



स्टेट फोकस पेपर 2024-25

State Focus Paper 2024-25

राज्य : नागालैण्ड

STATE : NAGALAND

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

National Bank for Agriculture and Rural Development

नागालैण्ड क्षेत्रीय कार्यालय, दीमापुर

NAGALAND REGIONAL OFFICE, DIMAPUR



दृष्टि

ग्रामीण समृद्धि के लिए राष्ट्रीय विकास बैंक

ध्येय

सहभागिता, संधारणीयता और समानता पर आधारित वित्तीय और गैर-वित्तीय सहयोगों, नवोन्मेषों, प्रौद्योगिकी और संस्थागत विकास के माध्यम से समृद्धि लाने के लिए कृषि और ग्रामीण विकास का संवर्धन

Vision

Development Bank of the Nation for fostering rural prosperity

Mission

Promote sustainable and equitable agriculture and rural development through participative financial and non-financial interventions, innovations, technology and institutional development for securing prosperity

स्टेट फोकस पेपर २०२४-२५
State Focus Paper 2024-25

राज्य : नागालैण्ड
STATE : NAGALAND



राष्ट्रीय कृषि और ग्रामीण विकास बैंक
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT

नागालैण्ड क्षेत्रीय कार्यालय, दीमापुर
NAGALAND REGIONAL OFFICE, DIMAPUR

प्राक्कथन

ऋण, विकासात्मक प्रक्रिया में एक महत्वपूर्ण भूमिका निभाता है। यह आर्थिक विकास को आगे बढ़ाने हेतु निवेश, उपभोगता और आधारभूत संरचना को सहायता प्रदान करने में उत्प्रेरक का कार्य करता है। एक सुनियोजित ऋण व्यवस्था संधारणीय विकास और समृद्धि को प्रोत्साहित करता है। देश की सबसे बड़ी विकास वित्त संस्था के रूप में नाबार्ड राष्ट्र और उसके जनमानस, विशेषतः ग्रामीण जनसमूह के प्रयासों और उनकी आकांक्षाओं को संरेखित करने हेतु प्रयत्नशील रहा है और इस दिशा में हमेशा प्रतिबद्ध है। इस लक्ष्य की प्राप्ति हेतु नाबार्ड ग्रामीण समुदाय, वित्तीय संस्था और राज्य एवं केंद्र सरकार के साथ मिलकर कार्य करता है। हमने विभिन्न हितधारकों के साथ सतत जुड़ाव से प्राप्त ज्ञान को संभाव्यतायुक्त ऋण योजना (पीएलपी) के रूप में व्यक्त किया है, जो राज्य के सभी जिलों के लिए वार्षिक रूप से तैयार किए जाते हैं। संभाव्यतायुक्त ऋण योजना ने वास्तविक और कार्यान्वयन योग्य ऋण आवश्यकताओं के आकलन के माध्यम से बैंकों को सहायता प्रदान करके अपनी प्रभावशीलता सिद्ध की है।

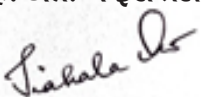
संभाव्यतायुक्त ऋण योजना में ध्यान देने योग्य आधारभूत संरचनाओं संबंधी कमियों और राज्य एवं बैंक द्वारा क्रियान्वित किए जाने वाले महत्वपूर्ण सहायताओं पर भी जानकारी उपलब्ध है। ये सहायताएँ वरीयता प्राप्त क्षेत्रों के अंतर्गत आने वाले ऋण संभाव्यताओं के दोहन के लिए हैं, जो ग्रामीण अर्थव्यवस्था की रीढ़ के रूप में कार्य करती है। प्रत्येक जिले के लिए उपलब्ध संभाव्यताओं को स्टेट फोकस पेपर (एसएफपी) के रूप में समग्र रूप से नागालैंड राज्य की ऋण संभाव्यता पर एक विहंगम दृश्य प्रदान करने के लिए एकत्रित किया जाता है। एसएफपी समग्र रूप में ऋण संभाव्यताओं पर प्रकाश डालता है और साथ ही प्रत्येक क्षेत्र में चिंतन के विषयों पर भी ध्यान केंद्रित करता है। यह सभी हितधारकों के लिए आवश्यक क्षेत्र विशिष्ट सहायताओं पर भी प्रकाश डालता है।

अतः मुझे वर्ष २०२४-२५ के लिए प्राथमिकता क्षेत्र गतिविधियों के तहत प्रदत्त ₹ १,१७८.०८ करोड़ की निर्धारित ऋण क्षमता के साथ नागालैंड राज्य के लिए एसएफपी प्रस्तुत करने पर अपार प्रसन्नता हो रही है। वर्ष २०२४-२५ के दौरान बैंकों का ध्यान भारत सरकार की विभिन्न योजनाओं के साथ-साथ प्राथमिक कृषि ऋण समितियों (पैक्स) के तहत प्रोत्साहित राज्य के किसान उत्पादक संगठनों (एफपीओ) को ऋण की वांछनीय प्रमात्रा प्रदान करने और कृषि आधारभूत संरचना निधि के तहत वित्तपोषण के दायरे का विस्तार करने पर होना चाहिए। पशुपालन, मत्स्य पालन और पीएम किसान के लाभार्थियों पर विशेष ध्यान देने के साथ किसान क्रेडिट कार्ड (केसीसी) की परिपूर्णता को तत्परता से करने की भी आवश्यकता है। राज्य को सिंचाई सुविधाओं, बागवानी और खाद्य प्रसंस्करण के विस्तार सहित कृषि पर ध्यान देने की आवश्यकता है, जो इसकी अर्थव्यवस्था में क्रांति ला सकते हैं। हमारी ऋण योजना अभ्यास ने इन प्राथमिकताओं को ध्यान में रखा है।

नागालैंड के ग्रामीण क्षेत्र की विकास गाथा में योगदान देने के लिए विभिन्न हितधारकों के साथ साझेदारी करना एक अद्भुत अवसर रहा है। राज्य सरकार के विभागों की पहलों को सुदृढ़ करने के लिए, नाबार्ड ने वित्त वर्ष २०२२-२३ के दौरान आधारभूत संरचना, निवेश और पुनर्वित्त के साथ-साथ विकासात्मक और प्रचार गतिविधियों के लिए विभिन्न निधियों के तहत ₹६८.३४ करोड़ की प्रतिबद्धता दर्शाई है। मुझे विश्वास है कि सभी प्रमुख हितधारकों के संयुक्त प्रयासों से हम आने वाले वर्षों में नागालैंड के आर्थिक विकास में तेजी देखेंगे। अतः मैं राज्य के विकास के हमारे साझे प्रयासों में नागालैंड सरकार और सभी भागीदार संस्थानों की सतत सहायता की मांग करती हूँ।

मैं राज्य सरकार के विभागों, भारतीय रिजर्व बैंक, राज्य स्तरीय बैंकर्स समिति, बैंकों, अग्रणी जिला प्रबंधकों, हमारे जिला विकास प्रबंधकों और सभी हितधारकों को इस प्रलेख के निर्माण में उनके सहयोग, सुझाव और सहायता के लिए अपना हार्दिक धन्यवाद देना चाहती हूँ। मुझे विश्वास है कि एसएफपी हमारे नीति निर्माताओं और बैंकों को राज्य के विकास के लिए अपने कार्यक्रमों की योजना बनाने में मदद करेगा।

ग्रामीण गरीबी उन्मूलन, ग्रामीण क्षेत्रों के विकास और ग्रामीण समृद्धि को बढ़ावा देना नाबार्ड की पहचान रही है। अतः मैं इस प्रलेख को नागालैंड के ग्रामीण लोगों के कल्याण और समृद्धि के लिए समर्पित करती हूँ।



तियाकला आओ

मुख्य महाप्रबंधक/प्रभारी अधिकारी

नागालैंड क्षेत्रीय कार्यालय, नाबार्ड

FOREWORD

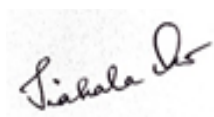
Credit plays an important role in the development process. It acts as a catalyst, fueling economic development by supporting investments, consumption and infrastructure. A well-regulated credit system fosters sustainable growth and prosperity. As the country's largest Development Financial Institution, NABARD has always strived to align and dedicate itself to the aspirations and endeavours of the nation and its people especially its rural masses. To achieve this end, NABARD works closely with the rural communities, financial institutions and the State & Central Governments. The knowledge acquired through our constant engagements with various stakeholders is articulated through our Potential linked Credit Plans (PLPs) which are prepared annually for all districts of the state. The PLPs have proven their effectiveness by assisting Bankers to project realistic and implementable credit requirements. They also contain information on infrastructural gaps to be addressed and critical interventions required to be made by the State Government and banks for harnessing the credit potential available under the priority sectors which form the backbone of the rural economy. The potentials available for each district are aggregated to provide a bird's-eye view on the credit potential for Nagaland State as a whole in the form of the State Focus Paper (SFP). The SFP thus highlights credit potential together with issues of concern in each sector. It also highlights sector specific interventions required by all stakeholders.

It, therefore, gives me immense pleasure to present the SFP for the State of Nagaland with an assessed credit potential of ₹1,178.08 crore under Priority Sector activities for the year 2024-25. The focus of banks during the year 2024-25 should be to extend a desirable quantum of credit to the Farmers Producer Organizations (FPO) in the State promoted under various schemes of the GoI as well as the Primary Agricultural Credit Societies (PACS) and expanding the scope of financing under Agriculture Infrastructure Fund. There is also a need to fast-track saturation of Kisan Credit Cards (KCCs) with special focus on Animal Husbandry, Fishery and PM KISAN beneficiaries. The State needs to focus on agriculture including expanding irrigation facilities, horticulture and food processing, which can revolutionize its economy. Our credit planning exercise has factored in these priorities.

Partnering with various stakeholders in contributing to the growth story of rural Nagaland has been a tremendous opportunity. To strengthen the initiatives of the State Government Departments, NABARD has committed ₹68.34 crore during FY 2022-23 under various funds for infrastructure, investment and refinance as well as for developmental and promotional activities. I am confident that with the joint efforts of all major stakeholders we shall see a spurt in the economic growth of Nagaland in the coming years. I therefore seek the continued support of the Government of Nagaland and all partner institutions in our common pursuit of the development of the state.

I would like to place on record my sincere thanks to the State Government Departments, Reserve Bank of India, State Level Bankers' Committee, Banks, Lead District Managers our District Development Managers and all stake holders for their inputs, suggestions and support in bringing out this document. I am confident that the SFP will help our policy makers and banks in planning their programmes for the development of the state.

Alleviating rural poverty, developing rural areas and promoting rural prosperity have been the hallmarks of NABARD. I therefore dedicate this document for the welfare and prosperity of the rural people of Nagaland.



Tiakala Ao
Chief General Manager / OIC
Nagaland Regional Office, NABARD

State Focus Paper
Document prepared and finalized by:
NABARD,
Nagaland Regional Office, Dimapur

Disclaimer:

“The document has been prepared on the basis of information collected from publicly available sources and discussions with various stakeholders. While preparing the projections, every effort has been taken to estimate credit potential realistically. NABARD shall not be responsible for any material or other losses occurring to any individual / organization owing to use of data or contents of this document.

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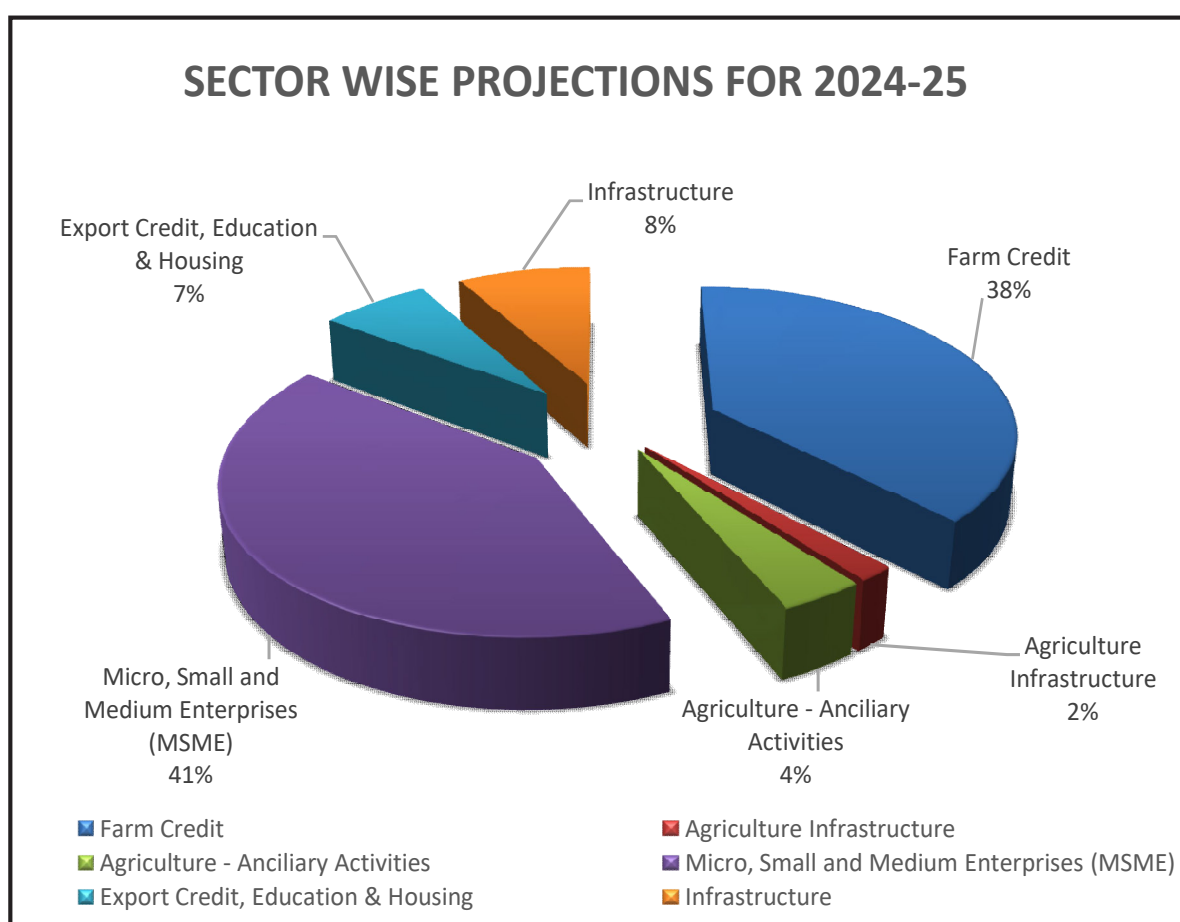
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Broad Sector-wise PLP Projections of Credit Potential for 2024-25

(₹. Lakh)

Sr. No.	Particulars	Projections for 2024-25
A	Farm Credit	
i	Crop Production, Maintenance and Marketing	21841.55
ii	Term Loan for agriculture and allied activities	22629.33
	Sub-Total	44470.88
B	Agriculture Infrastructure	2040.83
C	Ancillary Activities	4604.60
I	Credit Potential for Agriculture (A+B+C)	51116.31
II	Micro, Small and Medium Enterprises	48998.40
III	Credit Potential for Export Credit	391.20
IV	Credit Potential for Education	1896.00
V	Credit Potential for Housing	5635.20
VI	Credit Potential for Social Infrastructure	3363.56
VII	Credit Potential for Renewable Energy	291.65
VIII	Credit Potential - Others	6116.20
	Total Priority Sector	117808.52



Sub-Sector wise Credit Potential for 2024-25

(₹. Lakh)

Sr. No.	Particulars	Projections for 2024-25
I	Credit Potential for Agriculture	
A	Farm Credit	
i	Crop Production, Maintenance and Marketing	21841.55
ii	Water Resources	788.68
iii	Farm Mechanisation	990.59
iv	Plantation and Horticulture	2981.37
v	Forestry & Waste Land Development	809.45
vi	Animal Husbandry - Dairy Development	3880.26
vii	Animal Husbandry - Poultry Development	3599.49
viii	Animal Husbandry – Sheep, Goat and Piggery Development	7369.21
ix	Fisheries	1355.78
x	Farm Credit-Others (bullock, carts, two wheelers, etc.)	854.51
	Sub-Total	44470.88
B	Agriculture Infrastructure	
i	Construction of Storage and Marketing Infrastructure	1320.01
ii	Land Development, Soil Conservation, Watershed Development	466.80
iii	Agri. Infrastructure - Others	254.03
	Sub Total	2040.83
C	Ancillary Activities	
i	Food & Agro Processing	2813.60
ii	Agri. Ancillary Activities-Others	1791.00
	Sub Total	4604.60
D	Total Agriculture	51116.31
II	Micro, Small and Medium Enterprises	
i	MSME – Investment Credit	45271.80
ii	MSME - Working Capital	3726.60
	Sub Total	48998.40
III	Export credit, Education & Housing	
i	Export Credit	391.20
ii	Education	1896.00
iii	Housing	5635.20
	Sub Total	7922.40
IV	Infrastructure	
i	Social Infrastructure involving bank credit	3363.56
ii	Renewable Energy	291.65
iii	Others	6116.20
	Sub Total	9771.41
	Total Priority Sector	117808.52

EXECUTIVE SUMMARY

1. Introduction : The State Focus Paper presents potentials for various priority sectors in the State, highlights the constraints in various inputs for development, identifies critical gaps in infrastructure and provides suggestions for improvement, thus attempting to provide a complete perspective for development planning for the state for the Financial Year 2024-25.

2. State Profile: Nagaland is the 16th state of the Indian Union having a geographical area of 16579 sq.km with 16 districts and 74 development blocks. The population of Nagaland as per Census 2011 is 19.79 lakh consisting of 9.54 lakh females which accounts for 48.21% of the total population and 10.25 lakh male, which is 51.69% of the total population. The sex ratio is 931 females per 1000 males. As per 2011 census, literacy rate in Nagaland stands at 79.55% with the female literacy rate of 76.11%. Nagaland's demographic structure is largely rural based where over 71 % of the population lives in rural areas. The state has been provided with a special constitutional protection under Article 371(A) of the Indian Constitution to safeguard the culture, traditions and way of life of the Nagas.

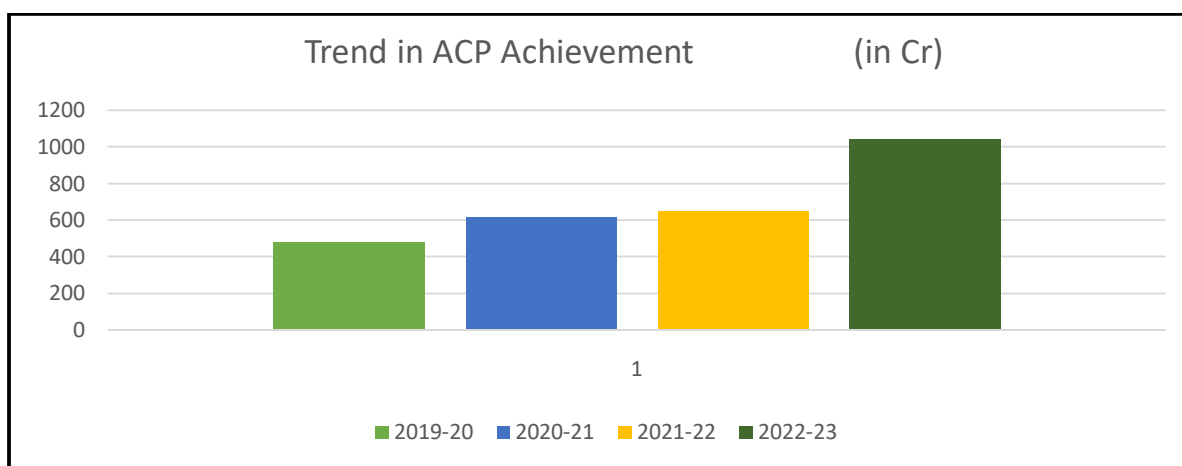
Out of the total 16579 sq.km geographical area, 52% is under forest cover. The Net Sown Area of Nagaland during 2022-23 was 3.62 lakh Ha with a cropping intensity of 137.24%. A gradual shift from shifting cultivation to horticultural crops is noticed due to better returns, lower risk and lesser maintenance requirements. Agriculture provides livelihood to more than 60% of the population. The State is blessed with abundant forest cover adding to its natural beauty, in addition to its pristine hills which can make it a preferred holiday destination for both domestic and international tourists.

3. State Economy: The Gross State Domestic Product (GSDP) of Nagaland for 2023-24 (at current prices) is projected to be Rs 37,300 crore, amounting to growth of 4.7% over 2022-23. In 2022-23, Nagaland's GSDP (at constant prices) is estimated to grow at 8.8%, over the previous year. In 2021-22, GSDP had grown by 9.1%. In comparison, national GDP is estimated to grow at 7.2% in 2022-23 and 8.7% in 2021-22. During 2022-23 (A.E), the percentage contribution to the Gross State Value Added (GSVA) at current prices of Primary, Secondary and Tertiary sectors are 20.81%, 10.10% and 69.10% respectively. The Per Capita Income (PCI) of the State is estimated to have increased from ₹1,42,363 in 2021-22(P) to ₹1,59,092 in 2022-2 (A.E). (Source: Economic Survey 2022-23, Govt. of Nagaland).

4. Banking Profile in the State (as on 31 March 2023)

4.1. Banking Network: The banking network comprises of 203 bank branches belonging to 24 Commercial Banks (12 public sector and 12 private sector), 01 State Cooperative Bank and 01 Regional Rural Bank. Commercial banks operate through 168 branches while State Cooperative Bank has 21 branches and Regional Rural Bank has 11 branches. Nagaland has a 2-tier cooperative credit structure with 01 SCB and Primary Agricultural Cooperative Credit Societies (PACS). With the North-East Small Finance Bank and India Posts Payment Bank in operation, the financial service network in the State has been further expanded. The per-branch population stood at 9756 while 353 ATMs serviced customers in the state.

4.2. Ground Level Credit Flow (GLC) Trend in Nagaland: The GLC flow under Priority Sector increased from ₹651.18 crore during 2021-22 to ₹1040.92 crore during 2022-23, a 59.85% increase. Trends of Annual Credit Plan (ACP) achievement under Priority Sector during the last 03 years is as under:



The total agricultural advances during 2022-23 was ₹333.40.14 crore, which showed a growth of 49.41% over the previous year. The disbursements under MSME and Other Priority sectors were of ₹661.03 crore and ₹46.49 crore respectively. The MSME Sector has registered a positive growth of 85.81% while the Other Priority Sectors showed a negative growth of 35.68%, as compared to their performance during the previous year. The share of Agriculture Credit (Crop Loan + Term Loan) during 2022-23 was 32.03% of total advances.

4.3 Financial Inclusion: As on 31 March 2023, 1,09,207 people have been enrolled under the PM Jeevan Jyoti Bima Yojana. Similarly, 2,99,255 persons have been covered under the PM Suraksha Bima Yojana. 25548 persons have been covered under Atal Pension Yojana. The total number of accounts under PM Jan Dhan Yojana stood at 364478 as on 31 March 2023. As on 31 March 2023 11 banks had 683 Banking Correspondents / Customer Service Points in rural areas of Nagaland. Direct Benefit Transfer (DBT) has been successfully rolled out in Nagaland with Aadhaar seeding and authentication of 6,28,673 accounts. As on 31 December 2023, there are 52 banked blocks in Nagaland leaving 22 blocks unbanked.

5. Farm Credit: Agriculture in the State is the largest employer with more than 60% of the workforce engaged in the sector. The potential for credit support assessed for Farm credit (both crop loan & term loans) for the year 2024-25 is ₹511.16 crore. Issue of Kisan Credit Cards (KCCs) for crop loans, Animal Husbandry and Fishery activities will further boost farm credit. Considering the importance of agriculture and allied sector in increasing income, employment and achieving inclusive growth, it is imperative to increase investment in the sector, especially keeping in view the GoI's aim of doubling farmers' income.

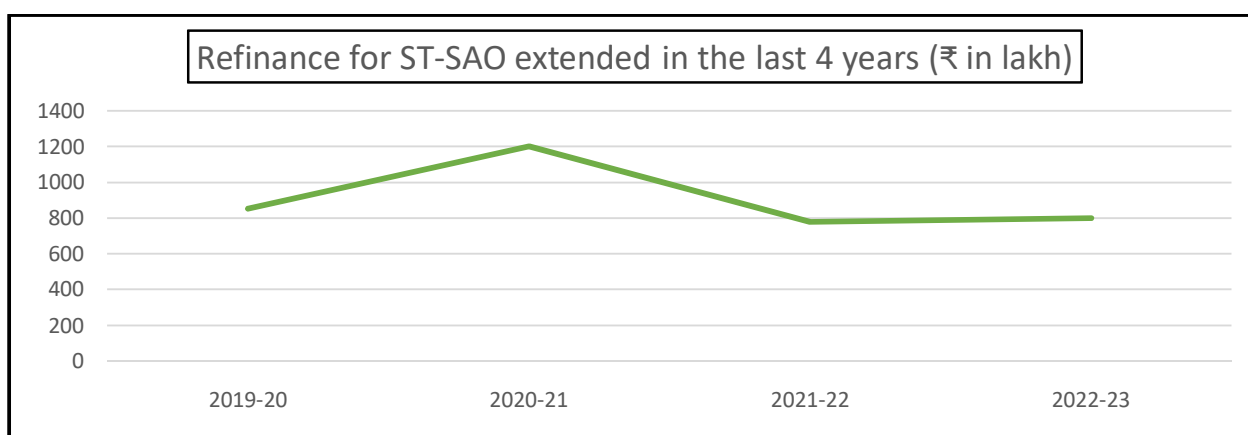
6.1 Storage Godowns and Market Yards: Making available scientific storage facilities has been one of the critical requirements to ensure remunerative prices to farmers and reduce losses on account of improper storage and distress sale. There is scope for development of godowns, cold storages and ripening chambers in private sector through bank loan. The potential for credit support assessed for Storage Godowns / Market Yards for 2024-25 is ₹13.20 crore. Implementation of the Agriculture Infrastructure Fund (AIF) is expected to give a boost to this sub sector under Agriculture.

6.2 World's Largest Grain Storage - Ministry of Cooperation (MoC), GoI had conceived the idea of creating the World's largest grain storage in the Cooperative sector by establishing Godowns / Warehouses of varying capacities at the grassroots cooperatives. NABARD is involved with the MoC in implementing the pilot project. NABARD has awarded the assignment on preparation of Detailed Project Report (DPR) and Project Management Consultancy (PMC) to NABCONS.

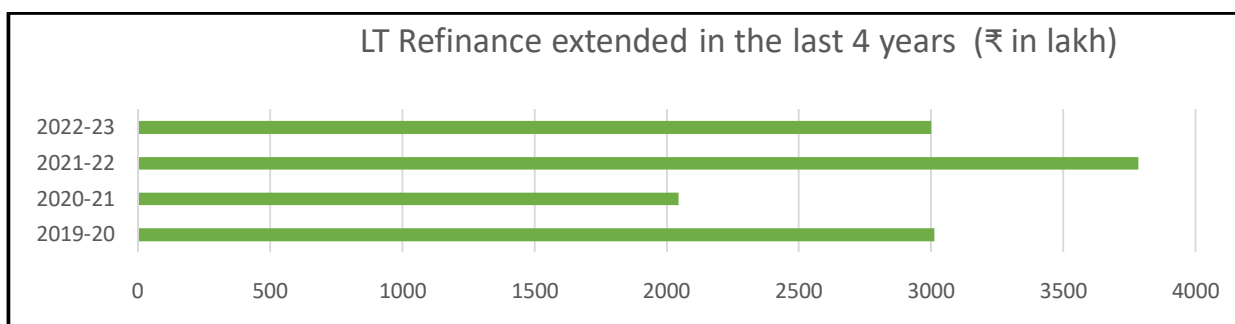
7. Land Development: Natural resources management is a basic requirement for improving productivity. NABARD, under its watershed development programmes, supports treatment of arable land for enhancing its productive capacities. The treated area offers opportunities for watershed plus activities. The potential available for the Land development, Soil Conservation and Watershed development sector for 2024-25 has been estimated at ₹4.66 crore.

