land agriculture areas where the stress on livelihoods is higher

# BASIX Services and Products

S. No.	Need	Product	Price
1	Credit	Crop Loans Agri Term Loans	21%
2	Yield loss risk mitigation	Rainfall insurance an index based product	5 to 8% of SI
3	Price loss risk mitigation	Nil Working on Warehousing products	
4	Agriculture Development Services (Ag DS)	Service components of Ag DS offered based on need and scope	
4.1	Productivity enhancement	Training, education on good practices	US\$ 10 Per Annum
4.2	Risk Mitigation	Application of appropriate inputs in sufficient quantities	
4.3	Local Value Addition	Suggest on possible processing to get higher returns.	
4.4	Alternate Market Linkages	Link to possible market avenues.	

# Process of Credit Services



# BSFL Portfolio (as on Dec 2010)

Particular	Agriculture	Allied	NFS	Total
<b>Credit</b>				
O/S Portfolio ('000 US\$)	50,466	69,687	180,220	300,374
O/s Customers	189,285	350,348	901,301	1,440,934
POD > 90 days	3.7%	2.6%	2.0%	
<b>Ag BIDS clients</b>	<b>175,803</b>	<b>221,934</b>	<b>304,696</b>	<b>702,433</b>
<b>Insurance O/S Policies</b>				<b>2,637,162</b>
<b>BSFL Reach</b>				
States				18
Districts				231
Villages				31,742



# KBS Local Area Bank (LAB) - as on Dec 2010

	<b>Agriculture</b>	<b>Allied</b>	<b>NFS</b>	<b>Total</b>
<b>Credit</b>				
O/S Portfolio ('000 US\$)	1,524	5,257	12,974	19,755
O/s Customers	3,717	19,951	43,929	67,597
POD > 90 days (Amount) ('000)	3,341	9,671	15,883	28,896
POD > 90 days (Accounts)	169	1,139	1,607	169
<b>Insurance O/s Policies</b>				<b>89,952</b>
<b>BSFL Reach</b>				
States				2
Districts				4
Villages				1,725

# Challenges

- Portfolio Risk due to
  - Poor recovery rate of Bankers portfolio in certain regions
  - Vulnerable to government decisions on loan waivers and political interference
  - Strong hold of money lenders and trade intermediaries
  - Risk of shortfall or excess rains

# Sources

1. <http://www.indiastat.com/table/agriculture/2/agriculturelandholding20002001/449208/416557/data.aspx>
2. [http://dacnet.nic.in/eands/latest\\_2006.htm](http://dacnet.nic.in/eands/latest_2006.htm)
3. <http://rbi.org.in/scripts/AnnualReportPublications.aspx?Id=898>
4. [http://www.nabard.org/fileupload/DataBank/AnnualReports/Annual\\_Report\\_2008-2009\\_ENGLISH\\_100809.pdf](http://www.nabard.org/fileupload/DataBank/AnnualReports/Annual_Report_2008-2009_ENGLISH_100809.pdf)
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6. <http://dacnet.nic.in/rice/HS-A-Table-01.htm>
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8. Basix Internal Data

# Thank You

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