8. Food and Agro Processing: Food and Agro processing plays a significant role in increasing value addition in agriculture and horticultural produce, diversification and commercialization of agriculture, reduction in wastage of farm produce, generating employment opportunities and enhancing export earnings. Variety and quantity of crops produced in the state offers a vast potential for agro-processing activity in the State. The potential assessed for lending to agro processing units, for 2024-25 is ₹28.14 crore. Implementation of the PM Scheme for Formalization of Micro Food Processing Enterprises (PMFME) through Directorate of Industries & Commerce (DIC), Govt. of Nagaland will further boost this sunrise sector in the State. Recently launched Chief Minister Micro Credit Finance Initiative will also pave the way for more investment and an entrepreneurial approach in the agriculture sector in the state. Under the scheme, subsidy and interest subvention against identified activities in agriculture and allied sector including processing units, MSME, etc. will be provided to eligible beneficiaries.

9. Investment Credit: Empirical evidence shows that higher government spending on capital investments has a crowding-in effect on private investments by raising the marginal productivity of private capital. As the agriculture sector provides sustenance to majority of the state's population, it is imperative that the focus of development should be on increasing capital formation in the agriculture and allied sector through public and private sector investment. In the private sector, investment credit or long-term agriculture loans has been identified as the major driver of private sector capital formation, and therefore an immediate thrust is required by banks to raise its share in the total agriculture credit in the state. Refinance is provided by NABARD for Short Term- Seasonal Agricultural Operations (ST-SAO) or Crop Loans as well as Long Term/Medium Term under Automatic Refinance Facility.

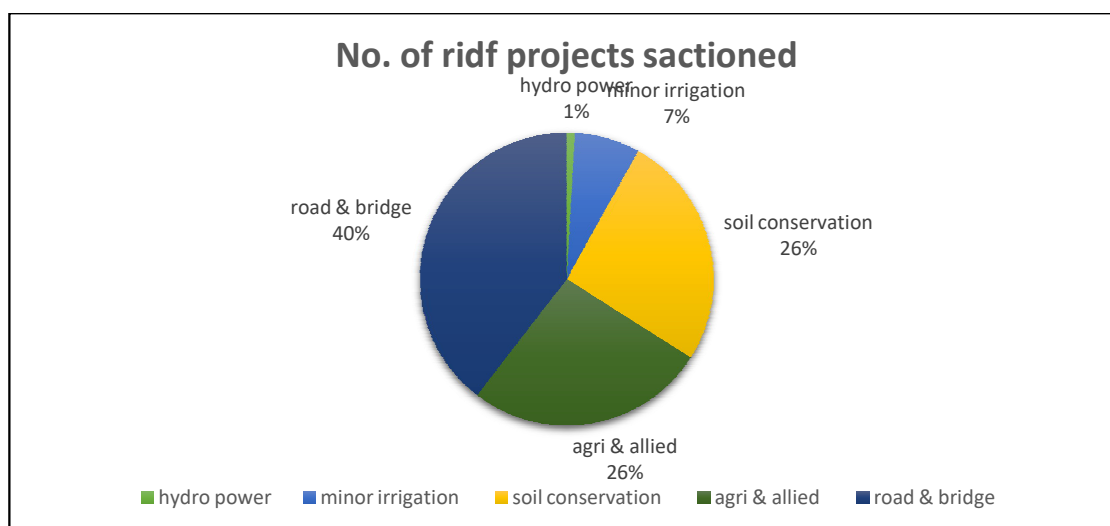


NABARD's Medium Term (MT) and Long-Term refinance to banks aim to facilitate capital formation in agriculture and other sectors by creating income generating assets in sectors, such as, agriculture and allied activities, small scale industries, Non-Farm Sector (Small and Micro Enterprises), handicrafts, handlooms, power-looms, etc. Refinance is extended to the Nagaland State Cooperative Bank and Nagaland Rural bank.



10. Rural Infrastructure Development Fund (RIDF): The main objective of the RIDF is to provide loans at a concessional rate of interest to State Govts. and State-owned corporations to enable them to create rural infrastructures. Since inception of RIDF in 1995-96, cumulatively, 11 hydro power projects, 89 minor irrigation projects, 321 soil conservation projects and 327 agri & allied projects, have been sanctioned to the State Government. Further, to develop infrastructure for rural connectivity in the State, NABARD has sanctioned 490 number of road & bridge projects for creation of rural road networks and bridges connecting remote parts of the state.

Sector-wise Status of RIDF Projects as on 31 March 2023



11. Micro, Small and Medium Enterprises: The revision in MSME guidelines by RBI has removed the distinction between manufacturing and service industries from this year. Bank loan to Startups up to ₹50 crore has also been included under this priority sector head. There is good potential for supporting micro enterprises under MUDRA particularly working capital requirements of small traders. A credit flow projection of ₹489.98 crore has been assessed for MSME sector during 2024-25. Timely sanction of loans, Common Facility Centres, promotion of ancillary units would further boost development of MSME sector in the State.

12. Spring-shed based Watershed Development: Due to adverse impact of climate change in recent years, the springs, which are the lifeline of the North-Eastern Region (NER), are drying up affecting agriculture and livelihood of rural communities. In order to revive and rejuvenate these springs and minimize the adverse impact of climate change on water availability both for human consumption and irrigation, especially during off-season, NABARD launched the spring shed-based watershed management programme in 2018-19 based on the principles of participatory watershed management in the NER, including Sikkim. Funding support for this programme was extended from NABARD's Watershed Development Fund (WDF). In Nagaland, a total of 25 projects have been sanctioned as on 31 March 2023 of which, 6 are under Project Implementation Phase (PIP), 2 under Pre Project Implementation Phase (PIIP), while 12 projects have been completed and 05 are under Detailed Project Report (DPR) preparation stage. Each project covers a maximum treatment area of 300 ha with fund support ranging from ₹ 35.71 lakh to ₹ 57.30 lakh. The major outcome of NABARD's springshed-based watershed programme has been the rejuvenation of dying springs providing perennial source of drinking water to the villagers even during the lean season, enrichment of soil fertility through control of soil and water erosion, creation of rainwater harvesting for irrigation purpose, etc.

13. Tribal Development Programmes: NABARD has been closely associated with tribal development and sustainable livelihoods. As an integral component of NABARD's Natural Resource Management (NRM) policy of providing sustainable livelihoods, NABARD laid special emphasis on providing support for holistic development of tribal communities with orchard establishment as the core element. In this direction, NABARD has created a Tribal Development Fund (TDF). Under TDF, NABARD has sanctioned a total of 19 projects in the State with grant assistance commitment of ₹3030.08 lakh and soft loan assistance of ₹75.00 lakh, covering 6350 rural households in 22 RD blocks through livelihood interventions comprising horticulture crops, soil and water conservation measures, etc. The orchard-based livelihood development programme has paved the way for sustainable livelihood of the beneficiary families.

14. Informal Credit Delivery System: As on 31 March 2023 for the year 2022-23, 1058 SHGs were credit linked for a loan amount of ₹25.65 crore. The total loan outstanding was ₹58.51 crore against 3903 SHGs (Source : SLBC). Under JLG financing in Nagaland, as on 31 March 2023 for the year 2022-23, 223 JLGs were extended loan amount of ₹8.23 crore by various banks. The total loan outstanding was ₹25.29 crore against 2106 JLGs (Source : SLBC).

Taking micro enterprises to the next level, NABARD provides support for the establishment of a robust ecosystem for upcoming women micro entrepreneurs through its Microenterprises through Skill Upgradation for women (M-Suwidha) scheme as well as providing support for both physical and digital marketing of products including on-boarding on the Open Network for Digital Commerce (ONDC) platform.

15. Skill India Scheme: Pradhan Mantri Kaushal Vikas Yojana (PMKVY), the flagship scheme of the Ministry of Skill Development & Entrepreneurship (MSDE), GoI is in implementation in the State. NABARD also supports skilling and other off-farm activities through its Gramya Vikas Nidhi (GVN). Under GVN, NABARD has sponsored different skill courses such as tailoring, house painting, banana fibre extraction etc. which were conducted in different districts of the state.

During 2022-23, NABARD sanctioned 12 batches of Skill Development Programmes in the State, to train more than 324 unemployed Rural Youths on sewing machine operations with a total financial support of ₹39.46 lakh.

Marketing Initiatives

Rural Mart is a retail marketing outlet for producers/artisans/weavers to sell their locally made products. It is generally set up at places that have heavy footfall such as bus stops, railways station, commercial centres, a prominent place on a highway, religious place, place of tourist importance, etc. NABARD provides grant assistance to SHGs, producers, artisans, etc for setting up such rural marts. Under the scheme, financial assistance to the tune of ₹33.93 lakh was provided to various beneficiaries for setting up 9 Rural Marts in various district headquarters of the State and undertaking marketing activities for the benefit of rural producer/artisans/SHG members etc.

A haat or bazaar is an open-air market that serves as a trading venue for local people in rural areas. Under NABARD's 'Rural Haat' scheme, financial support was provided to various village level communities for construction of raised market platforms, with basic amenities such as toilets and piped water supply. As on date 26 Rural Haats were supported by NABARD in various districts of the State with financial assistance of Rs 230 Lakh. The Haats have benefitted local communities, farmers, SHG/JLG members in bringing their produce for direct sales, thereby eliminating the middlemen. NABARD has been organizing as well as sponsoring artisans to participate in exhibitions conducted

across the State and Pan India. Exhibitions, Buyer Seller Meet and Start-up Immersion Program for Agri-Start-ups. These provide effective forward linkage to the rural masses for their produce with assured income and employment as also to boost their earning capacity.

Geographical Identification

The use of a geographical indication is intended as a certification that the product possesses certain qualities, is made according to traditional methods, or enjoys a good reputation due to its geographical origin. NABARD has initiated steps for expediting process in obtention of GI tag in respect of 5 non-farm products. NABARD has initiated steps for the post-GI phase of Chakhesang Shawl GI- 542 in the developing a catalogue for GI products, CFC/tools and equipments, Documentation of brochure and Skilling/Reskilling & upskilling of artisans/Producer activities.

16. Way Forward

- State Government may explore enhancing public investment for creation of rural infrastructure.
- Banks need to improve their credit delivery by covering more farmers under KCC which is still very low in the State.
- Banks may explore financing in potential areas where rural infrastructure/sectoral developments have been created by the Government.
- Promotion of value addition of various farm and off-farm products of the State.
- Skilling of youth is another key area for the state. If industries have to be set up in the state, sufficient labour force with requisite skills are required from within the state.
- GI tagging and Organic Certification should be taken up to cover as many products and areas of the State as possible.

STATE PROFILE OF NAGALAND



Map of Nagaland

State Profile of Nagaland										
1. PHYSICAL & ADMINISTRATIVE FEATURES				2. SOIL & CLIMATE						
Total Geographical Area (Sq.km)	16579	Agro-climatic Zone		Eastern Him alay an Region - North East Hills (Zone 2)						
No. of Sub Divisions	21	Climate		Per humid to humid.						
No. of Blocks	74	Soil Type		Red sandy, Laterite						
No. of Villages (Inhabited)	1284									
No. of Panchayats / VDBs	1238									
3. LAND UTILISATION [Ha]				4. RAINFALL & GROUND WATER						
Total Area Reported	1657900	Rainfall [in mm]		Normal	2020	2021	2022			
Forest Land	862930			Actual	2239	1754	2265			
Area Not Available for Cultivation	124340			Variation from Normal	+239	-246	+265			
Permanent Pasture and Grazing Land	-			Net annual recharge	Net annual draft		Balance			
Land under Miscellaneous Tree Crops	67996	Availability of Water [Ham]		2.2	0.02		1.97			
Cultivable Wasteland	60897	5. DISTRIBUTION OF LAND HOLDING (Agriculture Census 2010-11, GoI)								
Current Fallow	66289	Classification of Holding			Holding		Area			
Other Fallow	111867				Nos.('000)	% to Total	Ha. ('000)	% to Total		
Net Sown Area	362432	<= 1 Ha			6	3.63	3	0.31		
Total or Gross Cropped Area	497432	>1 to <=2 Ha			20	11.4	23	2.15		
Area Cultivated More than once	135000	>2 Ha			152	84.97	1048	97.54		
Cropping Intensity [GCA/NSA]	137%	Total			178	100	1074	100		
6. WORKERS PROFILE [in '000]				7. DEMOGRAPHIC PROFILE [in						
Cultivators	420	Category		Male	Female	Rural	Urban			
Of the above, Small/Marginal Farmers	117	Population		1025	954	1408	571			
Agricultural Labourers	22	Scheduled Caste		0	0	0	0			
Workers engaged in Household Industries	10	Scheduled Tribe		866	845	1307	404			
Workers engaged in Allied Agro-activities	NA	Literate		724	618	897	446			
Other workers	289	BPL		NA	NA	NA	NA			
8. HOUSEHOLDS [in '000]				9. HOUSEHOLD AMENITIES [Nos. in '000 Households]						
Total Households	396	Having brick/stone/concrete		22	Having electricity		326			
Rural Households	277	Having source of drinking water		117	Having independent		306			
BPL Households	NA	Having access to banking		140	Having radio/tv sets		252			
10. VILLAGE-LEVEL INFRASTRUCTURE [Nos]				11. INFRASTRUCTURE RELATING TO HEALTH & SANITATION [Nos]						
Villages Electrified	1400	Anganwadis		3980	Dispensarie		3			
Villages having Agriculture Power Supply	NA	Primary Health Centres		126	Hospitals		11			
Villages having Post Offices	330	Primary Health Sub-Centres		442	Hospital		2341			
Villages having Banking Facilities	NA	12. INFRASTRUCTURE & SUPPORT SERVICES FOR AGRICULTURE								
Villages having Primary Schools	1303	Fertiliser/Seed/Pesticide Outlets		3560	Agriculture		NA			
Villages having Primary Health Centres	170	Total N/P/K Consumption [MT]		2037	Pumpsets Energised		NA			
Villages having Potable Water Supply	1182	Certified Seeds Supplied [MT]		NA	Agro Service Centres		NA			
Villages connected with Paved Approach Roads	NA	Pesticides Consumed [MT]		7.73	Soil Testing Centres		NA			
13. IRRIGATION COVERAGE [Ha]				Agriculture Tractors [Nos]		2483	NA	NA		
Total Area Available for Irrigation (NIA +	122394	Power Tillers [Nos]		NA	Farmers' Clubs [Nos]		210			
Irrigation Potential Created	158935	Threshers/Cutters [Nos]		NA	Krishi Vigyan		9			
Net Irrigated Area (Total area irrigated at	117799	14. INFRASTRUCTURE FOR STORAGE, TRANSPORT & MARKETING								
Area irrigated by Canals / Channels	NA	Rural/Urban Mandi/Haats [Nos]		NA	Wholesale Market [Nos]		NA			
Area irrigated by Wells	NA	Length of Pucca Road [Km]		6651	Godown [Nos]		9			
Area irrigated by Tanks	NA	Length of Railway Line [Km]		19	Godown Capacity [MT]		54370			
Area irrigated by Other Sources	NA	Public Transport Vehicle [Nos]		30664	Cold Storage [Nos]		NA			
Irrigation Potential Utilized (Gross Irrigated	96227	Goods Transport Vehicle [Nos]		77073	Cold Store Capacity [MT]		NA			
15. AGRO-PROCESSING UNITS				16. AREA, PRODUCTION & YIELD OF MAJOR CROPS						
Type of Processing Activity	No of units	Cap.[MT]	Crop	2021-22		2022-23		Avg. Yield		
Food(Rice/Flour/Dal/Oil/Tea/Co	37	NA		Area (Ha)	Prod.	Area (Ha)	Prod. (MT)	[Kg/Ha]		
Sugarcane (Gur/Khandsari/	NA	NA	Rice	122079	240924	211130	554669	2387.67		
Fruit (Pulp/Juice/Fruit drink)	NA	NA	Maize	39784	62010	44412	88931	1792.73		
Spices (Masala Powders/Pastes)	NA	NA	Potato	7560	75680	5273	58912	10487.96		
Dry fruit (Cashew/Almond/	NA	NA	Soyabean	6126	7460	13630	17010	1238.61		
Cotton (Ginning/Spinning)	72	NA	Rajma Kholar	13884	18413	13891	17203	1282.30		
Milk (Chilling/Cooling/	4	NA	Rapeseed & Mustard	7784	8075	15070	15978	1052.46		
Meat (Chicken/Mutton/ Pork/Dry	NA	NA	Ginger	5423	27393	4800	48928	7465.62		
Animal feed (Cattle/Poultry/	NA	NA								
17. ANIMAL POPULATION AS PER LIVESTOCK CENSUS 2019				18. INFRASTRUCTURE FOR DEVELOPMENT OF ALLIED ACTIVITIES						
Category of animal	Total	Male	Female	Veterinary	68	Animal Markets [Nos]		NA		
Cattle - Cross bred	18401	5076	13325	Veterinary Health Centres	82	Milk Collection Centres		NA		
Cattle - Indigenous	59895	30913	28982	Artificial Insemination Centers	0	Fishermen Societies		438		
Buffaloes	15654	70	5644	Animal Breeding Farms [Nos]	14	Fish seed farms [Nos]		NA		
Sheep - Cross bred	928	495	433	Animal Husbandry Tng Centres	1	Fish Markets [Nos]		NA		
Sheep - Indigenous	2839	1496	1343	Dairy Cooperative Societies [Nos]	1	Poultry hatcheries [Nos]		NA		
Goat	99350	38588	60762	Improved Fodder Farms [Nos]	2	Slaughter houses [Nos]		3		
Pig - Cross bred	207090	.	.	19. MILK, FISH, EGG PRODUCTION & THEIR PER CAPITA AVAILABILITY						
Pig - Indigenous	197605	243575	161120	Fish Production [MT]	9337.53	Per cap avail. [gm/day]		17.07		
Horse/Donkey/Camel	70	0	0	Egg Production [Lakh Nos]	355.27	Per cap avail. [nos/p.a.]		22		
Poultry - Cross bred	762743	141202	621541	Milk Production ['000 MT]	8.67	Per cap avail. [gm/day]		55.33		
Poultry - Indigenous	1232643	202677	1029966	Meat Production [MT]	24.08	Per cap avail. [gm/day]		39.4		

CHAPTER I

STATE PROFILE - NAGALAND

1.1 Introduction: Nagaland the small mountainous state in the northeastern part of the country came into being on 1st December 1963 as the 16th State of the Indian Union. It is bounded by the state of Assam in the west and in the north-west, Arunachal Pradesh to the northeast, Manipur to the south and the country of Myanmar to the east. The state with a total geographical area of 16,579 sq. km (6,401 sq. miles) lies between the geographical coordinates of 25°60" and 27°40" North latitude and 93°20" and 95°15" East longitude. The altitude of the state varies from 610 m to 3800 m above mean sea level. Kohima the state capital is located in the southern part of the state at an elevation of 1444 m above mean sea level. Nagaland, one of the "eight sisters" of the North-Eastern Region, is a land of lush green forests, rolling mountains, enchanting valleys, swift flowing streams and beautiful landscapes. The Naga Hills are a part of the Arakan Mountain Range. Mt. Saramati is the highest peak in the state with an altitude of 12,552 feet. There are four main rivers flowing through Nagaland, namely the Dhansiri, Doyang, Dikhu and Jhanji.

1.2 Administration: The inhabitants of Nagaland are almost entirely tribal with 16 major tribes each with distinctive dialects, customs and culture. The State is divided into 16 Administrative Districts and 74 Rural Development Blocks. There are 1284 recognised villages by the Rural Development Department, in the state as on March 2021 (Nagaland Economic Survey 2022-23). The state has been provided with a special constitutional protection under Article 371 (A) of the Indian Constitution to safeguard the culture, traditions and way of life of the Nagas such that no Act of Parliament in respect of the Naga Customary Law, the religious/social practices of Nagas, administration of civil and criminal justice as per Naga Customary Law and ownership & transfer of land and its resources, shall apply to Nagaland unless so decided by the State Legislative Assembly by a resolution.

1.3 Demographic Profile: More than four-fifths of the population live in small, isolated villages. The villages are usually divided into khels, or quarters, each with its own headmen and administration. Dimapur, Kohima and Mokokchung are the urban centres in the state. Population of Nagaland, as per Census 2011 data, is 19.79 lakh which accounts for 0.16% of the country's population. The population density is 119 per square km which is lower than national average of 382 per square km. Population of male and female are 10.25 lakh and 9.54 lakh respectively. The total literacy rate of Nagaland is 79.55% which is higher than the National average literacy rate of 72.98%. Further, 28.86% people live in urban areas while 71.14% are in rural areas.

1.4.1 Nagaland's Economy: The economy of Nagaland is predominantly agrarian with more than 60% of the total workforce dependent on agriculture and allied activities as per population census of 2011. During the early part of 2021-22, the state received scanty rainfall which adversely affected agricultural activities in the state. Consequently, the growth of Agriculture and Allied Sector has remained subdued. During the year 2022-23, with better monsoon, the growth of the sector is projected to pick up.

In terms of sectoral growth, while the state economy as a whole has recovered back to the pre-pandemic growth trajectory, concerns remain in the secondary sector. Although the secondary sector is estimated to grow by 12.80 percent in 2022-23 (A.E), its contributory share in the GSDP is estimated to remain at 10.10 percent. During the same period, the primary sector is estimated to pick up from a negative -20.78 percent growth in 2021-22 (Q.E) to 4.57 percent in 2022-23 (A.E). Tertiary sector growth is expected to moderate to 9.03 percent in 2022-23 (A.E) from 21.80 percent in 2021-22 (Q.E). The impressive growth of the tertiary sector during 2021-22 was largely on account of the lower base effect.

The state has huge untapped potential for agro and forest-based industries, horticulture, food processing, mining, tourism and the handloom and handicrafts sectors. Nagaland's favorable climate and scenic natural landscape has made eco-tourism attractive and viable. In recent years, tourism has been slowly gaining traction in the state with an increase in tourist footfall particularly

due to the Annual International Hornbill Festival event held in the state. More recently, a number of small and medium enterprises and private sector companies have actively promoted Nagaland tourism, helping initiate a growing tourism market. Tourism experts contend that the state's uniqueness and strategic location in northeast India give Nagaland an advantage in tapping into the tourism sector for economic growth.

In absolute terms, the real growth of the economy is estimated to increase from ₹20315 crore in 2021-22 (Q.E) to ₹22111 crore in 2022-23 (A.E). Correspondingly, the nominal growth of the economy is estimated to increase from ₹35007 crore in 2021-22 to ₹39201 crore in 2022-23 (A.E) (Table-1.2).

Table 1.1. GSDP at Current and Constant Prices

(₹ crore)

GSDP	2018-19	2019-20	2020-21 (P)	2021-22(Q.E)	2022-23 (A.E)
Current	26527	29716	31221	35007	39201
Constant	16868	18477	18621	20315	22111

(Source: Directorate of Economics & Statistics, Govt. of Nagaland)

Among the three sectors, tertiary sector contributes the largest share to the economy of the state followed by the primary sector and secondary sector. The contribution of the secondary sector has remained stagnant between 11 to 13 percent throughout the period from 2011-12 to 2022-23 (A.E). This low contribution to the state economy from the secondary sector is largely due to the prevalence of weak industrial base coupled with bottlenecks in trade linkages. The percentage contribution of the three sectors is given in the Table 1.2

In terms of sectoral growth, while the state economy as a whole has recovered back to the pre-pandemic growth trajectory, concerns remain in the secondary sector. The secondary sector is estimated to grow by 12.80% in 2022-23 (A.E), its contributory share in the GSDP is estimated to remain at 10.10 percent. During the same period, the primary sector is estimated to pick up from a negative -20.78% growth in 2021-22 (Q.E) to 4.57% in 2022-23 (A.E). Tertiary sector growth is expected to moderate to 9.03% in 2022-23 (A.E) from 21.80% in 2021-22 (Q.E). The impressive growth of the tertiary sector during 2021-22 was largely on account of the lower base effect.

Table 1.2: Sector-wise percentage contribution to GSVA

Sector	2018-19	2019-20	2020-21 (P)	2021-22(Q.E)	2022-23(A.E)
Primary	25.78	27.57	29.37	21.58	20.81
Secondary	12.05	10.95	9.79	9.71	10.10
Tertiary	62.17	61.47	60.84	68.72	69.10

(Source: Directorate of Economics & Statistics, Govt. of Nagaland)

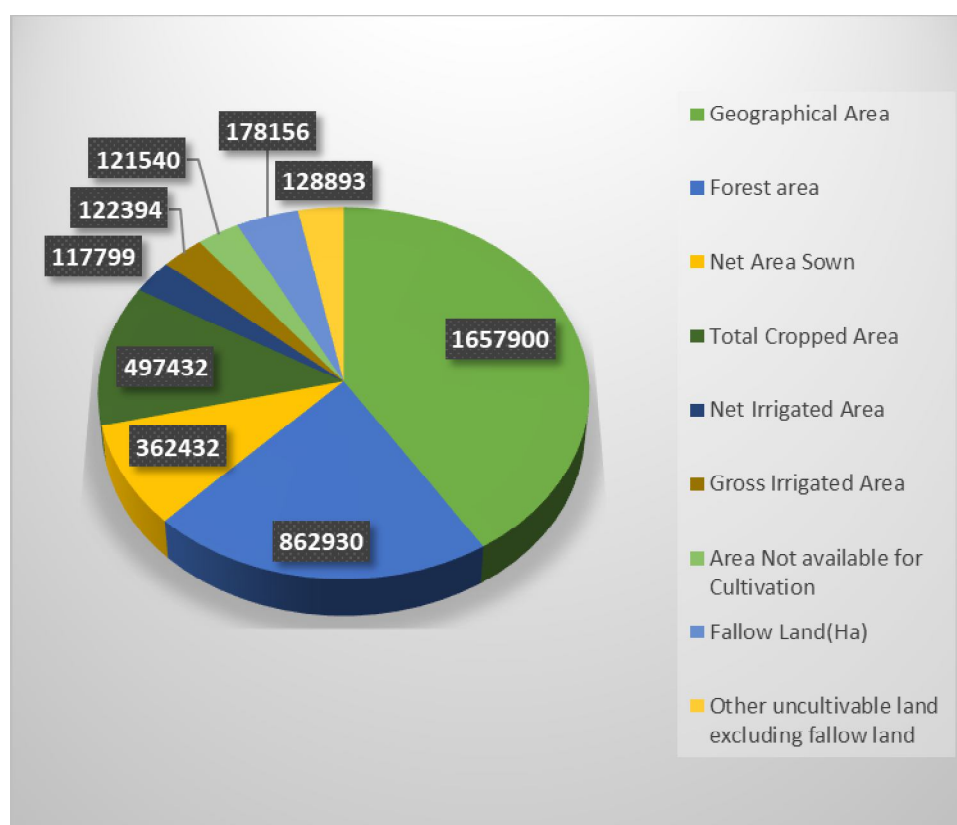
1.4.2 Per Capita Income of the State: During 2022-23 (A.E), the Per Capita Income (PCI) of the State is estimated to have increased from ₹1,42,363 in 2021-22(Q.E) to ₹1,59,092 in 2022-23 (A.E). (Source: Directorate of Economics & Statistics, Govt. of Nagaland)

1.5 Land Use Pattern: During 2022-23, total net sown area was 362432 Ha and total cropped area was 497432 Ha. During the same year, gross irrigated area and net irrigated area were 122394 Ha. and 117799 Ha respectively. Under land classification, forest land covers an area of 862930 Ha while land not available for cultivation and other uncultivable land excluding fallow land were 124340 Ha. and 128893 Ha respectively. While area under gross cropped area, net sown area and irrigated area registered fluctuating trend. These changes indicate the optimization of land use and simultaneously the limitations in the availability of land. Land use pattern in the State is depicted in the following table and pie diagram:

Table 1.3: Land use Statistics of Nagaland

Area Classification	2018-19	2019-20	2020-21	2021-22	2022-23
Geographical Area (Ha)	1657900				
Forest area (Ha)	862930	862930	862930	862930	862930
Net Area Sown (Ha)	383594	383670	386318	264845	362432
Total Cropped Area (Ha)	530300	529220	532018	315618	497432
Cropping Intensity (%)	138	138	138	119	137
Net Irrigated Area (Ha)	117950	120450	122260	48964	117799
Gross Irrigated Area (Ha)	125870	127870	129820	50688	122394
Area Not available for Cultivation (Ha)	112109	115160	118303	121540	124340
Fallow Land(Ha)	159558	159902	158850	278396	178156
Other uncultivable land excluding fallow land (Ha)	134919	132530	128735	129028	128893

Land Use Statistics 2022-23



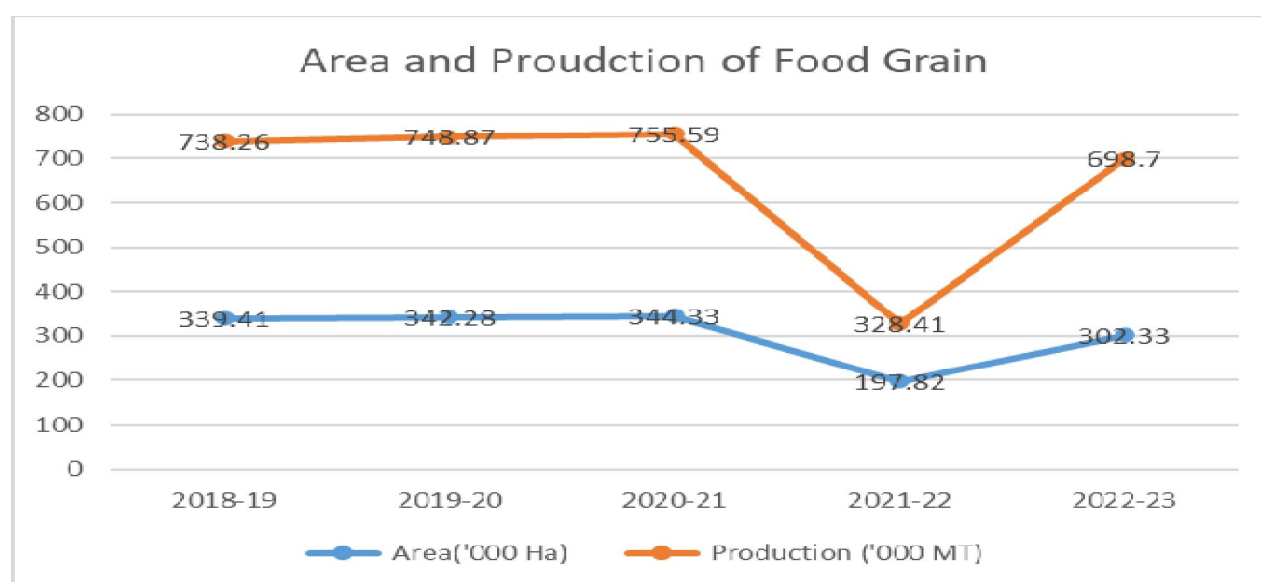
1.6 Agriculture: Agriculture remains the backbone of the state's economy providing employment to more than two-thirds of the workforce in the state and occupying a significant share in the NSDP of the state. The gross cropped area of the state is 4.97 lakh Ha. of which area sown more than once was 1.35 lakh Ha. The Net Sown Area is 3.62 lakh ha. During 2022-23, the Net irrigated area was 1.17 lakh ha. which is about 96% of Gross Irrigated area of the state. (Source: Statistical handbook of Nagaland-2022.As per Vision 2025 document published by the Dept. of Agriculture & Allied

Departments, Govt. of Nagaland, for attaining food security in the State, the requirement of area to be brought under cultivation for cereal, pulses, vegetables, oilseeds, etc. is estimated at 273805 Ha and for fruits production at 34608 ha respectively. Major crops in the state are Rice, Maize, Soya bean, Mustard, etc. The area under cultivation (in '000' ha), production (in '000' MT) and yield (in kg) is given in the table below:

Table 1.4: Area and production of food grains in Nagaland

S. No.	Year	Area ('000 Ha)	Production ('000 MT)
1	2018-19	339.41	738.26
2	2019-20	342.28	748.87
3	2020-21	344.33	755.59
4	2021-22	197.82	328.41
5	2022-23	302.33	698.70

(Source: Nagaland Statistical Handbook 2023)



Owing to a drought-like situation faced by the state, in 2021- 22 the food grain production decreased to 328414 MT from 755590 MT in 2020-21. With improved agro-climatic conditions, the production has increased to 698760 MT in 2022- 23. Correspondingly, the total area under food grain cultivation decreased significantly by about 43 percent, from 344330 hectares in 2020-21 to 197820 hectares in 2021-22. The yield of food grain production similarly registered a decline. Both the area under cultivation as well as yield have increased substantially in 2022-23. Analogously, the area, production as well as yield of cereals, pulses, oilseeds and commercial crops declined in 2021-22 as compared to 2020-21, all of which have increased significantly in 2022-23.

1.7 Fostering Climate Resilient Upland Farming Systems (FOCUS) is a project funded by the International Fund for Agriculture Development (IFAD) at a cost of ₹612.43 crore. It is being implemented in 668 villages across eight districts of Nagaland for a duration of 6 years till March 2024. The major components include improved jhum management and value chain and market access. The overall objective of the project is to increase the agricultural income of 1.37 lakh farming households and enhance their resilience to climate change. The long-term objective is to restore the ecological balance by addressing the ever-increasing human needs through a blend of modern technological advances with traditional knowledge. This would be achieved through the development objective of increasing the environmental sustainability and profitability of farming systems practiced by highland farmers.

1.8 Naga-Integrated Settled Farming (N-IsF): Department of Agriculture, Govt. of Nagaland has prepared a Naga-Integrated Settled Farming (N-IsF) business model for revitalizing the production systems through integrated farming at the farmers' field. This is expected to ensure a sustainable livelihood for farmers and transforming the present subsistence agriculture to commercial and sustainable agriculture.

1.9 Farmer Markets: State Govt. has announced for setting up of Farmer Markets in all the districts aimed at promoting local products, organic food and a chain that ensures farm to market, and farm to table links without the middlemen.

1.10 Mission Organic Value Chain for North Eastern Region: Under Mission Organic Value Chain for North Eastern Region, Department of Agriculture, Govt. of Nagaland will promote cultivation of dragon fruit in Dimapur, avocados in Kohima, apples in Kiphire, spices in Wokha, ginger in Mon and bananas in Mokokchung. It will help farmers to aggregate and collectively market their produce and also create room for export.

1.11 Vegetable villages: To revive the State's economy post COVID-19 pandemic, Department of Horticulture is developing 100 vegetable villages for 10,000 households, strengthening post-harvest and value addition infrastructure for fruits and vegetables and promoting mushroom cultivation.

1.12 Food for all: The Government of Nagaland has put in place its 'Vision 2025' goal of achieving food security for all by adopting modern technology and integrated farming approach and putting in place critical infrastructure for transportation, storage and processing of farm produce. The Vision aims at addressing the entire gamut of issues to make Nagaland a prosperous State surplus in food production by 2025.

1.13 Rubber Plantation: Rubber plantation was introduced in the State to wean the rural populace away from Jhum practice and to encourage settled farming, reclaiming the degraded lands and to uplift the rural economy. Accordingly, Land Resources Department, Govt. of Nagaland has set a target to bring 30,000 hectares under rubber plantation by 2030. Out of the above target, about 64% has been achieved.

1.14 Coffee Plantation: Considering the favourable agro-climatic condition of the state, comprehensive plan has been developed by Land Resources Department, Govt. of Nagaland to bring 50,000 hectares under Coffee plantation by 2030. Till date 8997 hectares has been brought under Coffee plantation and more than 5000 families are engaged in the cultivation. Promotion of Nagaland coffee is being undertaken by improving production, value addition and marketing.

1.15 Bamboo Development as a Resource and Enterprise: Under the restructured **National Bamboo Mission (NBM)** being implemented from the year 2018-19 in 23 states across the country including the NER states, a total of 25 product development and processing units have been established in Nagaland as on March 2022. The Nagaland Bamboo Development Agency (NBDA) which is the implementing agency at the state level has two approaches for the promotion and development of the bamboo industry in the state viz. Development of bamboo as a resource and Development of bamboo as an enterprise. To achieve this end, the NBDA has been working to develop bamboo as an instrument of poverty alleviation and employment generation in the rural sector through various activities such as establishment of primary processing units in bamboo clusters, scientifically managed bamboo plantations of commercially viable bamboos, technology sourcing and dissemination, skill upgradation and capacity building, etc.

1.16 Nagaland Agriculture Export Policy: In tune with the National Agriculture Export policy, Nagaland Govt. has framed its Agriculture export policy along with identification of export clusters and crops. The objective of the policy is to promote better mechanism and infrastructure for market access of the organic and ethnic produce of farmers and enable remunerative returns. It

also aims to promote private players in food processing and packaging under certification by notified agencies of the Government.

1.17 Development of irrigation potential: The State Govt. through the Dept. of Water Resources, has prepared a road map for creation of potential from around 37% at present to 45% of Ultimate Irrigation Potential by the year 2024 through Irrigation Development and Management (IDM). The road map will serve as a guiding document for expansion and strengthening of activities for sustainable management of water resources of the state.

1.18 Nagaland SDG Vision 2030 – Leaving no one behind: The Nagaland Government on 17 August 2021 launched a vision document setting sustainable development goals (SDG) for the year 2030. The document aims to make the state well-governed, peaceful and prosperous, where all citizens will get equitable opportunities. It is expected to provide specific short, medium and long term strategies that the state should focus on to meet the aspirations of the people for sustainable livelihoods and living standards. The document is based on the 17 specific goals of United Nations Sustainable Development Goals including No poverty, Zero hunger, Good health & well-being, Quality education, Gender equality, Clean water & sanitation, Affordable & clean energy, Decent work & economic growth, and Industry, innovation & infrastructure.

1.19 Water supply: The Har Ghar Jal programme under the Jal Jeevan Mission (JJM) of the Dept. of Drinking Water and Sanitation, Ministry of Jal Shakti, Govt. of India, is envisioned to provide safe and adequate drinking water through individual House hold tap connections to all households in rural India by 2024. As on 25 July 2022, the Public Health Engineering Department of the Govt. of Nagaland has covered 3.77 lakh households in 1499 habitations with a functional household tap connection (FHTC) under JJM.

1.20 Animal Husbandry: In order to move towards self-sufficiency, the Dept. of Animal Husbandry and Veterinary Services (AH & VS) has initiated procurement of 24 numbers of pure breed Hampshire Pig from United Kingdom to upgrade breeding stocks in the state. This is being initiated under the National Livestock Mission – Piggery Development in NER. ‘Tenyi-Vo’ the indigenous breed of pig of Nagaland is also being introduced at the state pig breeding farm in Sathazu, Phek district.

1.21 Forest: The ‘Forest and Biodiversity Management in the Himalaya (Nagaland)’ project funded by the German Development Bank KfW under an Indo-German Financial Cooperation is being implemented by the Nagaland State Biodiversity Board, the State Forest Department, GoN and the Nagaland Empowerment of People for Economic Development (NEPED) supported by a Project Management Consultancy as the Project Executing Agency. The project aims to safeguard biodiversity conservation in selected Community Conserved Areas (CCAs), while at the same time improving the living conditions and income of the local population in peripheral areas of protective forests. The project covers 12 CCAs, around 70 villages and 6 districts in the state and will be implemented over a period of 8 years from 2019-2026.

1.22 Nagaland Start-up Policy: With an aim to accelerate and promote local entrepreneurs in the state of Nagaland, the Department of Industries & Commerce, GoN has been appointed as the Nodal department to implement the Start-up Policy for the state which will create an enabling environment for start-ups to grow, by ensuring knowledge exchange, capacity building, policy interventions and access to funding. Under the start-up policy, the State Govt. aims to facilitate the growth of at least 500 start-ups in the next five years with a focus on establishing innovative “Made in Nagaland” products and services. Establish a world class State incubator, in partnership with global leaders on a PPP mode, which will nurture, guide and support existing and aspiring Startups to become successful business ventures and achieve creation of direct and indirect employment in the private sector.

1.23 Promotion of “Made in Nagaland” products: To provide products from Nagaland access to a larger market, the Nagaland State Emporiums (NSEs) outside the State have been upgraded and various state agencies such as the Nagaland Bamboo Development Agency, DUDA, Women Resources Department, Agri and Allied departments and Nagaland Handloom and Handicrafts Development Corporation have been given space in the NSEs under the marketing banner of “Naturally Nagaland”. This initiative is expected to promote “Made in Nagaland” products to national and international markets.

1.24 Chief Minister’s Micro Finance Incentive Scheme

While presenting the state budget for FY 22-23, the Chief Minister Shri Neiphiu Rio announced the Rs 65 crore worth “Chief Minister’s Microfinance Initiative” scheme to help expedite credit flow to MSME entrepreneurs and farmers. Formally launched at the hands of the Hon’ble Union Finance Minister Smt. N Sitharaman on 23rd August 2022 at Kohima, the scheme aims to improve the affordability and availability aspect of credit for individuals and SHGs and Farmer Producer Organisations. Eligible Beneficiaries covered are Farmers, Entrepreneurs, and unemployed youths, Self Help Groups, Farmers’ Producers Organisations and Co-operative Societies. Under the scheme subsidy or interest subvention against identified activities in the agriculture & allied sector including processing units, handicrafts and small-scale manufacturing units will be provided to eligible beneficiaries. The funding pattern would be in the proportion of 10% beneficiary contribution, 60% bank loan and 30% subsidy. The maximum ceiling admissible under this scheme will be ₹ 15.00 Lakhs.

The State Govt. will provide interest subvention over and above the existing Central Government schemes. This initiative is expected to grow farmer’s income, inculcate a sense of credit discipline, boost private enterprise and improve the agri marketing network and infrastructure in the State.

Details of the scheme can be accessed at <https://cmmfi.nagaland.gov.in/>

2. Status of Cooperatives in the State

Cooperative movement in the State dates back to the year 1946 when two Cooperative Societies one each in Kohima and Mokokchung were established. Records reveal that these Societies were functioning satisfactorily until their activities were interrupted by the disturbed situation in the State. Local Cooperative Officers were also posted by the then Assam Government even earlier than 1950’s. However, the real effort for organizing the Cooperative movement in the State was made only after Nagaland attained statehood in 1963. After the establishment of the Office of the Registrar of Cooperative Societies, Nagaland in the year 1966 by bifurcating from Agriculture Department, the State Government had acknowledged the role of cooperative form of organization that could play a very useful role in establishment and promotion of economic and social democracy and in the implementation of democratic planning with the ideal of a welfare state. Currently, activities of the department are guided by The Nagaland Cooperative Societies Act 2017.

2.1 Sector-wise/ Activity-wise distribution of Cooperatives

The sector-wise/activity-wise distribution of Cooperative Societies in the State is as given below:

Table 1.5: No. of Cooperative Societies in Nagaland

Sr. No	Type	Number of Societies
Details of Non-Credit Cooperative Societies		
1	AH Sector (Milk/Fishery/ Poultry etc.)	1307
2	Consumer Stores	241
3	Housing Societies	50
4	Weavers	628
5	Marketing	125
6	Labour Societies	0
7	Industrial Societies	76

8	Agro Processing and Sugar	0
9	All others	2027
	Total	4454
Details of Credit Cooperative Societies		
10	Primary Agriculture Credit Societies	4074
Details of Multi State Cooperative Societies		
11	No. of MSCS	0
<i>Source: RCS, GoN official website</i>		

3. Recent Developments/ Initiatives, taken by State Government in strengthening of outreach and activities of Cooperatives

3.1 Implementation of Integrated Cooperative Development Project (ICDP), PHASE-II.

The State of Nagaland, under the category of cooperatively least developed states started implementation of the National Cooperative Development Corporation (NCDC) Schemes for Primary Cooperative Societies from the year 1987 onwards. ICDP which is an NCDC sponsored scheme started in Nagaland during 1989.

The 4th year and the final of the ICD Project was officially launched on 29th November 2021 and issue of application forms started from 13th December 2021. Release of financial assistance is scheduled to be started from May 2022. The outlay of 4th year implementation for respective five (5) districts are as under: -

Table 1.6: District-wise Status of ICDP Projects

Sl. No	Name of the ICDP District	Total Project Cost (₹ lakhs)	4th year outlay (₹ in lakhs)
1	Kohima	1514.899	243.324
2	Peren	710.736	144.112
3	Tuensang	1604.420	163.980
4	Longleng	501.860	42.560
5	Kiphire	878.070	40.700
TOTAL		5209.985	634.676

3.2 Implementation of One Village-One Cooperative Society

In pursuance to the recommendations of the Study Committee on NCDC sponsored schemes and approval thereof by the State Cabinet (notified vide State Govt.'s O.M. NO.COP-2/348/2000(V) dated 04-11-2000), one Multi-Purpose Cooperative Society (MPCS), for every village has been implemented which will act as a Model Cooperative Society for others to emulate. This proposal of *One Village-One Cooperative Society* will be further strengthened due to the recent Govt. policy directive on cancellation of Non-functioning and defunct Cooperatives and the constitution of a High-Powered Committee headed by Addl. Chief Secretary to the Govt. of Nagaland. The Department has so far organized 90 Nos. of Cooperative Societies under the One Village One Societies.

4. Way Forward

The State needs to focus on creation of quality infrastructure that can address basic needs for the economy like roads and bridges, housing, safe drinking water, rural health care and energy. Infrastructure development in the state has often been hampered by the following bottlenecks:

- Non-prioritization of key infrastructure
- Delays in project execution
- Inadequate budgetary resources and limited Borrowing Power of the State Government under Article 293(3) of the Constitution of India

Banking Profile										
		State - Nagaland				SLBC - State Bank of India				
1. NETWORK & OUTREACH (As on 31/03/2023)										
Agency	No. of Banks/Soc .	No. of Branches				No. of non-formal agencies associated			Per Branch Outreach	
		Total	Rural	Semi-urban	Urban	mFIs/mFOs	SHGs/JLGs	BCs/BFs	Villages	Households /population
Commercial Banks	22	168	54	77	37	0	6437	653	9	1814
Regional Rural Bank	1	11	7	4	0	0	662	0	138	28846
Cooperative Banks	1	21	11	10	0	0	1729	0	66	13736
Other agencies	1	3	0	2	1	0	140	0	691	144234
All Agencies	25	203	72	93	38	0	8968	653	7	1502
2. DEPOSITS OUTSTANDING										
Agency	No. of accounts					Amount of Deposit [₹ in lakh]				
	31-Mar-21	31-Mar-22	31-Mar-23	Growth (%)	Share (%)	31-Mar-21	31-Mar-22	31-Mar-23	Growth (%)	Share (%)
Commercial Banks	NA	NA	NA	NA	#VALUE!	1365042.84	1470453.51	1570829.05	6.83	92.95
Regional Rural Bank	NA	NA	NA	NA	NA	11670.40	12308.25	13540.24	10.01	0.80
Cooperative Banks	NA	NA	NA	NA	NA	97313.04	100606.00	104915.13	4.28	6.21
Other agencies	NA	NA	NA	NA	NA	0.00	222.73	674.61	202.88	0.04
All Agencies	NA	NA	NA	NA	NA	1474026.28	1583590.49	1689959.03	6.72	100.00
3. LOANS & ADVANCES OUTSTANDING										
Agency	No. of accounts					Amount of Advances [₹ in lakh]				
	31-Mar-21	31-Mar-22	31-Mar-23	Growth (%)	Share (%)	31-Mar-21	31-Mar-22	31-Mar-23	Growth (%)	Share (%)
Commercial Banks	NA	NA	NA	NA	#VALUE!	587539.68	679591.98	807621.39	18.84	91.44
Regional Rural Bank	NA	NA	NA	NA	NA	3286.13	4297.11	5258.37	22.37	0.60
Cooperative Banks	NA	NA	NA	NA	NA	61831.66	66295.49	69009.88	4.09	7.81
Other agencies	NA	NA	NA	NA	NA	0.00	734.67	1362.64	85.48	0.15
All Agencies	NA	NA	NA	NA	NA	652657.47	750919.25	883252.28	17.62	100.00
4. CD-RATIO					5. PERFORMANCE UNDER FINANCIAL INCLUSION (No. of A/cs)					
Agency	CD Ratio				Agency	During 2022-23		Cumulative		
	31-Mar-21	31-Mar-22	31-Mar-23			Deposit	Credit	Deposit	Credit	
Commercial Banks	43.04	46.22	51.41		Commercial Banks	NA	NA	NA	NA	
Regional Rural Bank	28.16	34.91	38.84		Regional Rural Bank	NA	NA	NA	NA	
Cooperative Banks	63.54	65.90	65.78		Cooperative Banks	NA	NA	NA	NA	
Other agencies	0.00	329.85	201.99		Other agencies	NA	NA	NA	NA	
All Agencies	44.28	47.42	52.26		All Agencies	NA	NA	NA	NA	
6. PERFORMANCE TO FULFILL NATIONAL GOALS - (As on 31/03/2023)										
Agency	Priority Sector Loans		Loans to Agr. Sector		Loans to Weaker Sections		Loans under DRI Scheme		Loans to Women	
	Amount [₹ in lakh]	% of Total Loans	Amount [₹ in lakh]	% of Total Loans	Amount [₹ in lakh]	% of Total Loans	Amount [₹ in lakh]	% of Total Loans	Amount [₹ in lakh]	% of Total Loans
Commercial Banks	96149.68	92.37	28727.90	86.17	42176.67	95.92	NA	NA	788.52	30.75
Regional Rural Bank	1853.59	1.78	526.92	1.58	1760.88	4.00	NA	NA	540.14	21.06
Cooperative Banks	6088.71	5.85	4085.21	12.25	0.00	0.00	NA	NA	1235.98	48.19
Other agencies	0.00	0.00	0.00	0.00	32.25	0.07	NA	NA	0.00	0.00
All Agencies	104091.98	100.00	33340.03	100.00	43969.80	100.00	NA	NA	2564.64	100.00
7. AGENCY-WISE PERFORMANCE UNDER ANNUAL CREDIT PLANS										
Agency	2020-21			2021-22			2022-23			Average Ach[%] in last 3 years
	Trg [₹ in lakh]	Ach [₹ in lakh]	Ach [%]	Trg [₹ in lakh]	Ach [₹ in lakh]	Ach [%]	Trg [₹ in lakh]	Ach [₹ in lakh]	Ach [%]	
Commercial Banks	59442.97	56484.00	95.02	66304.68	60667.07	91.50	56014.81	96149.68	171.65	119.39
Regional Rural Bank	2859.85	588.35	20.27	2451.74	1035.25	42.23	1569.65	1853.59	118.09	60.20
Cooperative Banks	12270.78	4658.31	37.96	11856.16	3415.19	28.81	5239.50	6088.71	116.21	60.99
Other agencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
All Agencies	74573.60	61730.66	82.78	80612.58	65117.51	80.78	62823.96	104091.98	165.69	109.75
8. SECTOR-WISE PERFORMANCE UNDER ANNUAL CREDIT PLANS										
Broad Sector	2020-21			2021-22			2022-23			Average Ach[%] in last 3 years
	Trg [₹ in lakh]	Ach [₹ in lakh]	Ach [%]	Trg [₹ in lakh]	Ach [₹ in lakh]	Ach [%]	Trg [₹ in lakh]	Ach [₹ in lakh]	Ach [%]	
Crop Loan	19312.80	13210.04	68.40	22051.39	14485.61	65.69	13115.44	18409.38	140.36	91.48
Term Loan (Agr)	24256.65	6159.92	25.39	23309.08	4828.68	33.59	10704.54	14930.65	139.48	66.15
Total Agri. Credit	43569.45	19369.96	44.46	45360.47	22314.29	49.19	23819.98	33340.03	139.97	77.87
Non-Farm Sector	25182.50	39155.60	155.49	26218.68	35574.73	135.68	32230.59	66102.69	205.09	165.42
Other Priority Sector	5821.65	3205.08	55.05	9033.43	7228.49	80.02	6773.39	4649.26	68.64	67.90
Total Priority Sector	74573.60	61730.64	82.78	80612.58	65117.51	80.78	62823.96	104091.98	165.69	109.75
9. RECOVERY POSITION										
Agency	2020-21			2021-22			2022-23			Average Rec. [%] in last 3 years
	Demand [₹ in lakh]	Recovery [₹ in lakh]	Recovery [%]	Demand [₹ in lakh]	Recovery [₹ in lakh]	Recovery [%]	Demand [₹ in lakh]	Recovery [₹ in lakh]	Recovery [%]	
Commercial Banks	NA	NA	#VALUE!	86.00	56.00	65.12	96.00	46.00	47.92	#VALUE!
Regional Rural Bank	235	225	96	NA	NA	NA	NA	NA	NA	NA
Cooperative Banks	4793	2800	58	NA	NA	NA	NA	NA	NA	NA
Other agencies	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
All Agencies	5027	3025	154.28	86.00	56.00	65.12	96.00	46.00	47.92	60.02

Source: Agenda cum background paper of SLBC, Nagaland and Annual Report of NSICB

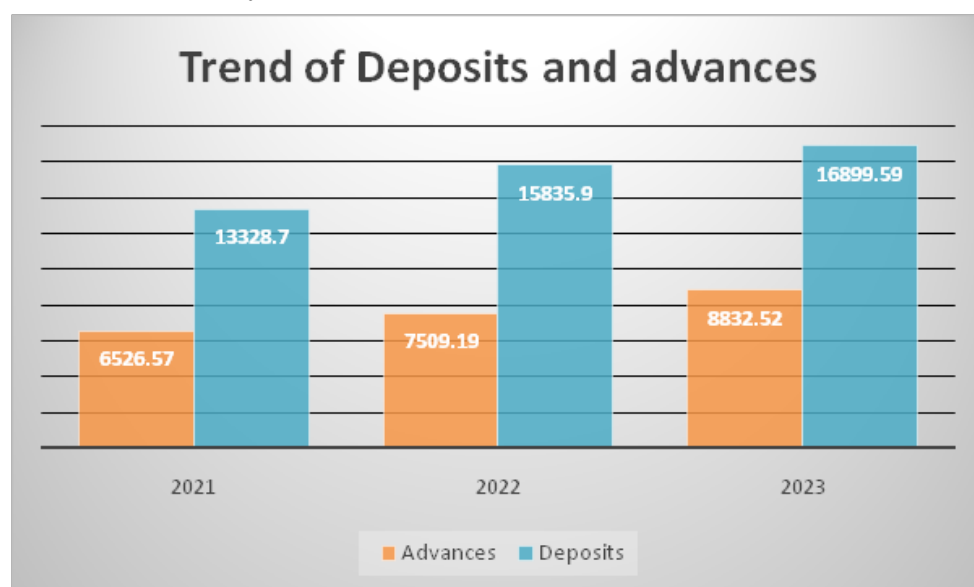
CHAPTER II

BANKING/FINANCIAL SECTOR PROFILE

2.1 Introduction: Effective, efficient and extensive financial services are paramount to usher in 'Development through Credit' and ensuring 'Financial Inclusion'. The Indian banking industry, including rural cooperatives have contributed immensely towards achieving a sustained economic growth and food security in the country. The banking system helps in creation of new capital and thereby facilitates the growth process and fuels development of all sectors of the economy such as agriculture, industry, trade and business.

The banking network in the State, as on 31 March 2023, comprised of 24 Commercial Banks (12 Public Sector Commercial Banks and 10 Private Sector Commercial Banks); North East Small Finance Bank, Nagaland Rural Bank and Nagaland State Cooperative Bank Ltd. Banking services in the State are provided through a network of 203 branches, of which 165 branches (81.28%) are located in rural and semi urban areas. The State Bank of India with its network of 71 branches is the Convener of the State Level Bankers' Committee (SLBC) and also the Lead Bank in all the districts of the State except Chumoukedima where Bank of Baroda (BoB) is the Lead Bank. SBI has two Regional Business Offices located at Dimapur and Mokokchung respectively. The controlling offices of the remaining Commercial Banks are based either in Assam (Jorhat, Dibrugarh and Guwahati) or at Kolkata. The Nagaland State Cooperative Bank Ltd. has its head office in Dimapur, while the head office of Nagaland Rural Bank is in Kohima.

2.2 Level of Deposits and Advances: As on 31 March 2023, the total deposits mobilised by banks in the State was ₹16899.59 crore. Commercial banks accounted for the major share of deposits at 92.95%, followed by NStCB at 6.20%, NRB at 0.81% and NESFB at 0.03%.



Total advances extended by banks in the State was ₹8832.52 crore (excluding RIDF) as on 31 March 2023. Commercial banks accounted for the major share of the advances with 91.44%, followed by NStCB at 7.81%, NRB at 0.59% and NESFB at 0.16%.

2.3. Highlights of the performance of Banks during the year 2022-23

Some of the critical issues and developments related to the financial sector in the State during the year 2022-23 are as follows:

- During 2022-23, the deposits and advances registered growth of 6.71% and 17.62% respectively over the previous year.
- Aggregate Deposits increased from 15835.90 crore as on 31 March 2022 to 16899.59 crore in 31 March 2023, registering a growth of 6.71%.

- Aggregate Advances increased from 7509.19 crore as on 31 March 2022 to 8832.52 crore in 31 March 2023, registering a growth of 17.62%.
- As per SLBC data, advances under agriculture and total priority sector constituted 6.92% and 23.70% of total advances by the banking system respectively as on 31 March 2023 as against the minimum stipulation of 18% and 40% respectively.
- Advances to MSME sector and other priority sector constituted 14.10% and 2.67% of total advances by the banking system respectively.
- The overall CD ratio of the bank stood at 52.26% as on 31.03.2023. Five banks namely IDFC Bank, Punjab & Sind Bank, Federal Bank, Axis Bank and Yes Bank continue to record below 20% CD ratio.

2.3. Performance under Priority Sector lending in Nagaland: The performance of banks under the Priority Sector lending in Nagaland for the five-year period from 31 March 2019 to 31 March 2023 is as given in Table 2.1.

Table 2.1 Priority Sector Advances

Particulars	Target (%)	State Performance (%)				
		March 2019	March 2020	March 2021	March 2022	March 2023
Advances o/s to Priority Sector	40	12.82	25.53	23.53	22.31	22.54
Advances o/s to Agriculture	18	3.12	6.85	5.72	5.69	6.92
Advances o/s to Weaker Sections	10	14.69	13.78	22.63	24.43	24.96

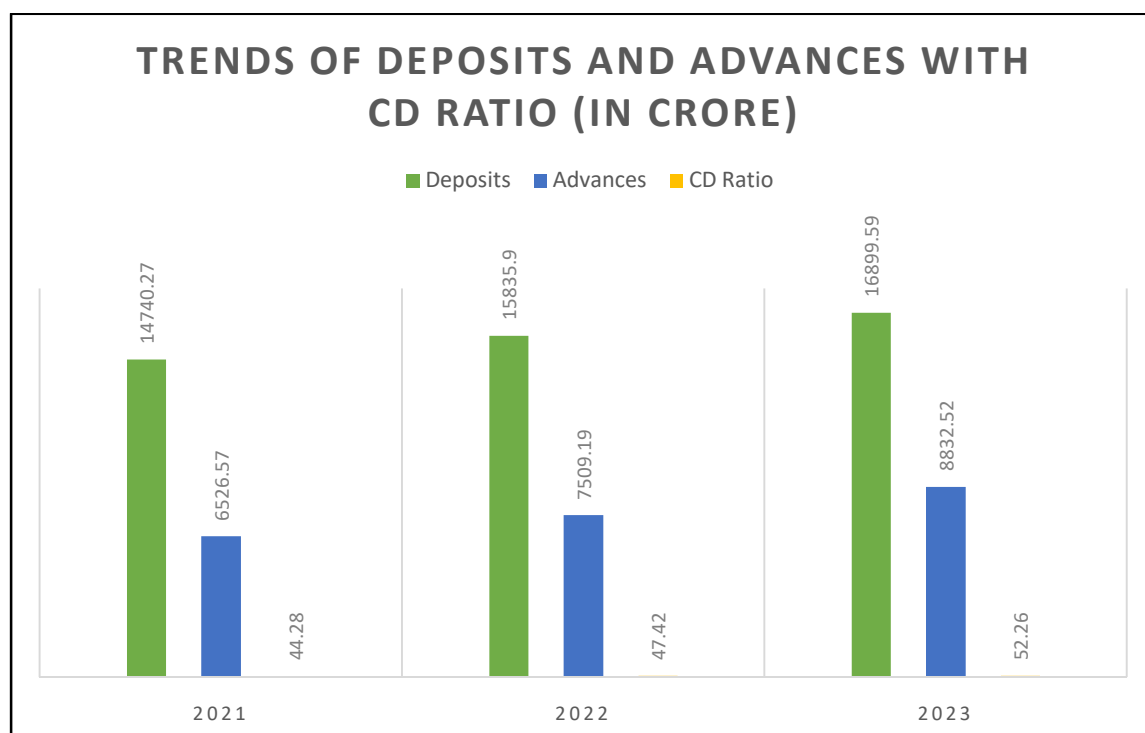
(Source: SLBC Agenda Papers)

2.4. Performance under the Annual Credit Plan (ACP) – 2022-23

- As against the target of ₹628.23 crore under the Annual Credit Plan for the State, an amount of ₹1040.92 crore was disbursed during the year 2022-23 for various priority sectors, recording an achievement of 165.69% as against 80.78% during 2021-22. The disbursement recorded increase of 85.29% over the previous year's achievement in absolute terms. Three banks namely Bandhan Bank and IDFC Bank recorded achievement of less than 20% of the target.
- Achievement under crop loans was to the tune of 140.36% against the annual target of ₹131.15 crore registering an increase of 11.72% over previous year's achievement.
- Banks recorded an excellent achievement of 205.09% of the overall target of ₹322.30 crore under non-Farm sector during 2022-23 as against the achievement of 135.68% of the target of ₹262.19 crore during 2021-22.
- The performance under the other priority sector stood at 68.64% of target, as against the achievement of 80.02% of target during 2021-22.
- Agency-wise analysis of targets and achievements show that Public Commercial Banks achieved 195.20% of their lending targets, Private Commercial Banks achieved 91.15% of their lending targets. While the Nagaland State Cooperative Bank Ltd. achieved 116.21% and Nagaland Rural Bank achieved 118.09% of their priority sector lending targets.

2.5. Credit Deposit (CD) Ratio

- The overall CD ratio in the State continued to be low at 52.26 % as on 31 March 2023, which has slightly improved in comparison to that of 31 March 2022, which stood at 48.08%. With the National average at 72.2% and the minimum stipulated requirement of 60%, the continuously low CD ratio of the State is a matter of serious concern.
- The CD ratio of Nagaland State Cooperative Bank Ltd., which has been the highest among the major Banks in the State increased from 65.90% as on 31 March 2022 to 65.70% as on 31 March 2023. The CD ratio of Commercial Banks, which was 46.22% as on 31 March 2022 registered a rise to 51.47% as on 31 March 2023. The CD ratio of Nagaland Rural Bank registered an increase to 38.84% as on 31 March 2023, from a level of 34.91% as on 31 March 2022.
- As per SLBC data as on 31 March 2023, Niuland district registered the highest CD Ratio at 141.56% followed by Longleng at 139.13% and Tuensang at 131.66%. Of all the districts, Kohima and Dimapur registered the lowest CD ratio at 26.17% and 56.01% respectively.
- The reasons for the low level of credit flow has been attributed to poor development of infrastructure, low level of industrialization, restrictive land ownership structure along with skewed and overall poor branch network in the State.



Source: SLBC Agenda papers

2.6 Inter-district Imbalances in Agriculture Credit Disbursement in the State:

Dimapur and Mokokchung districts absorbed the major share of agriculture credit disbursed in the State at 19.35% and 18.27% of the total agriculture credit disbursed during 2022-23 leaving rest of the districts to share the remaining 62.38% credit. Shamator district has the lowest share of agricultural credit at 0.31% (₹161.22 lakh) followed by Noklak district at 4.5% share (₹229.79 lakh).

2.7 Branch, ATM and BC/CSP Network

- As on 31 March 2023, a network of 360 ATMs and 653 Common Service Points (CSPs) supported the 203 bank branches in the State to facilitate banking services.
- Of the 74 Rural Development Blocks, 22 Rural Development Blocks still do not have a single bank branch. As on 31 March 2023, the Average Population per Bank Office (APPBO) in Nagaland stood at 9746.

- The 203 bank branches of the State have a skewed distribution, with 67% of the bank branches located in the four districts of Dimapur, Chumoukedima, Kohima and Mokokchung as can be seen in the Table 2.2 below.
- The district-wise imbalance in spread of branches continues to be a cause for major concern. The districts of Noklak, Longleng, Tseminyu and Shamator have a network of only 01, 02, 03 and 02 branches respectively.
- Most of the blocks in the above districts have only 01 or 02 bank branches that are located at the block headquarter.

Table 2.2 District-wise Average Population Per Bank Office as on 31.03.2023

Sr No	Name of District	No. of Bank Branches	Population	APPBO
1	Dimapur	48	378811	7892
2	Kiphire	3	74004	24668
3	Kohima	45	267988	5955
4	Longleng	2	50484	25242
5	Mokokchung	25	194622	7785
6	Mon	10	250260	25026
7	Peren	5	95219	19044
8	Phek	9	163418	18157
9	Tuensang	6	196596	32766
10	Wokha	13	166343	12796
11	Zunheboto	10	140757	14076
12	Noklak	1	Newly created district	
13	Chumoukedima	18	Newly created district	
14	Niuland	3	Newly created district	
15	Shamator	2	Newly created district	
16	Tseminyu	3	Newly created district	
	Total	203	1978502	9746

(Source: SLBC Agenda papers)

2.8 Financial Inclusion

- As per RBI instructions, 27 Centres for Financial Literacy (CFL) have been set up in all districts except Dimapur while one R-SETI is functioning in Peren.
- During the year 2022-23, grant assistance under NABARD's Financial Inclusion Fund was sanctioned to banks for conduct of 552 Financial Literacy Camps, with the objective of bridging the gap between the bank and the unbanked through the adoption of technology.
- Under Financial Inclusion Fund (FIF), NABARD extended grant assistance to Nagaland Rural Bank for purchase of two Mobile ATM Vans. Further, support was also extended to the All India Radio, Kohima for broadcasting radio jingles on financial inclusion schemes and products 2 Radio Jingles were also extended to All India Radio, Kohima from the Financial Inclusion Fund.

- Digital coverage for individual savings account stood at 95.06% for RuPay/Debit Cards, 19.25% for NetBanking and 16.21% for mobile based/UPI facilities as on 31 March 2023.

2.8.1 Social Security Schemes

Subsequent to launching of PMJDY, the Hon'ble Prime Minister launched three Social Security Schemes in the Insurance and Pension sectors on 9th of May 2015. The objective being to create a universal social security system for all Indians, especially the poor and the underprivileged. These three schemes include:

- Pradhan Mantri Suraksha Bima Yojana (PMSBY), which envisages Personal Accident Insurance cover of Rs.2 lakh for a premium of just Rs.20 p.a.
- Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), which provides Life insurance cover of Rs.2 lakh for a premium of Rs.436 p.a.
- Atal Pension Yojana (APY) under which the subscribers would receive fixed pension ranging from Rs.1000 p.m. to Rs.5000 p.m., at the age of 60 years, depending on their contributions, which would vary depending on the age of joining the APY. The minimum age of joining APY is 18 years and maximum age is 40 years.

Pradhan Mantri Jan Dhan Yojana (PMJDY): As on 31 March 2023, a total of 3,64,478 accounts have been opened under PMJDY and 3,09,193 Rupay Debit Cards issued. The progress made by banks under Prime Minister Social Security Schemes upto 31 March 2023 in the State is as under:

Table 2.3 Prime Minister Social Security Schemes up to 31 March 2023

Name of Scheme	PMSBY	PMJJBY	APY
Enrolment (Nos)	2,99,255	1,09,207	25548

2.8.2 Expanding the reach of Centre for Financial Literacy (CFL) Project across the Country by RBI: The CFL pilot project on financial literacy was initiated by the Reserve Bank in 2017 in nine states across 80 blocks in collaboration with eight sponsor banks and six NGOs for a three-year period, with funding support from Financial Inclusion Fund (FIF) of NABARD and the respective sponsor banks. The objective was to adopt community led innovative and participatory approaches to financial literacy. The project was subsequently extended to 20 tribal/economically backward blocks in three states in 2019 with funding from the Depositor Education and Awareness Fund (DEAF) and sponsor banks.

Based on the experience gained from the pilot project, through feedback received from the stakeholders (banks and NGOs) and to promote financial literacy at grassroot level in a sustainable and participative manner, in line with National Strategy for Financial Inclusion (NSFI) 2019-24, the project is being scaled up across the country in a phased manner to cover the entire country by 2024 with each CFL covering three blocks. Under Phase I of the scaled-up CFL project, 10 NGOs are associated with operationalisation with funding support from DEA Fund, FIF and 13 sponsor banks. In Nagaland NABARD sanctioned 15 CFLs in seven districts with CRISIL Foundation as the implementing agency and State Bank of India (SBI) and Bank of Baroda as partner banks.

2.8.3 Financial Inclusion Plan & Performance

Over the years, RBI has been framing policies for financial inclusion to ease access to banking services, particularly for the financially excluded segments of the economy. Financial inclusion (FI) through the JAM trinity (Jan Dhan, Aadhaar, Mobile) is seen as an important tool in achieving the goal. Convergence of the SHG BLP with the FI initiatives of the Government and RBI has added a whole new dimension to the entire exercise and has emerged as a very potent combination for ensuring financial inclusion.

2.8.4 Reserve Bank of India – FI Index

As announced in RBI's Statement on Developmental and Regulatory Policies in the first Bi-monthly Monetary Policy Statement for 2021-22 dated 07 April 2021, the Reserve Bank of India has constructed a composite Financial Inclusion Index (FI-Index) to capture the extent of financial inclusion across the country.

Table 2.4 RBI FI Index

Annual FI Index		
Sr. No.	Period ended	RBI FI Index
1	31.03.2021	53.9
2	31.03.2022	56.4
3	31.03.2023	60.1

The Index is responsive to ease of access, availability and usage of services, and quality of services, comprising in all the 97 indicators. A unique feature of the Index is the Quality parameter which captures the quality aspect of financial inclusion as reflected by financial literacy, consumer protection, and inequalities and deficiencies in services. The FI-Index has been constructed without any 'base year' and as such it reflects cumulative efforts of all stakeholders over the years towards financial inclusion. The annual FI-Index for the country is indicated in Table 2.4.

2.8.5 Implementation of National Strategy for Financial Inclusion

The National Strategy for Financial Inclusion for India 2019-24 has been prepared by the Reserve Bank of India under the aegis of the Financial Inclusion Advisory Committee (FIAC) with a view to systematically accelerate the level of financial inclusion in the country in a sustainable manner. The strategy envisages making formal financial services available, accessible, and affordable to all the citizens in a safe and transparent manner to support inclusive and resilient multi-stakeholder led growth. It proposes forward looking recommendations to help achieve universal access to financial services through a bouquet of basic financial services leveraging on the BC Model, access to livelihood and skills development, financial literacy and education, customer protection and grievance redressal with effective co-ordination. While the various initiatives have helped in extending financial services to the hitherto excluded sections of society, the strategy aims to focus on deepening the reach, usage and sustainability of financial inclusion.

2.8.6 Penetration of Banking Services

RBI has taken several steps to provide banking facilities in the unbanked and far-flung villages in the country. The use of information technology (IT) and intermediaries has made it possible to increase outreach, scale and depth of banking services at an affordable cost. SLBC Convenor banks were advised for opening new banking outlets in Unbanked Rural Centres (URCs) and in tier 5 and 6 centres, where banks to give priority to URCs having population above 5,000 (i.e. tier 5 centres). Further, SLBC Convenor banks were advised to consider opening of a CBS enabled banking outlet or a part time banking outlet in the villages with population less than 2,000 that still remain unbanked. As per the SLBC report, as on 15 May 2023, there are 41 villages yet to be covered by Bank Branch/BC Point/IPPB outlets within 5 km radius.

2.8.7 NABARD's initiatives towards Financial Literacy & Financial Inclusion

NABARD has been supporting Financial Literacy efforts through various initiatives aligning itself with the agenda of financial inclusion and keeping in mind its importance to augment demand for financial services, especially for those offered on the digital platform. Further, in order to augment the supply side of the financial ecosystem, NABARD has been extending support for onboarding to digital platforms, improving connectivity and meeting regulatory requirements. The major

activities covered include schemes for support of financial literacy, knowledge dissemination, creation of infrastructure, facilitating technology adoption by banks and policy advocacy.

The schemes of NABARD regarding equitable financial inclusion across the country in implementation are:

- Financial Literacy Programmes: (i) Financial and Digital Literacy Camps by branches of banks, (ii) Financial and digital literacy camps through FLCs; (iii) Reimbursement of Examination fee of BC/BF; (iv) Demonstration Van for Financial Literacy.
- Banking Technology Adoption: (i) Deployment of micro-ATMs; (ii) POS/mPOS Deployment; (iii) Dual Authentication Implementation; (v) On-boarding BHIM UPI; (vi) On-boarding PFMS; (vi) On-boarding to Bharat Bill Payment System (BBPS) to RCBs and RRBs; (vii) Support for implementing Green PIN facility at ATMs and/or micro-ATMs for RuPay Kisan Card Activation to RCBs and RRBs. (viii) Support for implementing Positive Pay System to RCBs.
- Regulatory Infrastructure Support: (i) Membership of AUA/KUA; (ii) Onboarding to CKYCR
- Support for Connectivity and Power Infrastructure: (i) VSAT deployment in SFDs; (ii) Mobile Signal Booster deployment in SFDs; (iii) Solar power unit/UPS deployment in SFDs.

2.8.8 Upscaling Financial Literacy through Financial Literacy Centres

In 2012, the RBI revamped the existing Financial Literacy and Credit Counselling Centres (FLCCs) and launched them as Financial Literacy Centres (FLCs), wherein lead banks were advised to set up an FLC in each of the Lead District Manager (LDM) offices. Since 2014, NABARD has been extending financial support to Regional Rural Banks (RRBs) and Rural Cooperative Banks (RCBs) for setting up of FLCs.

During the year 2022-23, 552 No. of Financial Literacy Camps were conducted by State Bank of India, Nagaland State Cooperative Bank, Nagaland Rural Bank, India Post Payments Bank and Airtel Payments Bank Ltd.

2.9 Rural Self-Employment Training Institutes (RSETIs)

The entrepreneurship and skill-based programs are being conducted by RSETIs. Govt. of India extends grant support up to Rs.1 crore to each RSETI towards capital expenditure. The 'A' and 'AA' rated RSETIs are facilitated from NABARD for conduct of skill development programs. The 'AA', 'AB' and 'AC' (institutions in existence for more than 3 years) and 'A', 'B' and 'C' (institutions in existence for less than 3 years) rated RSETIs in NER are also facilitated to avail assistance from NABARD for conduct of skill development programmes. In Nagaland, one RSETI is functioning in Peren district. As on 31 March 2023, NABARD provided capital expenditure support of Rs.4.50 lakh to RSETI Peren for Purchase of Training Equipment and Maintenance etc.

2.10 Pradhan Mantri Awaas Yojana

The scheme of the Ministry of Rural Development, GoI, provides assistance to BPL families who are either houseless or have inadequate housing facilities for constructing a safe and durable shelter. The effort has been part of a larger strategy of the Ministry's poverty eradication effort, supporting the development of an environmentally sound habitat with adequate provisions for incremental expansion and improvement. During the year 2022-23, loan assistance to 13 beneficiaries were disbursed involving loan amount of Rs.1.14 crore, in the State. As on 31.03.2023 loan outstanding was Rs.3.83 crore against 28 beneficiaries under PMAY in the State.

2.11 Pradhan Mantri Mudra Yojana (PMMY)

Under the scheme loans upto Rs.10 lakh are provided to the non-corporate, non-farm small/micro enterprises. The loans given by Commercial Banks, RRBs, SFBs, Cooperative Banks, mFIs and NBFCs are classified as MUDRA loans under PMMY. Under the aegis of PMMY, MUDRA has created three products namely 'Shishu' (loan up to Rs.50,000), 'Kishore' (loan from Rs.50,000 to Rs.5 lakh) and 'Tarun' (loan above Rs.5 lakh and below Rs.10 lakh), per beneficiary to signify the stage of growth/development and funding needs of the beneficiary micro unit/entrepreneur and

also provide a reference point for the next phase of graduation/growth. As on 31st March 2023, total loans provided was Rs.197.79 crore to 11071 units/beneficiaries in the State.

2.12 Stand Up India (SUI)

The Stand Up India scheme, introduced in August 2015, promotes entrepreneurship at the grass root level for economic empowerment and job creation. The objective of the scheme is to facilitate bank loans between Rs.10 lakh and Rs.100 lakh to at least one SC/ST borrower and one women borrower per bank branch of all scheduled commercial banks and RRBs for setting up a Greenfield enterprise. The Scheme is being implemented through a digital platform based on 3 pillars – handholding support, providing information on financing and credit guarantee. During the year 2022-23, loan assistance to 210 beneficiaries were disbursed involving loan amount of Rs.20.98 crore, in the State. As on 31.03.2023 loan outstanding was Rs. 84.26 crore against 450 beneficiaries under SUI in the State.

2.13 CBS in Cooperatives and RRB: All the bank branches of Nagaland State Cooperative Bank (NStCB) and Nagaland Rural Bank (NRB) are on Core Banking Solution (CBS) platform and are in a position to provide services like NEFT (National Electronic Fund Transfer), RTGS (Real-Time Gross Settlement) and DBT (Direct Benefit Transfer).

2.14. Way forward

- Banks need to ensure to adhere to the latest revised priority sector lending guidelines released by RBI.
- Out of 74 Rural Development (RD) Blocks, 22 RD Blocks still remain unbanked. Banking infrastructure is under-served in several districts, and they have to be addressed urgently.
- Banks may approach NABARD for actively availing grant support under Financial Inclusion Fund to extend the cause of Financial Inclusion and Financial Literacy in the State.
- Banks may, in the interest of ensuring timely data submission, adhere to RBI guidelines on data flow mechanism for reporting ACP data.

CHAPTER III

NABARD's Perception on the Development Perspective of Nagaland

3.1 Introduction: NABARD as the apex development financial institution for agriculture and rural development sectors, has created an indelible imprint in almost every area of development starting from providing credit support to Rural Financial Institutions (RFIs) through refinance, rural infrastructure funding, deepening of financial inclusion, women empowerment through capacity building, capital formation & climate proofing of agriculture, besides strengthening of rural financial institutions through its supervisory roles. NABARD in Nagaland has successfully implemented various developmental initiatives in collaboration with Banks, State Government Departments, NGOs, FPOs, SHGs and other stakeholders. This chapter provides a synopsis of NABARD's perception on the development status of the state for assessing the current situation for laying a roadmap towards realisation of its potential.

3.2 Economic scenario of the State: The size of Nagaland's economy in terms of Gross State Domestic Product (GSDP) has been estimated at ₹39,201 crore (AE) for 2022-23 at current prices indicating a growth of 11.98% over 2021-22. At constant prices (2011-12), it has been estimated at ₹22,111 crore (AE) in 2022-23 an increase of 8.84% over 2021-22 which stood at ₹20,315 crore. The sector-wise share of primary, secondary and tertiary sectors at constant prices has been estimated at 20.81%, 10.10% and 69.108% respectively for the year 2022-23. The tertiary sector continues to occupy the major share of GSDP of the state.

The sector-wise contribution to GSDP during the last 5 years is given in the table 3.1.

Table 3.1. Sectoral share (%) in GSDP

Sector	2018-19	2019-20	2020-21 (P)	2021-22 (QE)	2022-23 (AE)
Primary	25.78	27.57	29.37	21.58	20.81
Secondary	12.05	10.95	9.79	9.71	10.10
Tertiary	62.17	61.47	60.84	68.72	69.10

(Source: Nagaland Economic Survey 2022-23)

3.3 Significance of Agriculture in the economy of Nagaland: Despite the gradual decline of the primary (agriculture) sector in the state's sectoral share from 25.78% in the year 2018-19 to 20.81% in 2022-23, agriculture continues to dominate the economy of the state as it employs more than 60% of its working population. Increasing agricultural production and productivity is necessary to meet the rising demand for food as well as ensuring increased income of the farmers and the workforce attached therewith to make the agricultural operations profitable and tackle the growing inflation.

3.4. Capital formation in agriculture: With more than 60% of the population in the state still dependent on agriculture, there is an urgent need to step up investments in agriculture to enhance production and productivity. This would require a continued increase in allocation of funds for agriculture and allied sectors, by both the Central and the State Government. Sustaining growth in the agriculture sector largely depends on capital formation in agriculture. Capital formation in agriculture refers to investment in agriculture, both in the public and private sector space with the definite goal of enhancing the productive capacity of the factors of production, leading to increased agricultural production for raising income and livelihood of the farming community. Capital formation through investment in agriculture helps in improving the stock of equipment, tools and productivity of resources deployed, which, in turn, enables the farmers to use their resources, particularly land and labour, more productively. With most of the agriculture and allied activities concentrated in the rural areas, there is a pressing need to develop irrigation, transportation, storage, marketing and communication infrastructures.

Public sector investment in irrigation, rural roads, power, telecommunications, marketing infrastructure, and agricultural research and extension services will result in higher growth of the agricultural sector and a reduction in poverty as there is a direct correlation between capital investments in agriculture and its growth rate. Further, capital investments related to agricultural growth are of two categories:

- Capital investments ‘in’ agriculture – land development, irrigation, markets, etc.
- Capital investments ‘for’ agriculture – road, power, transport, etc.

Table 3.2. Government spending/investment in Agriculture

(₹ crore)

Sl No.	Particulars	Amount
1	Total Expenditure	23085.66
2	Revenue + Capital expenditure (Agri & allied sectors and irrigation)	1202.68
3	Revenue + Capital expenditure in Irrigation and Flood control	120.55
4	Share (%) of agri and allied sectors and irrigation in total expenditure	5.20%
5	Share (%) of Irrigation and Flood control in total expenditure	0.52%

(Source: State Budget 2023-24)

Higher government spending on infrastructure and other capital investments has a crowding-in effect on private investments. Hence, public investment in agriculture needs to be increased to encourage private investments. The percentage share of expenditure on agriculture and allied activities including irrigation in the total State Budget for 2023-24 is only 5.20% (Table 3.2.) There is, therefore, an urgent need for increasing government spending on capital investments ‘in’ and ‘for’ agriculture in the state to create the requisite environment for attracting private investments in the sector in order for the state to witness productive growth and development in the agriculture sector.

3.5 Institutional credit and the role of investment credit in capital formation:

Institutional credit for agriculture can be either in the form of short-term loans for the cultivation of crops, marketing of produce and/or in the form of investment credit i.e. medium and long-term loans for capital formation in the sector.

Table 3.3. Term loans for Agriculture and allied activities (2020-21 to 2022-23)

(₹ in Crore)

Particulars	2020-21	2021-22	2022-23
Term loans for Agriculture and allied activities	193.70	78.29	149.30
Total Agricultural loans	325.80	223.14	333.40
Total Priority sector loans	749.41	651.17	1040.91
% share of ATL to total agri loans	59.45	35.08	44.78
% share of ATL to total PS loans	25.85	12.02	14.34

(Source: SLBC, Nagaland)

The share of Agri Term Loan (ATL) - including agriculture infrastructure & ancillary activities of agriculture has witnessed a slight increase in 2022-23 after taking a dip in 2021-22 as can be seen at table 3.3, which is encouraging. Similarly, the total investment in agriculture and allied sectors also increased.

3.6 Suggestions for enhancing Investment 'in' and 'for' Agriculture Sector

- Thrust for the creation of appropriate rural infrastructure with the adoption of realistic policy and perspective plan for development.
- Sector-wise master plans by State Government for better policy planning for promoting rural infrastructure, need to be formulated.
- Enhancement of budgetary allocation by the State Government for capital investment in agriculture and allied sectors.
- Higher allocation to the State for negotiated borrowing under RIDF, enabling them to increase project-based funding of rural infrastructure projects.
- The expansion of agriculture credit in Nagaland continues to be hindered due to the poor network of bank branches and also large number of unbanked blocks (currently 22 blocks). Therefore, the SLBC / State Government should look into aspects for increasing investments in agriculture & allied sector for boosting capital formation in the sector.

3.7 Financing of Small Farmers/ Marginal Farmers, Oral Lessees/ Tenant Farmers/ Share Croppers:

Asset-less agricultural borrowers do not get access to institutional credit on account of the security-based lending practices in vogue. Often, they fall victim to moneylenders and middlemen for lack of collateral on their part. Many of the left-out farmers are landless farmers, tenant farmers, sharecroppers, oral lessees. According to NSSO 70th round findings, the leased-in areas as a percentage age of operated area for All-India is 10.9%. One way to finance them is through Joint Liability Group (JLG) mode whose principle of mutual guarantee and timely repayments due to peer pressure lay the foundation for their success. NABARD has suggested the banking system to extend KCC to oral lessees/ tenant farmers/ Share croppers through Joint Liability Group (JLG) mode of financing. The scheme for financing the rural poor through the JLG mode is a tool available with the banks for providing loans to the small/marginal/tenant farmers, oral lessees, sharecroppers etc. It enables the banks to reach the farmers through a group approach, adopt cluster approach, and facilitate peer education and credit discipline. The Department of Agriculture may like to consider exploring the scope of forming JLGs in particular in areas where Water User Associations or Farmers Producers' company have been formed, so that bank finance can be provided to them. Generally financing of small and marginal farmers are being done by the banking system through the Kisan Credit Card (KCC) mode.

3.8. Kisan Credit Card / Rupay KCC, Crop Insurance, Land Records, Digitization and creation of charge: The state has approximately 1.97 lakh agriculture households as per the Agri Census 2015-16 whereas the total number of Kisan Credit Cards (KCC) issued by banks in the state as on 31 March 2023 was only 39806. The number of KCCs issued covers only 20.20% of agricultural households thus leaving a large gap to be covered in order to achieve KCC saturation in the state. The reason for low penetration of KCC loan is reportedly due to non-availability of land documents, predominance of jhum cultivation and high level of default under the category.

Table 3.4. Agency-wise KCC issued during 2022-23 and position as on 31.03.2023

(₹ Crore)

Sr. No.	Agency	KCCs issued during 2022-23	Amount disbursed during the year	Total No. of KCCs issued as on 31.03.23	Of which, No. of Rupay KCCs	Amount outstanding as on 31.03.2023
1	Public Sector Banks	19961	159.68	31866	13454	187.39

2	Pvt. Banks	11	0.11	114	95	2.46
3	NRB	165	0.61	596	36	1.56
4	NStCB	823	15.83	7230	4262	42.43
	Total	20960	176.25	39806	17847	233.86

(Source: SLBC, Nagaland)

As per the revised Kisan Credit Card guidelines, all the banks have to provide Rupay Kisan Credit Cards to all the KCC account holders, which can be used at ATMs, PoS Machines and for E Com transactions. The idea behind introducing “RuPay Kisan Cards” is to provide access of instant credit to the farmers on an ongoing basis instead of the prevailing cheque based KCCs, so as to substantially reduce visit to the bank branches by the farmers. As on 31 March 2023, against 39806 KCCs issued in the state, 17847 are Rupay KCCs.

In the Budget of 2018-19 the Union Government had announced extending the facilities of Kisan Credit Card (KCC) to Animal Husbandry (AH) and Fisheries farmers to help them meet their working capital requirements by way of sub credit limit upto ₹2 lakhs through a separate KCC for these activities, apart from existing KCC for crop loan at a concessional rate of interest of 7% p.a. (GoI notification dtd 11.02.2019). The purpose is to extend the KCC which will meet the short-term credit requirements of rearing of animals, birds, fish, shrimp, other aquatic organisms and capture of fish. As on 31.03.2023, 1203 KCCs were issued for AH and Fishery activities with an outstanding of 550.60 lakh. KCC for Animal Husbandry and Fisheries with an interest subvention for credit up to a limit of ₹2 lakh within the overall ceiling of ₹3 lakh is a great opportunity for both the livestock keepers and the bankers to augment the credit flow to the activity, improving the livelihood of the rural poor undertaking AH and fishery activity and in increasing the production of livestock products in the state. Bankers may create awareness among the farmers about the scheme and availability of Interest subvention, so as to ensure an increase in the issue of KCCs for AH and Fisheries activities. Due to non-availability of yield data and lack of adequate infrastructure, neither the Pradhan Mantri Fasal Bima Yojana nor any State specific insurance scheme is operational in Nagaland.

Further, computerization and digitization of land records has not been initiated in the state so far. The likelihood of the same being introduced in the state in the near future appears remote since no cadastral survey has been done in the state and hence no formal ‘ownership right’ of cultivable land has been issued to farmers as there is no formal land tenure system in the state.

One of the major constraints in the flow of ground level credit in the state is the nature of land tenure-ship and the absence of land laws as the ownership of land and the individual rights are governed by the customary laws of the community such that in case of any dispute, the interpretation of rights is vested in the Village Council. At present, there are broadly two land tenure systems: (a) community ownership of land where households enjoy user rights to land allocated to them by traditional authority and (b) individual ownership of land which is transferable only within members of the local tribal community. The first type of land tenure is problematic as far as use of land as collateral for advancing bank credit is concerned. In areas where individual holdings have emerged, problems in use of land as collateral for bank loan still arise because of lack of documents formally entitling individuals with ownership. Further, without proper documents, banks are not confident to take land holding rights as collaterals for advancing credit. The restrictions on transfer of such land also drastically reduces the value of land as a mortgage. Thus, bankers in the state face certain practical difficulties in mortgaging of land as security and at the same time, there could be legal issues restricting the practice of mortgage of land. The absence of clear-cut land ownership in the state, hence, makes institutional lending a risky venture for banks. This difficulty still persist even after the State Government has notified the implementation of SARFAESI Act 2002 in the State with effect from 10th December 2021.

3.9. Agriculture and allied activities - Prospects and Performance: Agriculture remains the mainstay of the population of Nagaland with two-thirds of the workforce engaged in it. The Jhum system of cultivation and the Terrace Rice Cultivation (TRC) are the two most pre-dominant forms of traditional agriculture practiced in the state. Of these, Jhum / shifting cultivation is by far the most prominent form of traditional agriculture both spatially as well as in terms of population engaged. The Jhum system is characterized by mixed cropping including intercropping. Varieties of crops such as cereals, pulses, oilseeds, tuber crops, condiments and spices, vegetables, etc. are grown using local cultivars. Jhum paddy which is considered as the staple food of the people is the major crop grown in the state. It occupies about 61% of the total area under food grains cultivation and constitutes about 71% of the total food grains production in the state. Terrace Rice Cultivation (TRC) is practiced majorly in the southern districts amongst the Angami and Chakhesang tribes and in the foothill areas of the state. TRC is a system of irrigated agriculture for growing rice. Double cropping in TRC fields has become more common in recent years due to the benefits accruing to the farmers through the surplus produce fetching a good source of income to the farmers. Major vegetables grown in the state are cabbage, colocasia, tapioca, potato, tomato and leafy vegetables. However, the level of production of vegetables is not adequate to meet the local demand of the state and therefore the shortfall of about 25-30 percent is met from imports from the neighbouring states.

Table 3.5. Area, production and yield of major crops

Crops	2020-21			2021-22			2022-23		
	Area ('000 Ha.)	Prod'n ('000 MT)	Yield (Kg/ Ha)	Area ('000 Ha.)	Prod'n ('000 MT)	Yield (Kg/ Ha)	Area ('000 Ha.)	Prod'n ('000 MT)	Yield (Kg/ Ha)
Food grains (a+ b)	344.33	755.59	2194	197.10	347.67	3121	302.32	698.75	25674
a) Cereals	303.89	708.45	2331	171.14	314.31	1836	269.45	660.16	24500
b) Pulses	40.44	47.14	1166	25.96	33.36	1285	32.87	38.59	1174
Total Oilseeds	69.03	71.72	1039	19.01	19.60	1031	39.50	41.08	1040
Commercial crops	43.98	500.62	11383	27.07	277.70	1025	37.02	417.68	1128
Total	457.34	1327.93	2903	243.18	644.97	5177	378.84	1157.50	27842

(Source: Statistical Handbook of Nagaland 2023)

Tea and coffee are grown as plantation crops in select districts of the state. In spices category, ginger, turmeric, large cardamom, garlic and chilies (including King chilly) are also grown in substantial quantity. The major food crops i.e. cereals and commercial crops are grown during the Kharif season which account for 90% of total food grains. During 2022-23, the area under food grains production was 302320 ha. while production was 698750 MT. The area, production and yield of major crops during the last 3 years is presented in table 3.5.

3.9.1 Cropping Intensity: The cropping intensity in the state has increased over the last five years from 135% during 2016-17 to 138% in 2020-21 as detailed in Table 3.6. The gross cropped area and net sown area has remained almost constant during the two years, i.e., 2018-19 and 2019-20.

Table 3.6: Cropping intensity in Nagaland

Years	2017-18	2018-19	2019-20	2020-21	2022-23
Total area under crops(ha)	530102	528994	529220	532018	497432
Net area sown (ha)	384802	383594	383670	386318	362432
Cropping intensity (%)	137	138	138	138	137

(Source: Statistical handbook of Nagaland, 2023)

3.9.2 Livestock and fisheries sector: The agriculture sector in the state is predominantly part of a mixed crop-livestock farming system. Livestock rearing is mainly undertaken as a subsidiary occupation and consists primarily of backyard pig and poultry rearing which are integral to any rural farming household. Though the demand for meat, fish and dairy products are increasing day by day, the state is still deficient in the production of eggs, milk, and meat. The Sample Survey report of 2018-19 carried out by the Department of Animal Husbandry & Veterinary services (DAH&VS) has indicated that the state produces 43.35% of the total requirement of meat, milk and eggs worth ₹1219.70 crores, leaving a shortfall of 56.65% which in monetary terms works out to ₹1986.87 crores. Out of this shortfall, the state imported AH products worth ₹ 212.03 crores in 2019-20. The per capita availability of meat, milk and eggs during 2018-19 was 50.09 gms against requirement of 85 gms /head/day, 97.99 gms against 150 gm/ head/ day and 22 eggs / head/ annum as against 183 eggs/ head/ annum respectively. The per capita availability shows 59% achievement in terms of meat availability and 65% in terms of milk. Achieving self-sufficiency in meat and value addition of milk have therefore been identified as the thrust areas for development of the DAH&VS. The focus of the Dept. is therefore on development of piggery, poultry and Mithun for meat production and infusion of superior germplasm of Dairy cattle for milk production so as to narrow down the gap between demand and supply of AH products. In the absence of any organised industry in the state, and considering the huge potential for exploitation, the AH sector alone can absorb a large fraction of the vast number of unemployed. It goes without saying that the development of livestock sector is more inclusive and can result in a sustainable agriculture system in the state. Thus it is clear that the existing state owned farms need to work out consistent development programmes involving all rural households for achieving self-sufficiency in meat, milk and egg production.

The state is endowed with approximately 116458 ha of fresh water resources consisting of ponds/tanks, lakes/reservoirs and weirs/swamps. In addition, the state has 1600 kms stretch of various rivers/streams systems for undertaking inland capture fisheries. Against this potential available, only 10678 ha. of water resources have been developed for fish culture (Source AA of Fishery Dept., 2022-23). Systematic exploitation of these natural resources can help augment the fish production in the state. Pisciculture is an important socio-economic activity that can be undertaken by rural households as the people are traditionally engaged in rearing small livestock. Farmers need alternate sources of gainful employment and sustained income for self-sufficiency. They can be motivated to develop low-cost farming systems through integration of fish farming with crops and livestock. This could become an effective alternative for increasing fish production in the state.

3.10 Challenges of Climate Change – Adaptation and Mitigation: Climate change has become a major challenge for agriculture, food security and rural livelihood with rural communities likely to be hit the hardest by its impact. For these vulnerable groups, climate change acts as a ‘risk multiplier’ worsening existing social, economic, political and environmental stresses. The vulnerability of a state like Nagaland is more pronounced due to its dependence on agriculture and natural resources for providing livelihoods with inadequate coping mechanisms. The major climate change drivers that could adversely impact agriculture in the state are (i) changes in spatial and temporal distribution of monsoon leading to sharp decline in annual rainfall (ii) increase in frequency and intensity of rains (iii) loss of rainy days (erratic rainfall pattern) and (iv) high

deviations from normal temperature (increase in the frequency and intensity of extreme climatic events including droughts, floods and heat waves). Climate change also adversely affects forestry, animal husbandry, fisheries and other allied sectors, which provide livelihoods to a large chunk of the population.

3.10.1 Climate trends in Nagaland: In recent years, the climate of Nagaland has changed significantly due to massive deforestation. This has given rise to abrupt change in annual average rainfall and surface temperature across the State. A study by the Geological Survey of India (GSI) to predict temperature change from the year 2018 to 2026 through a model using the 'kriging method' where surface temperature data was collected from the Thermal band of MODIS (TERRA) satellite developed by National Aeronautics and Space Administration (NASA) revealed the following major findings in respect of Nagaland:

The minimum and highest temperature in the State is 5 deg. and 33 deg. Celsius respectively. However, the study predicted that this would go up to 7 deg. and 36 deg. Celsius by the year 2018, which is quite significant. This change will affect the forest cover and also the livelihood pattern of the people of the State. By the year 2026, the minimum temperature is further predicted to go up to 17 deg. which will affect plants and animals.

It predicted that by the year 2026, a total area of 4245 sq. kms (25.60% of the total area) will be converted to barren land and treated as waste land. (Source: VISION 2025, GoN).

3.10.2 Effects of climate change on agriculture in Nagaland

- Poor spread and high intensity of rains leading to water scarcity and longer draught seasons – pre-monsoon jhum cultivation at risk with non-availability of soil moisture.
- Shorter jhum cycles with reduction in production and productivity.
- Soil erosion and loss of soil health / fertility – vicious cycle of degradation.
- Soil degradation leading to fewer crop varieties resulting in nutritional scarcity and health hazards.
- Poor productivity resulting in financial loss and social unrest.
- Traditional institutions and community managed food security systems losing importance.

3.10.3. State Action Plan for Climate Change: The Government of Nagaland has put in place a State Action Plan for integrating climate concerns in its developmental plans into the future and achieve a low carbon inclusive growth, while ensuring complementarity with the national agenda on climate change. The key elements in the climate response strategy of the state include accelerating inclusive economic growth, promoting sustainable development, securing and diversifying livelihoods and safeguarding ecosystem services to be integrated into the regular developmental planning process. The Action Plan of the State Government on some of the key sectors are as under:

3.10.3.1 Sustainable Agriculture Practices

- **Strategy 1: Research & Development:** Introducing climate resilient varieties, Promotion of Indigenous cultivars, Crop Intensification, Organic Farming, conduct studies on status of Riverine fishes and identification of resilient varieties, enhancing Research and coordination.
- **Strategy 2: Upscaling No Regret Interventions:** Seed production & certification for producing drought resistant HY local varieties, protected cultivation, watershed development programmes, creation of irrigation potential, promotion of drip irrigation, preventive Health Measures for livestock, genetic improvement of livestock, production of quality fish seeds and reclamation of derelict water bodies for fisheries development.
- **Strategy 3: Enhancing Extension Services:** Institutional strengthening, crop diversification, awareness creation, reduction in weather related risks, risk management to address crop failures, planning agriculture according to crop zones, Jhum optimization, post-

harvest technology and value addition, mineral mapping to identify minerals deficient in soils, feed and fodder, production of quality fish seeds & infrastructure improvement.

3.10.3.2 Forests and Biodiversity

- Convert 25% of total Jhum area to secondary forest
- Protecting existing forest/conserving existing carbon pool
- Increasing forest area
- Wildlife and bio diversity conservation- Sustainable exploitation of bio diversity resources
- Reducing dependence on forests by promoting use of alternate sources of energy
- Awareness and capacity building
- Enhance soil and moisture conservation practices
- Forest-based product climate resilient value chains.

3.10.3.3. Water Resources: Documenting sources of natural water resources across the state, artificially recharge water in and around the spring heads for maintaining perennial water flow, increase irrigation potential of the state, increase area under terraces to utilize excess water receipt during monsoons thereby increasing area under assured irrigation, increase storage capacity by building water reservoirs in rural and urban areas and identify the enhanced hydro-power potential of the state in the climate change scenario.

3.10.3.4. Livelihoods: Enhancing adaptive capacities, livelihood diversification, development of safety nets - strengthen SHGs & micro credit, MGNREGA, promote eco-tourism, promote non-farm enterprises in villages, Scaling up Missions - Nagaland Bamboo Development Agency (NBDA), Nagaland Beekeeping and Honey Mission (NBHM), Nagaland Bio Resource Mission (NBRM) and Nagaland Empowerment of People through Energy Development (NEPED), etc. are introduced as poverty alleviation and employment generation purposes.

Climate change adaptation project in Nagaland under NAFCC^

Under the National Action Plan for Climate Change (NAFCC), a project titled 'Gene pool conservation of indigenous rice varieties under traditional integrated rotational farming system (jhum optimization) for promoting livelihood and food security' as a climate change adaptation strategy was sanctioned to the State Government with a total project cost of ₹2466.69 lakh. It is being implemented in 10 villages of 5 districts with Agriculture Department as the executing entity. The project was sanctioned with a view to conserve the genetic resource of traditional rice varieties and increase the number of crop varieties propagated under integrated rotational farming systems for nutritional and food security, resilience to climate change and reduced production risk. Major objectives were to

- Enhance understanding and capacity of people dependent on Jhum in management of genetic and other natural resources under climate change scenario.
- Check genetic erosion of indigenous agricultural crops mainly rice through identification, conservation and seed exchange programme.
- Jhum cultivation is optimized (increased jhum cycle and matching specific site conditions with traits of different rice varieties) through area treatment, increase in soil productivity and use of green energy.
- Provide comprehensive risk coverage (life, crop productivity, weather market risks etc.) to farmers and increase number of marketable varieties with collective marketing for increased livelihood and income generation.

Sanctioned to be completed within 3 years from 2018-19 to 2020-21, to accommodate the delays on account of Covid-19 lockdown, the project has been extended up to March 2024. Some of the achievements made so far:

- Jhum sanitation
- Identification of climate resilient crop varieties
- Establishment of Gene bank
- 254 indigenous paddy cultivars conserved
- Increase in income (5-10%) compared to previous earnings
- Increase in production of food crops by 7-10% as compared to conventional methods.

^NABARD is the National Implementation Entity (NIE) for National Adaptation Fund for Climate Change (NAFCC) and International Climate funds viz. Green Climate Fund (GCF) and Adaptation Fund.

3.10.4 Suggested mitigation measures

- Implement cost-effective climate resilience measures to reduce agricultural losses to the tune of 80 per cent;
- Address the problem of water scarcity through Integrated Water Resource Management.
- Improve health burden and increase air quality by promoting walking, cycling and increasing public transportation;
- Abandon the use of biomass fuel or coal for indoor cooking and thus improve respiratory and cardiac health among women and children.

3.10.5 New and innovative measures to adapt to climate change

- Changes in agricultural practices to improve the fertility of soil and enhance carbon sequestration;
- Changes in the management of agricultural water for more efficient use of water;
- Agricultural diversification to enhance resilience in the face of climatic change;
- Development of agricultural science and technology, agricultural advisory services and information systems;
- Improving risk management and crop insurance.

3.11 Farmers Producers Organisation: Constraints like limited marketable surplus, lack of access to quality inputs, poor credit and marketing facilities, have resulted in high dependency of farmers on exploitative intermediaries and local money-lenders. This has led to significant reduction of farmers' share in the consumers' price. A sustainable solution to these issues lies in collectivisation of agricultural produce, value addition and collective marketing through organising farmers into Farmer Producers' Organisation (FPO). The objective of FPO is to promote aggregation, value addition and direct marketing of produce by taking benefits of the economy of scale to enable small/marginal farmers realise optimal value of their produce. The Government of India has announced formation of 10,000 new Farmer Producer Organisation (FPOs) across the country to ensure economies of scale for farmers over the next five years. These FPOs will be formed by various agencies including NABARD, SFAC, NCDC, etc. As on 31.03.2023 NABARD has supported the promotion and nurturing of 10 FPOs in Phek, Noklak, Tuensang, Mokokchung and Wokha districts out of its own fund, while there are 83 FPOs promoted in the state under CSS-FPO by various agencies including NABARD. The main business activities of these FPOs include agri-inputs, procurement and sale; crop production, aggregation and marketing; sale of paddy, paddy seed, vegetables, fruits, spices etc. Considering the need for specific and focused attention towards

meeting the growing credit needs of the FPOs, NABARD has established a subsidiary viz. NABKISAN Finance Ltd., with the special responsibility to support credit needs of FPOs on affordable terms. NABARD has also established NABSankarshan to provide credit guarantee to FPOs.

3.11.1. Support Available for FPOs from SFAC: Two types of support are available to FPOs registered under the Companies Act, 2013 from the Small Farmers Agribusiness Consortium (SFAC).

- The SFAC operates a Credit Guarantee Fund to mitigate the credit risks of financial institutions which lend to the FPOs (registered as Producer Company under Part IX-A of the Companies Act) without collateral. This helps the FPCs (one form of PO) to access credit from mainstream financial institutions for establishing and operating businesses.
- SFAC provides matching equity grant up to ₹10 lakh to the FPCs to enhance the borrowing power, and thus enables the entities to access bank finance.
- SFAC also provides interest free Venture Capital Assistance to agribusiness projects by way of soft loans to supplement the financial gap.

3.11.2. Support from Nabkisan Finance Limited:

For catering to the credit requirement of various POs/FPOs promoted under various programmes, Nabkisan, a subsidiary of NABARD, has designed three types of loan products, details of which are as under:

- Loans to FPOs eligible for credit guarantee Assistance of SFAC
- Loans to FPOs/POs not covered under Credit Guarantee Assistance of SFAC
- Loans to Promoting Institutions for on-lending to FPOs/POs

3.12. Micro, Small and Medium Enterprises (MSME): The Micro, Small and Medium Enterprises (MSME) sector have been recognized as engines of growth all over the world. MSMEs not only play a crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural and backward areas providing the impetus for self-employment through establishment of micro units thus playing an important role in improving the rural economy. The state of Nagaland is industrially backward. The potential for industrial growth and its lateral benefits of employment generation and income have remained largely untapped due to various infrastructural bottlenecks. Hence in the context of Nagaland, promotion of MSME sector assumes importance as it has the potential to become a critical input for accelerating development of the rural economy as well as providing the necessary stimulus for the growth of the secondary and tertiary sector in the state. The MSME sector acts as a breeding ground for entrepreneurs to grow from small-time players to big flourishing establishments. They are less capital intensive but at the same time are the most important employment generating sectors. Moreover, it is extensively promoted and supported by the Government.

3.12.1. Banks have been consistently achieving their targets set under MSME over the last two years in the State. An amount of 661.02 crores was sanctioned to MSMEs as on 31-03-2023, against a target of 322.30 crore indicating an achievement of 205%.

3.12.2. Initiatives of the Central Government:

Government of India announced a special economic and comprehensive package of ₹20 lakh crore - equivalent to 10% of Country's GDP to provide relief and credit support related to businesses, especially MSMEs and revive the economy disrupted due to COVID-19 pandemic. GoI has revised MSME classification to cover a greater number of units. Banks in the State have actively supported this drive. A specific section under chapter 4 of this document explicitly indicates about the available potential, issues & suggested action points for MSME sector.

a. Prime Minister's Employment Generation Programme: Prime Minister's Employment Generation Programme (PMEGP) is a credit linked subsidy programme administered by the

Ministry of Micro, Small and Medium Enterprises, GoI with the Khadi and Village Industries Commission (KVIC) serving as the Nodal Agency at the National Level for implementation of the scheme. At the State level, Khadi and Village Industries Board (KVIBs) and District Industries Centres (DICs) implement the scheme as per the GoI guidelines. The summary of PMEGP Report for the period for FY 2022-23 is given below:

Table 3.7 Prime Minister's Employment Generation Programme (PMEGP)

District	Nos. of Project sanctioned	Nos. of Project Disbursed	Amount sanctioned (₹ in lakh)	Amount disbursed (₹ in lakh)
All 16 Districts	1572	604	8701.63	2514.33

(Source: SLBC, Nagaland)

b. Scheme of Fund for Regeneration of Traditional Industries (SFURTI): Ministry of MSME, GoI has launched Scheme of Fund for Regeneration of Traditional Industries (SFURTI) in the year 2005 with the view to promote Cluster development. KVIC is the nodal Agency for promotion of Cluster development for Khadi as well as for Village Industries products. Ministry of MSME has issued revised guidelines, vide letter No.1/1/2020/Minutes-KVI-1 dated 6 March 2020 for infrastructure support and promotion of industries and rural enterprises (INSPIRE) for MSMEs through development of clusters. Ease of doing business and making the scheme simpler, deliverable, transparent, monitorable and DBT compliant, the existing schemes have been revised for convergence and simplified to bring clarity of goals and role. The scheme would cover three types of interventions namely 'soft interventions', 'hard interventions' and 'thematic interventions'.

The main objectives of the scheme are to organize the traditional industries and artisans into clusters to make them competitive with long-term sustainability, create sustained employment for traditional industry artisans and rural entrepreneurs, enhance infrastructure for marketing of products, design intervention and improved packaging, equip traditional artisans with improved skills and capabilities through training and exposure visits, provision for common facilities and improved tools and equipment for artisans to promote optimum utilization of infrastructure facilities, strengthen cluster governance systems, build up innovated and traditional skills, improved technologies, market intelligence and new models of PPP, etc. As per data available as on May 2023, under the scheme, 6 clusters with a total project cost of ₹ 1495.66 lakh and GoI grant of ₹1420.74 lakh covering 2180 artisans have been made functional in various districts in the state. Additionally DPRs of two clusters with a total project cost of ₹345.94 lakh and GoI grant of ₹ 332.09 lakh benefitting 570 artisans have been approved in the districts of Dimapur and Chumoukedima.

c. Micro Units Development and Refinance Agency (MUDRA): Pradhan Mantri MUDRA Yojana (PMMY) is a scheme launched on 8 April 2015 to provide loans to non-corporate, non-farm small/micro enterprises up to Rs.10 lakh for the purposes of income generation and employment creation in manufacturing, services, retail and agri. allied activities. Mudra loans are extended by Commercial Banks, RRBs, Small Finance Banks, MFIs and NBFCs. MUDRA (a subsidiary of SIDBI) supports the Financial Intermediaries with refinance facilities against the mudra loans. Mudra loans are classified under three categories viz. 'SHISHU', 'KISHOR' and 'TARUN' to signify the stage of growth / development and funding needs of the micro unit / entrepreneur as detailed below.

Shishu	:	loans up to ₹0.50 lakh
Kishore	:	loans above ₹0.50 lakh & up to ₹5.00 lakh
Tarun	:	loans above ₹5.00 lakh & up to ₹10.00 lakh

During 2022-23, a total of Rs 197.79 crore was disbursed by various banks in the State under MUDRA scheme to 11,071 beneficiaries as indicated in the table below:

Table 3.8 Status of Mudra loans disbursed in Nagaland (FY 2022-23)

District	Disbursement Amount (₹ Crore)				No. of accounts/ units
	Shishu	Kishore	Tarun	Total	
All 16 Districts	12.21	107.49	78.08	197.79	11071

(Source: SLBC, Nagaland)

3.12.4 Industrial Policy of the State Government: Government of Nagaland has taken various measures like development of industrial infrastructure, promotion of trade and export, provision of training for development in entrepreneurial and technical skills. The State Govt. provides incentives to promote industrial activity through (a) Power subsidy (b) Drawal Power Line (c) Manpower subsidy (Subsidy for quality control measures) and (e) Special incentive for 100% Export Oriented Units (EOUs). There are a total of 39,000 enterprises both registered and unregistered, operating in the state providing employment to 1.71 lakh persons.

3.12.5. Resource base of the State-Potential MSME sectors

Agro Forest Products: Nagaland has been the major exporter of round logs, veneers, plywood and sawn timber to the rest of the country till the ban imposed by the Supreme Court. 'Tree farming' has been taken up on a massive scale and can be a major resource for industrial activity in the near future.

Bamboo: Bamboo is found extensively all over Nagaland. It is a predominant plant in the districts of Dimapur, Peren, Mon and Mokochung and also readily found mixed with other forest species in other districts. It is estimated that Nagaland has 5% of total stock of bamboo of the country at 8.96 million ha which works out to 4.48 lakh ha and these resources hold immense potential for growth of commercial units of various products like bamboo mats, agarbatti sticks, handicrafts, blinds, etc. There are 34 bamboo clusters that have been set up and are functioning under the guidance of the Bamboo Resource Development Agency of Nagaland under the Bamboo Mission. There are about 22 bamboo species like Kakoo, Daloo and Jati identified in the State.

Medicinal & Aromatic Plants: Due to the favourable agro climatic conditions, medicinal herbs and plants are abundantly available in the hilly regions of the State. Scientific harnessing of this potential in the private sector could yield good results.

d) Horticulture: Given proper pre & post-harvest infrastructure, food processing industries based on organic horticulture produce have tremendous potential. Due to varied agro-climatic condition, it allows growing of variety of horticultural crops like fruits, vegetables, flowers, plantation crops, spices and other crops. The State has a comparative advantage in the availability of fruits such as pineapple, plum, bananas, passion fruit and citrus fruits, bamboo shoot and exotic spices. The state has obtained GI tag for Naga Chilli and tree tomato.

e) Animal Husbandry and Meat processing: As per Sample Survey report of 2020-21, the State produces 45.07% of the total requirement of meat, egg and milk worth of ₹1022.61 crore leaving shortfall of 54.93%. Out of the shortfall, the State imported the above three products worth of ₹211.94 crore. The amount of import for meat, egg and milk was to the tune of ₹125.76 crore, ₹5.81 crore and ₹80.37 crore respectively. Therefore, the potential for piggery/poultry and dairy activities are very high considering demand for dairy and agri. allied processed products.

f) Mineral resource: Nagaland is rich in mineral reserves like (i) petroleum and natural gas, (ii) nickel cobalt-chromium bearing magnetite, (iii) marble, dimensional/decorative stones and (iv) coal. The huge reserves of more than 1000 million tonnes of high chemical grade limestone in eastern Nagaland is a major prospect for setting up of industries such as cement, calcium carbide, bleaching powder and hydrated lime.

3.13. Micro Credit: Micro Finance is defined as provision of thrift, credit and other financial services and products of very small amount to the poor in rural, semi-urban and urban areas for

enabling them to raise their income levels and improve living standards. Micro credit offers access to financial resources to the poorest of the poor in the rural areas. It allows people to undertake self-employment activities or to venture into very small businesses without depending on moneylenders who demand exorbitant interest rates. It has also emerged as a potent means of women-empowerment that comes by routing credit directly to women through the SHG-Bank linkage programme for undertaking activities that generate additional income.

The SHG-Bank linkage Programme launched by NABARD, on a pilot basis in the year 1992 has covered the entire country and it is acclaimed as one of the largest micro finance programmes in the world with 134.03 lakh SHGs and deposit of ₹ 58,892.68 crore as on 31 March 2023. The programme has made an indelible mark on the Indian financial landscape by extending loans to the extent of ₹1.88 lakh crore to 69.57 lakh SHGs as on 31st March 2023. The programme has continued further with a view to cover all eligible poor rural households in the country, with focus on resource-crunch states, providing livelihood opportunities to SHGs members and covering those areas which are not yet reached out.

3.13.1. SHG-Bank Linkage Programme (SHG-BLP) in Nagaland: Despite being launched in the state over two decades ago, the growth of credit linkage of SHGs has remained low due to poor participation by majority of the banks in the state. Besides the Nagaland StCB Ltd. and Nagaland Rural Bank who have been actively involved since the introduction of the SHG-BLP, only a few Scheduled Commercial Banks are active participants in the SHG-BLP. The NStCB Ltd. and NRB have credit linked 2193 and 488 SHGs involving loan of ₹3354.46 lakh and ₹945.94 lakh respectively as on 31 March 2023.

The SHG-Bank Linkage Program has become the common vehicle of development process, where attempts have been made to converge all the developmental programmes for achieving a common goal. While considerable progress has been made in improving the economic condition of the poor, there is still a lot to be done to sustain the gains achieved. These include quality improvement, increasing outreach and strategy for enhancing sustainability, creation of micro-entrepreneurs from SHGs and marketing of SHG products, which need to be given focused attention. One of the thrust areas would be to cover unreached areas and thus address regional imbalances. Thrust also has to be given for more credit linking of SHGs through banks. Emphasis has also to be given for tracking and revival of dormant SHGs in the State. The cumulative progress under micro-finance in Nagaland as on 31 March 2023 is furnished in the following tables:

Table 3.9 Cumulative progress under micro finance as on 31 March 2023

Sl No	Particulars	No. of SHGs	₹ in lakh
1	Savings of SHGs with Banks	19917	2990.48
2	Bank Loan disbursed to SHGs during 2022-23	2228	3486.84
3	Bank Loan outstanding	3903	5850.75

(Source: SLBC, Nagaland)

Table 3.10 Status of Agency-wise loans outstanding in respect of SHGs in Nagaland as on 31 March 2023

Agency	No. of SHGs	₹ in lakh
Commercial Banks	1222	1550.35
Nagaland Rural bank	488	945.94
Cooperative Bank	2193	3354.46
Total	3903	5850.75

(Source: SLBC, Nagaland)

3.13.2. NABARD Initiatives to promote Microfinance activities: NABARD provides financial support by way of grant for the following activities:

- Promotional grants for Self Help Promoting Institutions (SHPIs)
- Capacity building of the partner agencies like NGOs, Banks, Govt. Officials
- Capacity building of SHG leaders/members
- Micro Enterprise Development Programme (MEDP) and Livelihood Enterprise Development Programme (LEDP) for matured SHGs
- Physical marketing of products of SHGs/JLGs/Producer organisations

3.14 Rural Infrastructure and Linkage Support: The role of infrastructure is critical in improving farm productivity, providing market linkages and consequent raising of standard living of the rural population contributing to the overall economic development of rural areas. The pace of development in the state has been hampered by various infrastructural bottlenecks. While the road density of the state is 86.74 km per 100 sq. kms, the quality of most of these roads leaves much to be desired. Being a landlocked state, roads are the only means of transportation and communication within the state and the socio-economic activities of the state depend entirely on the road infrastructure. Hence it is imperative that efforts of the State Govt. be focused on improving quality of road connectivity. Though connected to the state power grid, majority of rural households do not get more than a few hours of electricity a day. Thereby hampering growth of both farm and non-farm activities dependent on power in the rural sector. Majority of the rural households suffer from proper access to drinking water. The health infrastructure of the state is highly inadequate. The post-harvest infrastructure for storage, grading/ standardization, processing is virtually absent in the state resulting in post-harvest losses of horticultural crops. All weather connectivity and unsatisfactory power situation have been major factors hampering development of industries, commercialization of agriculture as also development of tourism in the state. Poor connectivity, difficult topography, dense forest cover, floods and landslides due to heavy rains and loose soil and thinly dispersed population make provision and maintenance of infrastructure and service delivery difficult and costly. Interventions of the State Government required for promotion of infrastructure have been detailed in Annexure III.

Ordinarily, public investment is considered as a major contributor of rural infrastructure. To address this important concern, GoI instituted Rural Infrastructure Development Fund (RIDF) in 1995-96 with NABARD, entrusting it with the responsibility of channelizing financial resources to the State Governments for rural infrastructure development. RIDF now covers 39 eligible activities related to rural infrastructure development. With allocations of funds in every Union Budget since 1995-96, RIDF has emerged as NABARD's major partnership with the State Governments for the creation of a wide variety of rural infrastructure. With the limited role played by the private sector in investment in infrastructure development, RIDF provides a low cost option to the Govt. of Nagaland (GoN) for meeting its infrastructure development requirements. The GoN has been an active partner in availing RIDF loans for implementation of various infrastructure projects in the state since inception of the fund in 1995-96. Projects supported include, Agri-link roads, Cold Storages, Fish Kiosks, 33KV Transmission Lines, 33/11 KV sub-station, Rural Roads, RCC bridges, Integrated Land Development projects, Rubber Plantation, Coffee Plantation, Veterinary Hospitals, Govt. School Buildings, etc. However, being an infrastructure deficit state, the requirement for infrastructure remains unabated.

The importance of infrastructure in the development of rural areas of the state and the status of various infrastructure projects, potential investments to be made etc., are discussed in detail in Chapter-5.

3.15. Financial Inclusion: The essence of financial inclusion is to ensure delivery of financial services which include - bank accounts for savings and transactional purposes, low-cost credit for productive, personal and other purposes, financial advisory services, insurance facilities (life and

non-life) etc. Financial inclusion broadens the resource base of the financial system by developing a culture of savings among large segments of rural population and plays its own role in the process of economic development. Further, by bringing low-income groups within the formal banking fold, financial inclusion protects their financial wealth and other resources in emergent situations. Financial inclusion mitigates the exploitation of vulnerable sections by the usurious money lenders by facilitating easy access to formal credit.

Most importantly, technology, with its capacity to reduce transaction costs, is key to enabling the large volume low ticket transaction that is at the center of financial inclusion. By collecting and processing large volumes of data easily, technology can also improve the quality of financial decision making. When products have network effects, technology can ensure not just interoperability, but also help Govt. and other policy makers in taking informed decisions on deepening and widening financial inclusion.

3.15.1. Progress of Financial Inclusion: The progress in Financial Inclusion in Nagaland is detailed in the following paragraphs:

i) Number of Branches Opened (including RRB): Due to relaxations in the policy for opening of branches, the number of branches of Commercial Banks (SCBs), StCB and RRB in the state increased from 88 in March 2010 to 203 in March 2023.

ii) Villages Covered: A total of 201 unbanked villages with population over 2000 were covered by financial institutions through various forms as on March 2013. In the second phase, banks have drawn Financial Inclusion Plans for covering villages with population upto 500 under the banking fold. A total of 950 villages were identified and allotted to various banks including the StCB and NRB for coverage under financial inclusion. Of these villages, 909 have been covered by branches and 653 BCs/CSPs with 41 villages yet to be covered as on 31.03.2023.

3.15.2. NABARD's initiatives to spread Financial Literacy and Financial Inclusion: Financial Inclusion and Financial Literacy are two pillars where Financial Inclusion acts on the supply side i.e. for creating access and financial literacy acts from the demand side i.e. creating a demand for the financial products and services. Under the Financial Inclusion Fund (FIF) NABARD provides financial assistance to StCBs (for spreading financial literacy), RRBs and Commercial Banks including the India Post Payment Bank for the following activities:

- Spreading financial literacy through campaigns (all banks) by organizing 'Financial and digital Literacy Camps' and digital for promotion of digital payments by customers (all banks)
- R-SETIs/RUDSETIs for purchase of training equipment & maintenance thereof
- Enabling Dual Authentication in micro ATMs at BC location
- On-boarding to AUA/KUA membership from UIDAI (RRBs & Cooperatives); on boarding on BHIM platform and CKYC
- Setting up of Kiosk outlets in unbanked villages of NER (Commercial banks & RRBs)
- Assistance for micro ATM (PoS), RuPay Kisan Cards (for RRBs and Cooperative Banks)
- Mobile ATM Van (RRBs & Cooperative Banks)
- Mobile Digital Boosters (all banks)
- Assistance for RuPay Debit Cards (RRBs & Cooperative Banks)
- Assistance to Cooperative Banks for implementation of PFMS
- Development of POS machines in Tier III to VI centres (all banks)
- Support for setting up Solar powered V-SAT at BC locations by RRBs and Commercial Banks
- Other support like dissemination of FL through radio, etc., and street plays
- Support for Handheld Projector with battery, screen and speakers

NABARD has taken proactive steps for FI schemes/projects in the state. It provided 04 mobile ATM Vans to the NStCB Ltd and 04 mobile ATM Vans to NRB as on 31st March 2023. During the year 2022-23, grant assistance for 552 FDLs was sanctioned to several banks viz. SBI, Airtel Payments Bank, Nagaland StCB, Nagaland Rural Bank & Indian Post Payment Bank, etc; 2(two) Mobile ATM Van to NRB, Radio Jingle on Financial literacy to All India Radio, Kohima, 50 PoS/mPoS machine to Paytm Payments Bank and Street Drama / Nukkad Natak involving a total sanctioned amount of ₹123 lakh.

More recently a pilot scheme has been introduced to compensate individual BCs or CSP operators of Banks working in the North-Eastern states by providing a cash incentive from out of the FIF over and above the fixed and variable commission paid by Banks. This scheme will remain operative from 1st April 2023 to 31 March 2026.

3.16 Past trends in credit flow in the state: Credit plays a very important role, inter alia, in providing working capital and inducing investments in agriculture. NABARD prepares credit plans that culminate into the State Focus Paper every year, carrying the estimates of aggregate credit potentials under various sectors of the rural economy. These estimates are built based on district level estimates contained in annual Potential Linked Credit Plans. Thus, a bottom-up approach is followed duly reflecting ground level realities. Table 3.13 depicts the broad sector wise flow of ground level credit (GLC) to the priority sector in the state during the last 5 years.

Table 3.11 GLC flow to Priority sector for last five years (2018 to 2023)

(₹ in lakh)

Sector	2018-19	2019-20	2020-21	2021-22	2022-23
Crop loan	12143.41	12009.76	13210.04	14485.61	18409.38
ATL*	3259.82	12717.26	19369.96	7828.68	14930.65
Total Agri	15403.23	24727.02	32580.00	22314.29	33340.03
MSME	22664.34	19623.53	39155.60	35574.73	66102.69
OPS	25164.01	3921.7	3205.08	7228.49	4649.26
Total	63231.58	48272.25	74940.68	65117.51	104091.98

(Source: SLBC, Nagaland; * ATL: Agri term Loan)

During the period under reference, there was considerable improvement in the overall priority sector credit flow and substantial increase in overall credit flow to the agriculture sector particularly under ATL over the last two years since 2020-21. The flow of credit to MSME sector remained sluggish during the initial years witnessing negative growth in the intermittent period. However, the sector posted an impressive 205% of target in 2022-23, while the Other Priority Sector (OPS) has clocked 68.64% against target. Overall, in terms of volume, the total credit flow under Priority Sector Advances in the state has increased and crossed the one thousand crore mark.

3.17 Doubling Farmers' Income: In order to increase the income of farmers, reorient the interventions in the farm and non-farm sectors and to achieve this objective, the concept of "Doubling of farmers' income by 2022" was visualised by the Hon'ble Prime Minister. A need to augment the income of farmers not only by cultivation but also from all sources was felt and the same was covered under "Doubling of Farmers' Income". Despite Agriculture and allied activities being the main source of livelihood of about 70% of the population of the state, farmers in the state still remain poor. While NABARD interventions and initiatives towards "Doubling of Farmers Income" in the state, have been dealt with in detail under Chapter 4, some indicative interventions for doubling of farmers' income suggested include enhancing production through yield increase, leveraging water resources for enhancing farm incomes, income enhancement through

diversification, reducing costs through low input agriculture, promoting integrated farming system approach, risk management etc. This will require building synergy by including various programmes and policy initiatives of:

- (i) The Government of India: PMKSY, Paramparagata Kheti, e-NAM, PMFBY, Skill India, Direct Benefit Transfer (DBT), PMJDY, FDI in food processing sectors, etc.,
- (ii) NABARD: FPO, Watershed, Wadi, Digital Village, Less cash Village, SHGs, JLGs, FI programmes, Seed Village, Farmers Club, etc.
- (iii) State Government: Rural infrastructure creation through RIDF, Various State sponsored programmes/schemes
- (iv) Banks and Financial Institutions through extension of credit
- (v) Corporate Social Responsibility initiatives.

The Doubling of Farmers' Income requires well-coordinated efforts of all stakeholders. The extent of synergy among all stakeholders is crucial for ensuring the success of this initiative.

3.18: Integrated Farming System: An Integrated Farming System (IFS) is defined as “a judicious combination of two or more components using cardinal principles of minimum competition and maximum complementarity with advanced agronomic management tools aiming for sustainable and environment friendly improvement of farm income, family nutrition and ecosystem services”. Assessment of farm incomes indicate that diversified farms with more than two enterprises get twice the income than those with two or less enterprises. Scientifically designed IFS with minimum competition and maximum complementarity are essential to achieve multiple goals. The various components of IFS are crops, livestock, birds and trees. The crops may have subsystem like mixed/intercrop, multi-tier crops. The livestock components may be milch animals, goat, sheep, poultry, piggery and the tree components include fruits, timber, fuel and fodder. The major factors which need to be considered in choosing an IFS model are soil type, rainfall, its distribution and length of growing season.

In this context, integration of various agricultural enterprises has great potential to supplement farmers' income and increase family labour employment. Adoption of an IFS would be a natural progression for the farmers in the state where the system of agriculture is predominantly part of a mixed crop-livestock farming system where livestock rearing is mainly undertaken as a subsidiary occupation and consists primarily of backyard pig and poultry rearing. These activities are integral to any rural farming household in the state. However, for a scientific approach to adoption of the IFS, there is a need for evolving appropriate integrated farming systems in the state as it is blessed with diverse agro-ecological situations. Some of the integrated farming combinations possible are suggested below:

- Agriculture + Dairy + Agro Forestry + Biogas/vermi Plant
- Horticulture + Fisheries Pond + Poultry + Bio-Gas/vermi Plant
- Horticulture + Vegetable + Poultry + Fisheries Pond + Agro Forestry
- Agriculture + Medicinal/Bio-Fuel Crops + Animal Husbandry + Bio-Gas/vermi Plant
- Agriculture + Solar Crop + Dairy + Apiculture + Poultry + Bio-Gas/vermi Plant

Integrated farming is a smart farming approach where residue of one activity act as input to another. This practice not only increases the income of farmers but also provide a sustainable solution against distorting ecological balance.

3.19 Agro Forestry: Agroforestry is the practice of growing trees on farms for the benefit of the farm family. It is defined as “any sustainable land-use system that maintains or increases total yields by combining food crops (annuals) with tree crops (perennials) and/or livestock on the same unit of land. This is done either alternately or at the same time, using management practices that suit the social and cultural characteristics of the local people and the economic and ecological

conditions of the area”. Agroforestry practice, can contribute substantially to advancing a sustainable agriculture through its influence on ecological and social process.

In Nagaland, the traditional alder (*Alnus nepalensis*) based agroforestry system is a unique and efficient system of sustainable agricultural farming system developed and practiced by some of the indigenous tribes. Alder is a deciduous tree naturally grown throughout the Himalayas. In this system of farming, a number of crops such as rice, tapioca, potato, colocasia, large cardamom, turmeric, etc., are grown as intercrop with alder trees; the trees are allowed to grow and are later used for timber purposes. The root nodule of alder is responsible for fertilizing the soil whereas, the spreading nature of the roots helps in preventing soil erosion in slopes. The deep root systems of alder give stability to slopes that tend to slip and erode. It is planted to improve the stability of slopes liable to erosion and landslides, also used as a shade tree and for mine reclamation. Thus amelioration of jhum land and stabilization of slopes by alder trees has led to a very remunerative and useful agroforestry system. Alder does not require high soil fertility and hence can be planted for conversion of wasteland into agricultural land. This system is an outstanding sustainable model of land use evolved through numerous years of testing among the indigenous tribes of Nagaland. Jhum cultivation or slash and burn agriculture is the main system of farming practiced by majority of the farmers in the state. With a view to help farmers improve the land use system and to protect the remaining forests, the Govt. of Nagaland in partnership with the International Development Research Centre and the India-Canada Environment Facility established the Nagaland Environmental Protection and Economic Development Project. Starting in 1995, NEPED worked at the community level to encourage adoption of agroforestry by planting trees in jhum fields. The mechanism that was chosen was farmer-led selection, testing and demonstration of agro forestry under the support of Project Operations Unit of NEPED and the State Agriculture Research Station, Dept of Agriculture, GoN. Implemented over a five-year period, the lessons learned from the NEPED project have revealed that indigenous practices that have worked for years can serve as starting points for improvement. It also clearly demonstrates the important role that farmer-led testing and refinement has had in the state and offers solutions for the future.

3.20: Watershed initiatives: Integrated watershed management and restoration of degraded lands is needed for efficient water harvesting and to enhance productivity. Various Departments of the State Govt. such as Soil and Water Conservation Dept., Dept. of Land Resources, Forestry Dept, Rural Development Dept., Water Resources Dept., are involved in implementation of various Water conservation programmes in the districts of the state. Existing schemes being taken up under irrigation sector are essentially micro in nature and they are not enough to cater to the actual demand.

NABARD in partnership with local NGOs has been implementing watershed development projects all across the country through a participatory approach for conserving natural resources. The major outcomes of the watershed development programme include increase in area under cultivation, improvement in productivity of various crops, enhancement of groundwater recharge, change in net sown area and irrigated area, generation of additional employment, increase in cropping intensity and reduction in soil loss.

In Nagaland, NABARD has supported the implementation of 25 Springshed based Watershed development projects covering 5120 ha in 14 districts through various partner NGOs and stakeholders with an objective to rejuvenate the dying springs that drain the rural landscape with the twin goals to (i) reduce drinking water scarcity in the project areas and (ii) to promote off-season farming with availability of spring water through proper water management and use. Of these 11 projects have been completed. Launched in 2018-19, the impact of the interventions are being visibly felt through a gradual increase in the discharge of springs (average increase of 6 litres per minute for irrigation and drinking water purpose, better awareness of rain water harvesting, etc.

These developmental initiatives have transformed the natural and human resource endowments in compact areas and are conducive for absorption of higher capital and economic vocations.

The “Tribal Development Fund” (TDF) in NABARD aims to implement the “Orchard development” approach to tribal development where the central focus is on a 'small orchard' covering one or two acres. Under this fund, short and long-term livelihood interventions for tribal families are fostered through the small orchard model. In Nagaland, NABARD has sanctioned 18 (eighteen) projects to various NGOs working as Project Implementing Agencies (PIAs) under the programme, involving grant assistance of ₹2886.16 lakh and soft loan assistance of ₹75.00 lakh, covering 6150 families in 21 RD blocks. As conditions of these areas have improved people are looking for more opportunities for growth. Therefore, it is essential to ensure delivery of institutional credit in these areas which can be done by formulating area specific & dedicated Banking Plans

3.21 PACS as Multi Service Centres: Primary Agriculture Credit Societies (PACS) / LAMPS are grass root level Cooperative institutions primarily involved in meeting the credit requirement of the farmer members. With a view to rejuvenating the PACS, many initiatives have been undertaken by NABARD and one such initiative has been supporting PACS as Multi Service Centres (MSC) program from the year 2011 onwards through direct credit as well as through refinance to District Central Cooperative Banks/StCBs to make them a self-sustainable entity. Positive impact and the benefits derived by the members of PACS as well as limitations in implementing the program were assessed and accordingly the operational methodology, coverage of investments and terms of refinance have since been revised with the proposed Agriculture Infrastructure Fund (AIF) scheme under Aatmanirbhar Bharat initiative of GoI. The initiative are for establishing decentralized farm-gate Post-Harvest Management infrastructure wherein PACS have been included as one of the eligible institutions for interest subvention. It is envisaged that PACS can now play a major role in physical and financial supply chain of commodities by working as spokes to the Gramin Agriculture Markets (GrAMs). With investments in post-harvest infrastructure, it is hoped that farmers would be able to reduce postharvest losses and increase their value realization for the produce. Out of over 4000 PACS affiliated to the NStCB, 580 PACS are functional. NABARD 's concessional refinance will be applicable to these PACS once they are financed by the NStCB. For effective conversion of PACS as a business unit/MSC, computerization is required; for which a centrally sponsored scheme for PACS Computerisation has been launched by Ministry of Cooperation, GoI in collaboration with NABARD and State Governments for computerization of 63000 PACS across the country over a period of 5 years with a total budget outlay of ₹ 2516 crore.

3.22 Skill India Scheme related to Agriculture and Non-Agriculture: Skill development is an important driver to address poverty reduction by improving employability, productivity and helping sustainable enterprise development and inclusive growth. While there is large scale unemployment there is also the paradox of unavailability of appropriately skilled manpower. Informal workers, high levels of under employment, skill shortages, labour markets with rigid labour laws, and institutions, dominate the employment sector in India further worsened by CoVID 19. During COVID lockdown, Agriculture sector was the only sector that was least affected signifying the importance of agriculture and its allied sectors. The huge migration of agriculture labour out of fear to their native places who have acquired knowledge of different agricultural operations in due course of time with practice left a temporary vacuum of human resource in agriculture. Although the techniques developed and mechanization came to rescue of farmers but not up to the desired level but attracted the attention to develop skill in agriculture sector. India is short of skilled human resource in agriculture and so is Nagaland. There is a need to conduct a state level study to analyse the skill gaps in agriculture. These skill gaps may be addressed by formulating Agriculture Sector Skill Councils at District level in convergence with KVKs. Training related to horticulture, post-harvest management, bee keeping, dairy, high-tech farm practices may be provided to farmers. Leading institutes such as ICAR & State Agriculture Universities may act as resource point. In an attempt to encourage banks in the State, to lend for high-tech farm practices, NABARD has formulated Area Development Schemes & Bankable Model Projects

Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is the flagship scheme of the Ministry of Skill Development & Entrepreneurship (MSDE) implemented by National Skill Development Corporation (NSDC). The first phase of PMKVY scheme was launched in the year 2015 to encourage and promote skill development in the country by providing free short duration skill

training and incentivizing this by providing monetary rewards to youth for skill certification. The overall idea was to boost employment generation of youth corresponding to the industrial demand.

On successful implementation of PMKVY (2015-16) and learnings from the past, PMKVY 2.0 (2016-20) was launched by scaling up sectors, geographies and by greater alignment with other missions / programmes of GoI such as 'Make in India', 'Digital India' and 'Swachh Bharat Mission'. PMKVY 2.0 is implemented since 15 July 2016 and it is to be completed by 31 March 2020. The scheme has been extended for one year for skilling of migrant workers impacted under Covid -19 pandemic.

Based on the learnings of PMKVY 2.0 and to reorient the scheme to be in sync with the present scenario of policy changes and changing priority in different sectors, it is decided to speed up the implementation of PMKVY 3.0. The scheme shall be implemented in two phases: 1st phase shall be implemented on pilot basis during the year 2020-21 known as PMKVY 3.0 (2020-21). The scheme shall initiate the creation of implementation framework for the second phase (2021-2026) of the scheme. The training target will be two types – PMKVY Short Term Training – 2.20 lakh trainees and PMKVY - Recognition of Prior Learning – 5.80 lakh trainees. The objectives of the scheme are (i) create an ecosystem to make informed choices on the available skilling avenues, (ii) provide support to youth for skill training and certification and (iii) promote sustainable Skill Centres for greater participation of private sector.

In tune with GoI Scheme, support for Skill initiatives were enabled through skill portal NABSKILL (www.nabskillnabard.org). Partnered with Corporates/CSRs for outcome based skill initiatives. During the year NABARD has partnered with JK Trust and a few other local NGOs for skill development in various activities including tailoring etc.

3.23 Potential for cultivation of millets in Nagaland:

Among the cereal crops grown in Nagaland, millet is also one of the important cereal crops. It is also known as poor man's cereal crop. Traditionally it is used for preparation of special wine, taken as meal and many varieties of food items. — Almost all Indian varieties of millets- Bajra, jowar, ragi and small millets etc are cultivated though in very small acreages. The productivity levels are generally lower than national average, especially in finger millet. Millets are mainly grown in the districts of Phek, Tuensang, Kiphire, Mon and some areas of Kohima. The State has good potential for increasing both acreage and production of millets. State government may emphasize on improving sustainability and efficiency of small millets cultivation. Improved varieties, and efficient and sustainable cultivation practices of all millets need to percolate to farm level to promote millet cultivation in the state. The following table shows the production of millets during 2020-21.

Table 3.12: Area and Production of Millets in Nagaland during 2020-21

Sr No.	Crops	Area in ha	Production in MT	Yield(Kg/ha)
1	Jowar	280	270	964
2	Small millet	8830	9980	1130
3	Jobstear	1280	1330	1039
4	Bajra	710	720	1014
5	Ragi	350	340	971
Total		11450	12640	1104

(Source: Statistical Handbook, 2022)

In an effort to promote cultivation and propagation of millets, NABARD had sanctioned an amount of Rs 5.46 lakhs to KVK, Porba in Phek district for "Promotion of indigenous Germplasm of Foxtail millet and seed bank to preserve Millet genetic diversity." The project envisages increased

production and productivity of foxtail millet, improved millet cropping system through scientific technology and to meet market demand for organic millet. The seed bank is expected to ensure sustainable biodiversity and availability of quality seeds at affordable price to the farmers.

3.24 State Specific Issue - CM's Microfinance Initiative Scheme:

Hon'ble Chief Minister, Shri Nephriu Rio in his budget speech in 2022 announced the setting up of CM's Microfinance Initiative Scheme to help farmers and micro entrepreneurs in the State. The scheme comprises of both back-ended subsidy and interest subvention over and above interest subvention scheme of GoI. The subsidy scheme assures back-ended subsidy to the extent of 30% of project cost. State Bank of India is the nodal Bank, while all banks operating in the State are eligible lending institution.

Individual farmers/entrepreneurs, SHGs and FPOs are eligible under the scheme. The Scheme has a corpus of ₹65 crore and is expected to increase investment in agriculture and allied sector substantially. Besides, the scheme is also expected to generate employment both in rural and semi-urban areas. As on 11.05.2023 a total of 53 projects have been sanctioned. (Source: SLBC)

CHAPTER IV

POTENTIAL CREDIT OUTLAY

4.0 Introduction:

The Potential Linked Credit Plan (PLP) is annually prepared by NABARD for each district which provides details of the credit potential (both physical and financial) for development in different sectors of the rural economy. The potential estimates for the year 2024-25 have been prepared taking into account the policies & priorities, changes in the infrastructure facilities and other support services available as well as planned, priority sector lending guidelines by RBI (as revised on 4 September 2020) and also various macro policy guidelines and thrust areas identified by GoI, Government of Nagaland, RBI, NABARD and the sectoral ecosystem. The present document contains an aggregated picture of credit potential estimated for the year 2024-25 for Nagaland, based on the assessment made in the Potential Linked Credit Plans (PLPs) prepared for all the 16 districts of the State.

The potential credit outlay for the State of Nagaland for 2024-25 is estimated at ₹1178.08 crore which is an increase of 16.02% over the projections estimated for the year 2023-24. The broad sector-wise break-up of the projections is furnished in Table 4.1.

Table 4.1 Broad Sector-wise break-up of PLP projections for 2024-25**(₹ in lakh)**

SN	Sector/ activity	PLP 2024-25	PLP 2023-24	% increase
1	Crop Production, Maintenance and Marketing	21841.55	25888.24	-15.63
2	Term Loans for Agri. & Allied activities	22629.33	20728.65	9.17
3	Micro, Small and Medium Enterprises	48998.40	33184.93	47.65
4	Agriculture Infrastructure	2040.83	1806.57	12.97
5	Ancillary activities	4604.60	2988.08	54.10
6	Export Credit	391.20	507.20	-22.87
7	Education	1896.00	2112.00	-10.23
8	Housing	5635.20	5281.60	6.69
9	Renewable Energy	291.65	260.11	12.12
10	Social Infrastructure involving bank credit	3363.56	2398.40	40.24
11	Others	6116.20	6383.50	-4.19
	Total Priority Sector	117808.52	101539.27	16.02

4.1 Credit Potential for Agriculture Farm Credit

4.1.1 Crop Production, Maintenance and Marketing: Agriculture and allied activities has always remained a prominent sector in contributing and generating employment. In Nagaland more than 60 percent of the population depend on Agriculture for livelihood. Owing to a drought-like situation faced by the state, in 2021- 22 the food grain production decreased to 328414 MT from 755590 MT in 2020-21. With improved agro-climatic conditions, the production is anticipated to increase to 698760 MT in 2022- 23. Correspondingly, the total area under food grain cultivation decreased significantly by about 43 percent, from 344330 hectares in 2020-21 to 197820 hectares in 2021-22 (*Source: Nagaland Statistical Handbook 2023*).

The area, production and yield of major crops in the State is furnished in Table 4.2

Table 4.2: Area, Production and Yield of Major Crops in Nagaland State

Sr. No	Crops	2020-21			2021-22			2022-23 (anticipated)		
		Area '000 Ha	Prod'n '000 MT	Yield Kg/Ha	Area '000 Ha	Prod'n '000 MT	Yield Kg/Ha	Area '000 Ha	Prod'n '000 MT	Yield Kg/Ha
1	Cereals	303.89	708.45	2331	171.92	298.28	1735	269.46	660.17	2450
2	Pulses	40.44	47.14	1166	25.90	30.14	1164	32.87	38.59	1174
Food grains		344.33	755.59	2194	197.82	328.41	1660	302.33	698.76	2311
3	Oilseeds	69.03	71.72	1039	20.92	20.65	987	39.50	41.08	1040
4	Commercial Crops	43.99	500.62	11382	26.97	281.11	10423	37.02	417.68	11282
Total all Crops		457.35	1328	2904	245.71	630.17	2565	378.85	1157.52	3055

(Source: Nagaland Statistical Handbook 2023)

4.1.1.2 Support from Government Programmes: In order to revive the growth rate of agriculture, Govt. of India has initiated several measures including soil mapping, digitization of all villages and strengthening of soil testing labs, enhancing seed production especially soybean production, re-engineering extension approach for effective extension reach, promotion of integrated nutrient management, calamity management in the event of drought, hailstorms and continuation of National Food Security Mission (NFSM) programmes for different crops.

4.1.1.3 The KCC and the Rupay KCCs: The Kisan Credit Card (KCC) emerged as an effective credit delivery mechanism to meet the production credit requirements of farmers in a timely and hassle-free manner. The district-wise KCC issued and amount disbursed during the last 3 years is given in table 4.3:

Table 4.3: District-wise KCC issued and amount disbursed: (₹ in lakh)

SN	District Name	2020-21		2021-22		2022-23	
		No. of KCC issued	Disbursed Amount	No. of KCC issued	Disbursed Amount	No. of KCC issued	Disbursed Amount
1	Dimapur	2146	1773.01	2344	3174.47	1503	1040.8
2	Kiphire	605	442.07	740	1048.05	1005	829.68
3	Kohima	780	509.7	798	803.96	1146	677.48
4	Tseminyu	-	-	-	-	141	74.65
5	Longleng	278	230.24	320	472.88	229	205.13
6	Mokokchung	5310	3701.31	4169	5791.83	4382	4753.81
7	Chumoukedima	-	-	-	-	1993	1651.39
8	Mon	204	90.39	265	315.61	719	556.28
9	Peren	1180	1004.77	1343	1773.45	1711	1290.48
10	Phek	2264	1668.65	2035	2852.4	2020	1584.63
11	Tuensang	2504	1284.51	1943	2300.4	2116	1684.24
12	Noklak	-	-	301	364.75	333	253.58
13	Shamator	-	-	-	-	254	109.65
14	Wokha	989	696.46	1303	1657.5	1646	1378.2
15	Zunheboto	1109	819.62	1234	1885.97	1608	1410.75
16	Niuland	-	-	-	-	154	124.58
Total		17369	12220.73	16795	22441.27	20960	17625.33

(Source: SLBC, Nagaland)

4.1.1.4 Subvention of Interest on crop loans: Government of India provides interest subvention to banks to ensure availability of crop loans and post-harvest expenses up to a maximum of ₹3 lakh. The interest subvention to banks under modified interest subvention scheme is 1.5% on own involvement in eligible crop loans financed at 7% interest. Additionally, 3% incentive is available to farmers for prompt repayment of these loans.

4.1.1.5 Support from NABARD by way of refinance: Refinance for Seasonal Agricultural Operations(SAO): NABARD provides refinance at concessional rate of interest i.e. @4.5% p.a. to State Cooperative Bank and Regional Rural Banks to ensure timely availability of crop loans to farmers for such activities which are undertaken in the process of raising various crops and are seasonally recurring in nature. NABARD has supported StCB and RRBs upto 25% of their total Ground Level flow towards short term agriculture operations.

Table 4.4: Refinance support by NABARD for SAO to RRBs/StCB

(₹ in lakh)			
Agency	2020-21	2021-22	2022-23
Nagaland State Co-operative Bank	800.00	800.00	800.00
Nagaland Rural Banks	0.00	45.00	0.00
Total	800.00	845.00	800.00

4.1.1.6 Refinance under Post harvest loans to small and marginal farmers against Negotiable Warehouse Receipts (NWR): In order to discourage distress sale and to facilitate better price realization, small and marginal farmers are being encouraged to store their produce in warehouses and avail loan against NWR. Government of India had introduced a scheme to extend the benefit of interest subvention to banks so as to enable them to finance small and marginal farmers having KCC for a period of upto six months during the post-harvest period at the same concessional rate of interest of 7% as applicable to crop loans. Refinance from NABARD is available to Cooperative Banks and Regional Rural Banks at interest rate of 4.5% p.a. with provision of 2% GoI interest subvention, for a period of 06 months.

4.1.1.7 Refinance under ST (Others): NABARD provides refinance to RRBs and State Cooperative Bank/DCCBs for financing marketing of crops, fisheries sector, production and marketing activities of artisans (other than handloom weavers) and village/cottage/tiny sector industries, for financing persons belonging to weaker section and engaged in trade / business/service activities including distribution of inputs for agriculture and allied activities.

4.1.1.8 Credit estimates under crop production, maintenance and marketing for 2024-25: Based on the estimated gross cropped area of the state, the crops grown, the ratio of small, marginal and other farmers and trends in off take of credit as also, keeping in view the programmes of GoI and the various plans of the State Government and special initiatives of NABARD, the potential for credit support assessed for Crop Production, Maintenance and Marketing for the year 2024-25 is ₹218.41 crore.

4.1.1.9 Critical interventions required

- “Lab to land” to be adopted with more practical approaches
- Facilitating more interactions of farming communities with agriculture scientists
- Widen extensive use of technology for timely dissemination of information to the farmer
- Custom hiring centres to be encouraged on massive scale to promote farm mechanisation
- Strengthening climate Information centres and programmes for climate literacy
- Strengthening of Soil testing Labs and ensuring 100% coverage of farmers’ fields and soil test-based fertilizer application
- To expand the area under millets, facilitate value addition and market linkages involving SHGs, FPOs

- Create awareness about KCC thereby expanding the reach of institutional credit to farmers
- Provide day-to-day information to farmer on crop production, input supply and marketing through Internet Services and AGRISNET

4.1.2 Water Resources

4.1.2.1 Introduction: The water resources of Nagaland mainly comprise three hydro-meteorological regimes namely, (1) Surface Water Regime (2) Groundwater Regime and (3) Rain Water Regime. Groundwater and surface water are the major sources of water supply for drinking, agriculture and industrial purposes.

In a State like Nagaland, where the economy is highly dependent on agricultural production, it is critical to ensure that the available water is harnessed and utilized judiciously. Water resource planning and development in the state are primarily focused on establishing reliable water sources, creating infrastructures for assured irrigations, imparting requisite trainings to the farmers for economic usage of water, and strengthening ongoing activities for sustainable management of the State's water resources. Nagaland state, with a geographical area of 16.57 lakh hectares, has an estimated 3.2 lakh hectares of Ultimate Irrigation Potential (UIP). The district-wise break up of irrigation potential is given in Table 4.5.

Table 4.5: District-wise Irrigation Potential

SN	District	Geographical area (Ha)	Ultimate Irrigation Potential (Ha)
1	Dimapur	92700	56552
2	Kiphire	116185	6984
3	Kohima	132176	30386
4	Longleng	58721	11430
5	Mokokchung	161500	31161
6	Mon	178600	43209
7	Peren	179224	20672
8	Phek	202600	51755
9	Tuensang	247894	19554
10	Wokha	162800	34964
11	Zunheboto	125500	16921
	Total	1657900	323588

(Source: Water Resources Dept., GoN)

The main water resources projects/ activities, which are currently implemented in Nagaland, are summarized below-

a. Minor irrigation projects (CCA below 2000 Ha) under PMKSY- Har Khet Ko Pani (HKKP)

Water Resources Department, GoN is implementing two batches of Surface Minor Irrigation (SMI) Schemes under PMKSY-HKKP in Nagaland as detailed in the Table 4.6 below:

Table 4.6: Overview of Surface Minor Irrigation (SMI) projects in Nagaland

Year	No. of projects	Culturable Command Area coverage (Ha)	Irrigation Potential (Ha) targeted	Estimated cost (Rs. in crore)
2018-19	270	8544	10508	206.85
2021-22	213	5444	6837	133.21

Surface Minor Irrigation (SMI) schemes are implemented in all the districts through Water Users Associations and payments are made as per works. SMIs are suitable for Terraced Rice cultivation (TRC) and vegetable cultivation both during Kharif and Rabi season. In this type of irrigation, water is diverted and carried by a channel to the command areas.

Table 4.7: District-wise Surface Minor Irrigation (SMI) projects

Sl. No.	District	SMI Projects 2018-19 (No.)
1	Dimapur	60
2	Kiphire	9
3	Kohima	56
4	Longleng	12
5	Mokokchung	25
6	Mon	25
7	Peren	26
8	Phek	22
9	Tuensang	13
10	Wokha	9
11	Zunheboto	13
	Total	270

(Source: SMI Dashboard, Department of Water Resources, River Development & Ganga Rejuvenation, Ministry of Jal Shakti)

b. Ground Water Irrigation Projects under PMKSY- HKKP

During 2020-21, 262 Ground Water Irrigation Projects were initiated under PMKSY- HKKP at an estimated cost of Rs.1815 lakh covering 666.75 Ha of CCA. This project involves construction of Medium Deep Tube Well (MDTW) in selected sites. The district-wise data of these units are given below at Table 4.8:

Table 4.8: District-wise Ground Water Irrigation Projects

S.N.	District	Blocks	Number of projects
1	Dimapur	Dhansiripar, Amaluma, Kuhuboto, Aqhunaqa, Nuiland, Medziphema, Chumukedima	120
2	Mokokchung	Mangkolemba, Tsurangkong, longchem, Tuli	55
3	Mon	Tizit	17
4	Peren	Jalukie, Peren, Athibung	50

5	Wokha	Wozhuro, Bhandari, Changpang, Ralan	20
	Total		262

(Source: SMI Dashboard, Department of Water Resources, River Development & Ganga Rejuvenation, Ministry of Jal Shakti and Annual Administrative Report 2021-22 of WRD, GoN)

c. Other projects implemented in Nagaland are-

- Flood Management and Border Area Programme for construction of Anti-Erosion Works, Drainage and Flood Mitigation Works of critical nature.
- Construction of Water Harvesting Pond (31 units) funded under RIDF by NABARD.
- Implementation of PMKSY (micro-irrigation component)- The Department of Horticulture has initiated works for the installation of drip irrigation and sprinkler irrigation system in various plantations covering all the Districts.

4.1.2.2 Assessment of Credit Potential for 2024-25: Considering the infrastructure available and likely to be made available and based on the discussions with the line departments, etc., the credit potential for Water Resources for the year 2024-25 is assessed at ₹7.88 crore.

4.1.2.3 Stakeholders' roles and action points: To ensure the success of the strategy for sustainable expansion of irrigation sector presented in this document, some more interventions are required as indicated below:

- Creation of new water sources; construction of water harvesting structures, secondary & micro storage, groundwater development, enhancing potentials of traditional water bodies at village level like Zabo (Nagaland).
- Considering the insufficient power supply in the State, Solar Powered Pumps may be promoted in suitable areas to promote sustainable exploitation of groundwater.
- Water User Associations (WUAs) need to be activated.
- To prevent erosion/mud slides in hilly areas, flood protection measures are needed.
- Thrust may be given to micro irrigation like drip and sprinkler to conserve water.
- Banks may extend credit support to farmers for construction of structures of tube wells for irrigation, rainwater harvesting schemes, farm ponds, small weirs/check dams, roof top water harvesting system, etc.
- Government of India announced support for micro irrigation system under Agriculture Infrastructure Fund. The State Government may plan suitable projects and avail creditsupport from NABARD and implement micro irrigation projects in the state.
- Advocacy campaigns may be undertaken to make the farming community realize the economic value of water and the need for increasing water use efficiency. In situ soil moisture conservation by mulching, silt application where feasible needs to be promoted.

4.1.3 Farm Mechanization

4.1.3.1 Introduction: The agriculture sector value chain includes all the steps involved from land preparation to harvesting and post-harvest processing. At every step in the production cycle, the use of equipment enhances efficiency. Farm mechanization not just reduces labour time and post-harvest loss but also helps to cut down production costs in the long term. This judicious use of time, labour and resources facilitates sustainable intensification (multicropping) and timely planting of crops, leading to an increase in productivity.

Nagaland is lagging behind in the application of modern machinery and farm equipment in its agricultural operations. Among the states, Nagaland has a very low availability of farm power i.e. 0.725 kw/ha as of 2021-22, as compared to the National average of 2.02 kw/ha. Factors such as hilly topography, high transportation cost, lack of state financing and other financial constraints

due to socio-economic conditions and dearth of agricultural machinery manufacturing industries have hindered the growth of farm equipment sector in the State.

With the creation of awareness by the Department of Agriculture, GoN, on the importance and profitability of mechanized farming, the demand for farm machinery has risen throughout the State. According to the Sub-Mission on Agriculture Mechanization (SMAM) unit, Nagaland, the major farm machineries in demand are power tillers, power cultivators, tractor, mini tractor, water pumps, brush cutters etc.

4.1.3.2. Assessment of Credit Potential for 2024-25: Considering the size and spread of land holdings and other factors like crop pattern, availability of irrigation facilities etc., the credit potential for the year 2024-25 is assessed at ₹9.90 Crore for farm mechanization. Some of the major activities under the sector for which the credit potential has been envisaged are tractors, trolleys, power tillers, threshers, reapers, combine harvesters, paddy transplanters, rotavators, sugarcane harvesters and other agricultural implements.

4.1.3.3 Issues and action points: Limited adoption of mechanized farming among small & marginal farmers, lack of awareness about a wide range of state-of-the art farm machineries & implements, narrow entrepreneurial base in establishing custom hiring centers & farm machinery bank are some of the issues which calls for special focus to this sector.

4.1.4 Plantation & Horticulture including Sericulture

4.1.4.1 Introduction: Plantation and horticulture sectors in Nagaland are multifaceted and encompasses a wide range of crops namely fruits, vegetables, potato, tubers, ornamentals, medicinal and aromatic plants, spices, plantation crops, rubber, coffee, mushroom etc. These sectors provide a dynamic tool for improving economic conditions of the farmers and entrepreneurs, creating diversification opportunities, increasing the productivity of land, providing nutritional security, generating employment, ensuring ecological sustainability and enhancing export earnings. The varied agro-climatic zones of the State provide conditions that are well suited for the cultivation of fruits, vegetables, flowers, spices, plantation crops, medicinal and aromatic and other horticultural crops. Though the area under horticultural crops is less than one-fifth of total cropped area of the State, its share of the total agricultural growth is significantly high.

According to the 3rd Advance Estimates, 2021-22, the area under various horticulture crops in the state is 133,785 ha. Fruits and vegetables are cultivated in 34018 ha and 41425 ha with a total production of 312302 MT and 454420 MT respectively. Flowers are cultivated in 43538 ha of land and plantation crops in 2355 ha. The Area and Production data of various categories of Total Horticulture Crops for the year 2021-22 are given in Table 4.9.

Table 4.9: District wise Area and Production of Horticulture Crops

S.N.	District	Fruits		Vegetables		Flowers		Plantation Crops		Spices	
		A	P	A	P	A#	P#	A	P	A	P
1	Dimapur	4.795	53.590	4.112	44.524	39.000	0.030	1.186	358.871	0.482	7.679
2	Kiphire	2.589	27.082	2.122	20.659	0.000	192.308	-	-	1.796	1.604
3	Kohima	2.501	13.292	5.449	51.732	2.815	62.521	-	-	1.680	6.354
4	Longleng	1.451	16.994	2.581	40.865	-	-	0.015	27.525	0.968	5.220
5	Mokok-chung	3.493	24.629	3.721	42.629	0.011	20295.487	0.048	3.147	0.444	2.770
6	Mon	2.298	22.066	2.834	25.944	1.700	311.545	0.012	0.010	1.289	4.709

7	Peren	4.799	47.823	4.361	51.652	0.002	0.018	0.757	182.623	1.618	13.515
8	Phek	2.940	29.514	4.984	65.422	0.006	120.696	-	-	1.115	3.212
9	Tuensang	2.733	24.595	4.097	39.528	0.002	166.676	0.026	0.027	0.864	2.720
10	Wokha	3.831	32.020	3.353	40.080	0.001	480.469	0.311	72.636	0.830	3.999
11	Zunheboto	2.589	20.698	3.811	31.385	0.002	364.953	-	-	1.248	5.550
	Total	34.018	312.302	41.425	454.420	43.538	21994.702	2.355	644.838	12.334	57.331

(Source : Directorate of Horticulture, GoN) A: Area in hectares; P: Production in MT

A#: Area in sq.m; P: Production per '000 stem

4.1.4.2 Horticulture Crops

a) Fruits : Some of the fruit crops cultivated and documented in the State are Aonla/Gooseberry, Apple, Banana, Ber, Grape, Guava, Jackfruit, Kinnow /Mandarin Orange, Kiwi, Limes and Lemons, Litchi, Mango, Papaya, Passion Fruit, Peach, Pear, Pineapple, Plum, Pomegranate, Strawberry, Sweet Orange /Mosambi, Watermelon, Wild-Apple, Pomelo etc.

In recent years, a number of exotic fruits (viz. Kiwi and Dragon fruit) have found acceptance amongst the farmers of the State, for which the State has received acclaim from the Ministry. Dragon Fruit (*Hylocereus undatus*) is emerging as a super crop with several health and medicinal benefits and has been identified by the Ministry for commercialization and promotion under its Indian name 'Kamalam'. Given the fact that the State has gained recognition for the production of Dragon fruit; the Ministry has set a target of 550 Ha areas for Dragon fruit cultivation for the State during 2021-22 under Mission for Integrated Development of Horticulture (MIDH).

Similarly, Kiwi fruit cultivation is also taken up under the area expansion component of MIDH. The department has also introduced two new exotic crops i.e., Avocado and Persimmon, which have shown encouraging signs for cultivation in the State.

b) Vegetables: The Covid-19 pandemic worldwide has demonstrated the importance of cultivating vegetables as a way to combat malnutrition and enhance our body's immunity. It has also highlighted a key lesson on how important it is for the State to achieve self-sufficiency in vegetable production and to reduce the dependency on imports. In light of this, an area of 1000 Ha is being covered under cultivation of vegetables under MIDH during 2021-22, with an outlay of Rs.250.00 Lakhs. A total of 95 villages have been adopted as 'Vegetable Villages' by the Horticulture Department and provided support with quality vegetable seeds. The concept behind these 'Vegetable Villages' is to increase the quantum of production so that there is marketable surplus which can contribute to the villagers' income by way of sale of the vegetables, whilst contributing to their nutritional security.

c) Floriculture: With the introduction of floriculture under Horticulture Mission for North-East and Himalayan States (HMNEH) from 2005-06, the cultivation of flowers in Nagaland has transformed from the traditional part-time activity, which was confined to a few women, to a more commercial enterprise. The Department of Horticulture has taken up various initiatives to support the Flower growers of the State as listed below-

- Floral arrangement in the Directorate Office Building as approved by the Government
- Floral Galleria coinciding with the Annual Hornbill Festival
- Rostrum Decoration during various State Government Functions and Red-Letter Days
- Landscaping and beautification of Directorate Buildings, Kohima

d) Spices: Nagas have an inherent love for spices and aromatic plants blended in intricate and unique cuisines. Important spices and aromatic crops like Naga Mircha, Ginger, Large Cardamom, Black pepper and Betel Vine have been taken up under Area Expansion during 2021-22.

e) Mushroom: Mushroom cultivation is another activity that has tremendous scope for development in the State. The climatic conditions are conducive to mushroom cultivation, particularly Oyster mushrooms. There is adequate availability of farm waste viz. paddy straw, etc. for providing the raw material. Local demand for the product will ensure a ready market. The Department has taken a keen interest in the development and promotion of mushroom cultivation in the State. At present, there are two mushroom units operating at Dimapur and Mokokchung and three more spawn production units, one each at Wokha, Mon and Kohima. In addition, the Spawn Production Unit at Tuensang is expected to be commissioned soon.

4.1.4.3 Plantation Crops

a) Rubber: Amongst plantation crops, Rubber offers potential for cultivation on a commercial scale. Rubber cultivation is possible in the foothills where the land is denuded on account of the absence of tree cover, excessive jhuming practices and is left fallow without any economic activity. In Nagaland, Rubber Plantation is extensively promoted by the Land Resources Department. As of 2021, about 19,132 ha of land is covered by Rubber Plantation. Out of this, 4989 Ha have been brought under tapping producing about 15,700 MT of latex annually. With the help of funds from NABARD and NEC, rubber sheet rollers have been distributed to farmers to support the production of rubber in about 1500 Ha of matured plantation clusters:

Table 4.10: No. of rubber sheets distributed during 2021

Source of fund	No. of sheet rollers	Districts
RIDF-XXIV, NABARD	289	Dimapur, Longleng, Mokokchung, Mon, Peren, Wokha, Zunheboto
NEC	235	NA
Total	524	

(Source: Land Resources Department, GoN)

b) Coffee: The Coffee Board of India in collaboration with the State Land Resources Department (LRD) introduced coffee cultivation on a large scale in all 11 districts of the state since the year 2014. The climatic condition and soil type are found to be highly favourable for coffee production. Both Robusta and Arabica coffee varieties are found to be viable in the low-lying and hilly areas of the state. Over 17.32 lakh plants are cultivated on farms spreading over 11 districts of the State. LRD, which is the nodal department for coffee cultivation in the state, is providing institutional and technical support to farmers at every stage of coffee cultivation.

During 2021, 835.7 Ha of new area was developed for coffee plantation, bringing the total area under coffee plantation in the state to 9,832.2 Ha. The coffee, produced in the state is bought by Nagaland Coffee Private Limited (NCPL), which has signed an MoU with Noble Cause, South Africa for marketing the product.

c) Coconut plantation: Though the state is yet to take up Coconut cultivation on a large commercial scale, the crop has gained substantial importance among the farming community and the cultivation of coconut trees is gradually increasing in the state. Land extending from Jalukie area in Peren district to Tizit valley area in Mon district consisting of Peren, Dimapur, Tseminyu, Wokha, Mokokchung, Longleng and Mon are found to be suitable for Coconut plantation. During 2021-22, the Coconut Development Board (CDB) has earmarked an amount of Rs.35.38 Lakhs for coconut plantation and developmental activities in seven districts of Nagaland.

4.1.4.4 Sericulture: Silk is the most elegant textile in the world with a natural sheen, an inherent affinity for dyes, high absorbance, light weight, soft touch, high durability and is known as the 'Queen of Textiles' the world over. The very nature of this industry with its rural-based, on-farm and off-farm activities and enormous employment generation potential has attracted the attention of the planners and policymakers to recognize the industry as among one of the most appropriate avenues for socio-economic development of a largely agrarian economy like India. The State Sericulture Department is implementing various State and Central Sponsored Scheme which have so far covered more than 10,000 farmers throughout the state:

- **Augmentation Programme (State Plan):** With a view to revive and strengthen the existing plantation of host plants, the programme is implemented in the State, covering 200 acres, with an outlay of Rs.100 lakh under the State Plan (2021-22).
- **Farmer's Development Project (NABARD):** The State Government and NABARD (Financing Agency) have sanctioned Rs.531.05 lakh during 2017-18 to 2021-22 for the implementation of FDP. A total of 300 Acres of plantation for intensive Eri Silkwork rearing, construction of rearing sheds, 3 cocoon storage units and 2 silkworm seed grainage has been established covering all 11 districts.
- The department has formulated a Detailed Project Report with a total outlay of Rs. 503.96 lakhs for implementation of Augmentation Programme for Eri & Muga Silk under the Negotiated Loan funding during 2022-23 to 2024-25. The Project has been approved and NABARD has already accorded sanction amounting to Rs.530.01 lakh out of which Rs.503.96 lakh is NABARD Share and Rs.26.05 is State Share. The State Government allotted an amount of Rs. 150.00 lakh during 2022-23 and the project is under implementation.
- **Development of Eri & Muga under Silk Samagra (CSS):** During 2021-22, the department has initiated the programme in the districts of Kohima, Dimapur, Peren, Wokha, Mokokchung, Zunheboto, Phek, Longleng, Tuensang and Mon 950 beneficiaries. Following support are provided under the CSS:
 - i. Establishment of Kisan Nurseries
 - ii. Raising of Silkworm food plantation
 - iii. Establishment of rearing house at beneficiary level
 - iv. Support for rearing appliances
 - v. Support for machineries under post cocoon sector
- **Samarth Scheme a.k.a. Scheme for Capacity Building in Textile Sector (CSS):** Under this scheme, 500 beneficiaries are to be trained in National Skill Qualification Framework (NSQF) aligned courses such as silk reeling & spinning, weaving, dyeing and design etc. During the year 21-22, the scheme (phase-1) set a target to train 500 beneficiaries for which an amount of Rs. 50.00 lakh was released by the Central Silk Board, under the ministry of textiles. The physical target and achievement is shown as below:

SN	Target	Completed
1	500	497
2	25 batches	24 batches

4.1.4.5 Assessment of Credit Potential for 2024-25: Considering the infrastructure in place and likely to be made available and based on the discussions with the line departments, etc., the credit potential for Horticulture and Plantation crops for the year 2024-25 is assessed at ₹29.81 crore.

4.1.4.6 Availability of infrastructure, critical gaps & interventions required, action points/ issues to be addressed

- In order to augment the production of quality planting materials, the Department of Horticulture has set up 16 numbers of Departmental farms and nurseries in various districts of the state. However, the infrastructure support available is still inadequate. There are also a few private nurseries operating in various districts that cater to the supply of planting materials but these are not adequate. The growth of the horticulture sector needs the combined efforts of extension agencies, growing markets and most importantly, the availability of quality planting materials.
- The State Horticulture Nursery at 4th Mile Dimapur is one of the premier Nurseries and an important revenue earner for the Department. Besides the Tissue Culture Lab, Mushroom Development Centre, Fruit Orchards and Green Park, another component of the SHN is the Nursery where various rootstock blocks have been developed for the production of Quality planting materials.
- The Fruit Canning Factory, Longnak under Mokokchung district was commissioned in the year 1972 and was handed over to the Department at the time of bifurcation from the Agriculture Department in 1992. It also houses an important entity of the Department i.e., the Regional Progeny Orchard, which was established near the factory with the intention to meet the raw material requirements for the Factory. However, due to lack of maintenance attributed to the paucity of funds for investment and various physical and financial constraints, the Fruit Canning Factory and its other infrastructures have been lying in idle Condition since 2006-07.
- The Horticulture Departments have been implementing the Mission for Integrated Development of Horticulture (MIDH), a Centrally Sponsored Scheme for the holistic growth of the horticulture sector, under which Government of India (GoI) contributes 100% of the total outlay. An amount of Rs. 2600 lakh was allocated to the Department under MIDH 2021-22.
- Under MIDH, the Department has earmarked an area of 2500Ha for Integrated Nutrient Management (INM) and Integrated Pest management (IPM), with an amount of ₹60.00 Lakhs covering twelve (12) Districts.
- Department of Horticulture has initiated the construction of 100 units of functional Pack houses covering all the districts, at the cost of Rs. 200 Lakhs under MIDH 2021-22. Besides, the Department has begun the construction of 100 additional Pack Houses across all the districts during 2021-22, under a project of Rs.396.78 lakh funded by NEC.
- The Department, under the Infrastructure and Assets development component of RKVY during 2021-22, has earmarked the creation of three Integrated Rural Markets as below
 - a. 1 (one) unit in Tondongo, New Ralan, Wokha district.
 - b. 1 (one) unit at Khughovi village, Dimapur district
 - c. 1 (One) unit between Doyang Old and New Bridge, Mukhami Village, Zunheboto district

4.1.4.7 Suggested Action Points:

- Supply of quality planting material in time during the planting season through established nurseries
- Provision of infrastructure facilities like electricity, cold storage, processing units, marketing infrastructure, etc. There is a need for creation of organized marketing set up for all perishable crops
- Promotion of farmer producers' organization and support for storage facilities, cold chain, processing facilities, etc., so as to ensure remunerative prices to the producers.

4.1.5 Forestry and Wasteland Development

4.1.5.1. Introduction: Nagaland is richly endowed with forests and forest resources. Out of the State's geographical area of 16,579 Sq. Km., forests occupy an area of approximately 8629 Sq. Km., i.e., 52.04%. Nagaland is also ranked at 5th position in terms of forest cover as a percentage of total geographical area, according to the 'India State of Forest Report 2021'. It has a total forest cover of 12,251.14 sq. km which is 73.90% of the total geographical area of 16,579 sq. Km. (ISFR, 2021). The classification/ status of forests in Nagaland as on 31.01.2021 is given in Table 4.11:

Table 4.11: Classification of Forest Areas (in Sq. Km.) as on 31.01.2021

S. No.	Particulars	Forest Areas (Sq. Km)	% of Total Forest Areas
1	2	3	4
Legal Status			
a)	Government owned Forest		
1	Reserved Forest and Wildlife Sanctuaries	264.28	3.06%
2	Protected Forest	34.69	0.40%
3	Purchased Forest	192.47	2.20%
b)	Government Controlled (Private owned) Forest		
4	Protected Forest	516.79	5.98%
c)	Village owned Forest		
5	Virgin Forest	4778.27	55.40%
6	Degraded Forest	2842.8	32.90%
	Total (a+b+c)	8629.3	100.00%
d)	Ownership		
i	State Government	1008.23	11.70%
ii	Private Control	7621.07	88.30%
	Total	8629.30	100.00%

(Source: Annual Administrative Report 2021-22, DoFECC, GoN)

The India State of Forest Report (ISFR) data shows that forest cover in the State has reduced by 235.26 sq. km. over the past few years. The gradual depletion of the rich forest cover with its valuable timber species and other forest resources is mostly attributed to the large-scale felling of trees for agriculture, construction and feeding raw materials to the numerous timber-based industries, which have mushroomed all over the State.

In Nagaland, the pattern of land ownership is such that the land is owned either by the village community as a whole or by a clan within the village or by individuals. There are no records for conferring upon them ownership rights but the individual rights are exclusively determined by traditions which are also referred to as "Customary laws". These Customary Laws are un-codified, and yet very effectively applied and interpreted by the traditional Village Councils in the event of any dispute. Taking into account the land holding pattern in Nagaland, where execution of any developmental activity is virtually impossible without the prior consent and active cooperation of the landowners concerned, the State Govt. has adopted Joint Forest Management for sustainable development and management of forest resources. This is in conformity with the National Forest Policy, 1988, of involving the people in the management, development, protection and sharing of forest produce.

4.1.5.2 Assessment of Credit Potential for 2024-25: The aggregated PLP projections for Forestry and Wasteland Development sub sector for the year 2024-25 for Nagaland has been assessed at ₹8.09 crore.

4.1.5.3 Joint Forest Management: In conformity with the National Forest Policy of involving the people in the management, development, protection and sharing of forest produce jointly with the State Government and also taking into account the land holding pattern in Nagaland, Joint

Forest Management was started with the Government Notification No. FOR-153 (Vol-II) dated 05.03.1997. The main objective of JFM are:

- To elicit active participation of villagers in (a) creation (b) management and (c) protection of plantations
- To achieve ecological needs consonant with sustainable productive Forestry
- To create a wood-based economy for the people.

4.1.5.4 Constraints and Suggested action Points

- One of the main hurdles in the efforts of the Government to implement afforestation programmes is that there is very little forest cover under the control of the Government as most of the forests are under the control of private individuals /communities. It is therefore imperative that efforts by the Department to create awareness among the people regarding conservation of the state's fast depleting forest cover need to be stepped up. There is an urgent need for the State Government to promote the preservation and development of the state's rich forest resources through people's participation.
- Popularization of fast-growing leguminous tree species
- Commercial bamboo plantation to be upscaled.

4.1.6 Animal Husbandry-Dairy farming

4.1.6.1. Introduction: Animal Husbandry is a source of reliable income as well as of upward economic mobility for the poorest. It plays a key role in generating gainful employment for the rural poor, particularly among the landless, small and marginal farmers. Traditionally, livestock ownership has been symbolic of the wealth and social status of the Naga family. Despite this significance, we have not yet fully tapped into the potential of all aspects of the animal husbandry sector to lift farmers' livelihood across the state. As a result, the state is struggling to meet the rising demand for livestock products in the state.

According to the Annual Administrative Report 2022-23 released by the Department of Animal Husbandry & Veterinary Services (AHVS), Govt. of Nagaland (GoN), the state produced about 45% of the total requirement of animal husbandry products, worth Rs.1022.61 crores, leaving a shortfall of almost 55%. Out of this shortfall, the state imported AH products worth Rs.211.94 crores.

Table 4.12: State Animal Husbandry Products

Item	Total Requirement of the State	Availability (internal production)	Value of availability (Rs. in crore)	Total Shortfall	Total import	Import value (Rs. in crore)
Meat (‘000 tones)	52.37	23.87	658.98	38.50	7.06	125.76
Milk (‘000 tones)	112.23	55.93	335.59	46.30	2.72	80.37
Egg (Lakh No.)	1870	350.42	28.03	1520.19	116.20	5.81
Monetary value	2268.694		1022.61	2315.89		211.94

(Source: AAR 2022-23 - Dept. of AHVS, GoN)

There is immense potential and scope for Animal Husbandry development in the State in terms of demand & supply. However, despite the gap that exists today in terms of demand and supply, the import quantum of Animal Husbandry Products is gradually reducing when compared with the

base level of 2001-02 which in monetary terms stands at Rs. 375.00 crores and in 2020-21 import value stood at Rs. 211.94 crores. This declining import quantum suggests that there is a positive correlation between State Domestic Products and the existing human population. The food habits of Nagas are changing in this modern era as Urban population relies on balanced foods like rice, meat, milk, vegetables, fruits, wheat and its products and not highly dependent on meat as it was a decade ago. The per capita availability as of 2020-21 is as follows:-

Table 4.13: State Animal Husbandry Products

SN	Item	Tentative Requirement per day	Capita Availability
1	Meat	70 g/head/day	40 g
2	Milk	150 g/head/day	74 g
3	Egg	1/2 (No./head/annum)	22 (No./head/annum)

(Source: AAR 2022-23 - Dept. of AHVS, GoN)

4.1.6.2 Animal Husbandry Infrastructure availability: At present, there are 11 Veterinary Hospitals, 55 Dispensaries, 100 Veterinary Health Centres and 16 functional Quarantine Check Posts (QCP) in the State. These institutions provide Veterinary services and consultancy services to livestock farmers both in the urban and rural areas. Besides, Govt. of Nagaland is maintaining 09 Nos. of Poultry Breeding Farms, 05 Nos. of Cattle Breeding Farms, 02 Nos. of Dairy Upgradation Centres and 10 Nos. of Pig Breeding Farms for germplasm development.

4.1.6.3 Assessment of Credit Potential for 2024-25: Considering the infrastructure available and likely to be made available and based on the discussions with the line departments, etc., the credit potential for the year 2024-25 is assessed at ₹38.80 crore.

4.1.6.4 Critical gaps and interventions required

- There is huge gap between demand and supply of local concentrate feed and dry fodder. Consequently, these are imported from other states leading to increased cost of milk production. Local entrepreneurs may be encouraged to set up animal feed units with government subsidy and bank credit. Government cattle feed unit also needs to run to its full capacity.
- Dairy sector in other successful states of the country is driven by presence of strong milk unions and good processing infrastructure. Nagaland is lacking in both counts. There is urgent need to strengthen the existing dairy cooperatives and also form new ones. Dairy processing infrastructure needs to be improved with participation from private sector.
- State Govt. should make use of the Dairy Infrastructure Development Fund (DIDF) to improve much needed dairy processing infrastructure of the state
- Dairy Producers Organizations may be formed to take up the activities for better production and marketing of milk and other products.
- Banks to finance working capital needs of the dairy farmers through KCC for dairy.
- Provision of milk collection centres, bulk milk cooler, milk chilling units and milk vans in every district of the State would encourage the farmers to take up dairy as an occupation.
- Wastelands, fallow lands may be identified and farmers encouraged for taking up fodder cultivation. Bankers may support such innovative initiatives from farmers.

Dairy Processing & Infrastructure Development Fund (DIDF)

Hon'ble Union Finance Minister in Union Budget-2017-18 announced creation of dedicated Dairy Processing and Infrastructure Development Fund" (DIDF) with NABARD. An MoU has been signed by NABARD with Ministry of Agriculture, GoI, National Dairy Development Board (NDDB) and National Cooperative Development Corporation (NCDC) to operationalize the scheme with corpus of ₹.8004 crore during the period from 2017-18 to 2028-29.

- The primary objective of DIDF is to modernise the milk processing plants and machinery and to create additional infrastructure for processing more milk and increased value addition, especially in the cooperative sector. This will enhance efficiency of dairy processing plants thereby enabling optimum value of milk to milk producers and supply of quality milk to consumers.
- Loans out of DIDF shall be extended by NABARD to NDDB and NCDC for financing creation/modernisation of dairy processing and value addition infrastructure to Cooperative Milk Unions, State Cooperative Dairy Federations, Multi State Milk Cooperatives, Milk Producers Companies and NDDB subsidiaries (collectively, the end borrowers). Financial assistance under DIDF will be given to the end users who are financially viable and fulfil the eligibility criteria.
- NABARD shall lend at 6% p.a. interest rate to NDDB and NCDC, and the latter shall lend at 6.5% to eligible end borrowers. GoI shall provide necessary interest subvention to NABARD.
- NDDB/NCDC shall lend to the ultimate borrowers against state government guarantee.

4.1.7 Animal Husbandry- Poultry

4.1.7.1 Introduction: Poultry production in Nagaland is emerging from conventional farming practices to commercial production system with newer technological interventions. Nevertheless, backyard farming remains the most popular poultry rearing systems, constituting 22.53 lakh poultry birds as per 20th LS census. Currently the total Poultry population in the State is 28.39 lakh (as per 20th Livestock Census) and egg production is around 22.03 lakh numbers during 2020-21 (as per Integrated Sample Survey). The per capita availability of egg as of 2020-21 is 22 nos./head/annum (Integrated Sample Survey 2020-21) against a standard recommendation of 182 nos./head/annum and India's average of 90 nos./head/annum.

4.1.7.2 Assessment of Credit Potential for 2024-25: The Credit Projections for 2024-25 for Poultry sector has been assessed at ₹35.99 crore.

4.1.7.3 Critical gaps and interventions required

- Availability of quality DOCs is still an issue for the growth of poultry farming in the State. Line department and the private sector have to play a greater role for further development of poultry as a commercial venture.
- Poultry feed is in short supply in the state. Creation of feed plants, hatcheries by private parties/ local entrepreneurs should be encouraged by the department.
- Banks can target on financing poultry activity for SHGs/JLGs who are affiliated to the branches.
- More number of hatcheries may be set up in all the districts which will bring down cost for consumers as well as poultry farmers.
- Banks in coordination with line department may encourage setting up of broiler and layer units, retail outlets, egg/broiler carts, etc.

4.1.8 Animal Husbandry - Sheep, Goat & Piggery Development

4.1.8.1 Introduction:

Pigs are perhaps the most commonly reared livestock species in the State, due to their positive production attributes viz. faster economic return, high fecundity (litter size), better-feed conversion

efficiency, early maturity and short generation interval. As per the 20th Livestock Census 2019, Nagaland has a total pig population of 0.40 million, which is the 8th highest in the country. In comparison, the combined population of sheep and goat (31963) is less than one-tenth of the population of pig in the State. The district-wise population of pig, sheep and goat as per the census is given in Table 4.14:

Table 4.14: District-wise Pig, Sheep and Goat population (Nos.) of Nagaland

District	Pig		Sheep	Goat
	Exotic	Indigenous		
Dimapur	25606	39709	3	11227
Kiphire	248	27548	0	406
Kohima	38298	7741	5	3700
Longleng	7937	7698	0	1109
Mokokchung	39707	2025	3	994
Mon	1708	30577	93	3794
Peren	7115	21376	229	2076
Phek	19727	13058	17	2987
Tuensang	38710	10643	0	1660
Wokha	967	24559	8	798
Zunheboto	27067	12671	3	2851
Nagaland	207090	197605	361	31602

(Source: 20th Livestock Census 2019, Dept. of Animal Husbandry & Dairying, GoI)

The Integrated Sample Survey has assessed that the total meat production in the State of Nagaland during 2020-21 was 23.87 thousand tonnes, against a total requirement of 52.37 thousand tonnes, leaving a shortfall of 38.50 thousand tonnes. The Annual Administrative Report 2022-23 of the Department of AHVS, GoN, adds that the State imported 7.06 thousand tonnes of meat valued at Rs.125.76 crores.

4.1.8.2 Assessment of Credit Potential for 2024-25: The estimated credit potential for the year 2024-25 is assessed at ₹73.69 crore.

4.1.8.3 Critical gaps and interventions required

Due to inadequate number of commercially organised farms other than State Government farms, there is constant shortage of piglets. Hence, piglets are brought in large scale from other states. More private investment in piggery with bank financing needs to be encouraged.

In recent years piggery sector is severely affected by spread of various viral diseases likes Porcine reproductive and respiratory syndrome (PRRS) and African swine fever (ASF). Farmers have not been availing insurance for pigs due to high premium. Moreover, Insurance Companies are reluctant to extend insurance cover particularly for pig farming.

Small backyard piggery units can be financed under SHG/JLG mode

Artificial insemination (AI) facilities for pigs, especially in remote places are very costly and farmers are forced to go for natural servicing which leads to high mortality and low productivity.

Piggery producer organisations can be promoted which would give enough scope for commercialisation and potential business activity in the state.

Extension of KCC facility to Animal Husbandry & Fisheries sector to meet the working capital requirements. Interest subvention facility available in KCC i.e., provision of loan @7% p.a is applicable in this case also.

4.1.9 Fisheries Development

4.1.9.1 Introduction: Fisheries are an important source of food, nutrition, employment and income in India. Fish being an affordable and rich source of animal protein, is one of the healthiest options to address hunger and malnutrition. The sector has immense potential for improvement in a consumer state like Nagaland. During 2021-22, the state produced about 40.5% of the total requirement of fish (9151.5 MT), leaving a shortfall of 59.5% (13445.5 MT). In terms of fish seed production, 47.4% (35 million fries) of the demand was met internally. With a total production of 4637 MT, Dimapur recorded the highest fish production in the state, followed by Wokha (1145 MT) and Mokokchung (501 MT). Dimapur district also ranked first in terms of fish seed production with 21 million fries produced during 2021-22, followed by Mokokchung (6.3 million fries) and Kohima (4.6 million fries) during the period.

The total fish production in the state during the year 2022-23 is 9284.99 MT. The source-wise fish production and area is given in Table 4.15:

Table 4.15: Source-wise fish production:

SN	Type of Resources	2021-22		2022-23	
		Volume (MT)	Area (Ha)	Volume (MT)	Area (Ha)
1	Ponds & Tanks	7497.00	3570.00	7608.30	3623.00
2	Paddy cum Fish culture	1286.80	3679.00	1308.98	3687.50
3	Doyang Reservoir	358.00	2258.00	358	2258.00
4	River/ Streams etc.	3.49	-	3.50	-
5	Lakes/ Weirs/ Swamps	6.21	1110.00	6.21	1110.00
		9151.50	10617.00	9284.99	10678.50

(Source: AAR 2022-23, Dept. of Fisheries & Aquatic Resources, GoN)

Table 4.16: District-wise status on fish & fish seed (2021-22)

District	Fish (MT)			Fish seed (Million Fry)		
	Demand	Production	Shortfall	Demand	Production	Shortfall
Dimapur	5000.0	4637.3	362.7	25.0	21.12	3.88
Kiphire	814.0	315.0	499.0	4.0	0.02	3.98
Kohima	2948.0	364.2	2583.8	5.0	4.60	0.40
Longleng	555.0	226.0	329.0	2.0	0.02	1.98

Mokokchung	2141.0	501.0	1640.0	8.0	6.33	1.67
Mon	2753.0	237.0	2516.0	3.0	0.03	2.97
Peren	1047.0	472.0	575.0	6.0	0.05	5.95
Phek	1798.0	431.0	1367.0	6.0	0.20	5.80
Tuensang	2163.0	467.0	1696.0	4.0	1.69	2.31
Wokha	1830.0	1145.0	685.0	6.0	1.02	4.98
Zunheboto	1548.0	356.0	1192.0	5.0	0.02	4.98
State Total	22597.0	9151.5	13445.5	74.0	35.10	38.90

(Source: Dept. of Fisheries & Aquatic Resources, GoN)

4.1.9.2 Assessment of Credit Potential for 2024-25: The credit potential projected under fisheries sector for the year 2024-25 is ₹13.55 crore.

4.1.9.3 Suggested Action Points

- Most of the farmers practice traditional methods of fish culture which results in low productivity. The department needs to give emphasis on capacity building of farmers.
- Apart from government interventions, private individuals may also be incentivized to set up hatcheries.
- The difficult terrain and topography of the region requires more capital investment in creating new water bodies and ponds. Only government subsidies and bank credit can meet this capital requirement.
- Cold storage/ice plant for increasing the keeping quality and nursery pond/tank would be a good approach for increasing fish production.
- Efforts may also be made for promotion of SHGs/JLGs amongst the fish farmers and fish vendors through NGOs as well as Farmers Club sponsored by banks.
- Fish farmers' clubs may be promoted for effective technology transfer.

4.1.10 Farm Credit- Others, including Two Wheelers for farmers

4.1.10.1 Introduction: The economy of Nagaland is agriculture based. Due to its topography which is mostly hilly terrain with some valley areas, mechanization of farm lands using tractors, power tillers, etc. is minimal. Providing two wheelers to farmers for commuting between home, farm and market is now considered as a farm activity that can be financed by banks. The acquisition of two wheelers by farmers has helped increase their mobility and saved their valuable time on travel and reduced the cost of travelling. It has also helped the farmers in arranging agricultural inputs in time, reducing the wastage of agricultural production and accessing the agricultural markets. It has enabled the farmers to supervise the agricultural operations better. Banks have also launched their own schemes for the purpose.

Many miscellaneous activities not covered in the sub sectors which form a part of priority sector, such as loans to SF/MF for purchase of land, loans to farmers for installation of stand-alone Solar Agriculture Pumps and for solarisation of grid connected Agriculture Pumps, loans to distressed farmers indebted to noninstitutional lenders etc., are covered in this segment as per revised PSL guidelines.

4.1.10.2 PLP Projections for 2024-25: The aggregated PLP projections for “Farm Credit - Others” sub sector for the year 2024-25 for Nagaland has been assessed at ₹8.54 crore.

4.2 AGRICULTURE INFRASTRUCTURE

4.2.1: Construction of Storage Facilities (Warehouses, Market Yards, Godowns, Silos, Cold storage)

4.2.1.1 Credit potential of ₹20.40 crore has been estimated for the year 2024-25.

Modern Storage facilities, including cold storages, market yards and e-NAM compliant infrastructures like product specific storage and assaying facilities are important for checking post-harvest losses, facilitating government procurements and food security programme, maintaining buffers, checking fluctuation in prices and better price realization to farmers.

Nagaland has favorable agro climatic conditions for the growth of horticultural crops. The horticultural crop production in the state during 2021-22 was 56.52 lakh MT (Statistical Handbook of Nagaland, 2023). However, the loss of fruits, vegetables and spices due to inadequate post-harvest handling, transportation and storage ranged very high between 30-40% in Nagaland.

The created storage capacity in the state is 57627 MT for dry storage and 7150 MT for cold storage. Against the estimated rice production of 5.51 lakh MT, the total food grains production of 7.05 lakh MT and horticulture crops production of 8.59 lakh MT suggests that the available storage capacity is grossly insufficient to take care of the production.

4.2.1.2 Central Sector Schemes on Godowns (with focus on NE): Central Sector Scheme for construction of rural godown is implemented in the North Eastern States of the country along with a few other States. Funds from annual budgetary allocation are released by the Government of India to FCI and also to the State Governments for construction of godowns. The scheme was operational during 2012-17 and extended for 5 years from 01.04.2017 to 31.03.2022. Under this Scheme, funds are released directly to FCI in the form of equity for land acquisition and construction of storage godowns and infrastructure like railway sidings, electrification, installation of weighbridge, etc. During April 2017 to 31st May 2021, FCI has constructed storage godowns with capacity of 4590 MT in Nagaland. Further, under the scheme, the state government has constructed godowns with storage capacity of 3200 MT (*Source: Department of Food and Public Distribution, GoI*)

4.2.1.3 Action points for Banks and Government

- Assured power supply and all weather road connectivity.
- Accreditation of storage capacity.
- Primary processing viz., cleaning, sorting and grading needs to be developed at the farmers' organization and village level.
- Promotion of bank finance to the sector.
- Construction of Modern Pack houses, cold chains etc to develop the horticulture sector.
- Setting up of small and medium scale processing units in identified location for preparation of semi-processed and fully processed products in public-private partnership mode
-

Important Programs

- New Agriculture Marketing Infrastructure Scheme.
- A sub-scheme of ISAM under which assistance is provided for construction/renovation of godowns/ warehouses in the rural areas in the States. Subsidy is provided at the rate of 25% and 33-33% on capital cost of the project, based on the category of eligible beneficiary.
- Under AMI scheme, from 01st April 2001 till 30th September 2021, 36 projects with a storage capacity of 32814 MT were assisted in Nagaland. (*Source: pib.gov.in*)

- Capital Investment Subsidy Scheme for cold storage under National / State Horticulture Missions.
- Implemented by National Horticulture Board, credit linked back-ended subsidy at the rate of 50% of the capital cost of the project is available to North East, Hilly States for construction/expansion/ modernization of cold storage.
- In case of North East region, the units with capacity above 1000 MT are eligible for assistance

4.2.2: Land Development, Soil Conservation and Watershed Development

Land is one of the basic natural resources of a nation. Productive land is the source of human sustenance and security. It forms the basic foundation for agriculture. Therefore, selecting the right land use system is essential for minimizing land degradation, rehabilitating degraded land, ensuring the sustainable use of land resources (i.e. soils, water and biodiversity) and maximizing resilience. Sustainable management of land encompasses established approaches such as soil and water conservation, natural resource management and integrated landscape management.

As per the land utilization statistics, out of the total 16.54 lakh hectares of the geographical area of the state, the net sown area during 2019-20 is 3.84 lakh hectares accounting for 23.22% of the total geographical area. The Gross cropped area during 2019-20 was 5.29 lakh hectares including 1.45 lakh hectares area sown more than once. This works out to 138% cropping intensity. The district-wise land-use statistics as per the Ministry of Agriculture & Farmers Welfare, GoI are given in Table 4.17 below:

Table 4.17: District-wise Land use statistics in Nagaland for the Year 2019-20
(Area in Hectare)

	Reportin g Area for LUS	Forest s	Not Available for Cultivat ion	Other Uncultivate d Land Excluding Fallow Land	Fallo w Land	Net Area Sown	Croppe d Area	Area Sown More Than Once
Dimapur	92352	16530	11749	2292	3244	58537	85565	27028
Kiphire	142775	83564	8396	13353	11696	25766	33491	7725
Kohima	159352	101109	10659	4422	9746	33416	45592	12176
Longleng	106340	51215	8037	14622	16258	16208	23009	6801
Mokokchun g	161089	81657	12991	15067	18022	33352	47457	14105
Mon	178498	102068	9717	11451	13221	42041	51477	9436
Peren	151495	83546	7604	15739	18972	25634	39852	14218
Phek	202564	124774	12165	14085	16282	35258	49480	14222
Tuensang	172409	82866	14578	15629	18841	40495	52798	12303
Wokha	162335	74225	11232	18151	22563	36164	52888	16724
Zunheboto	124983	61376	8032	7719	10688	37168	47980	10812
State Total	1654192	862930	115160	132530	159533	384039	529589	145550

(Source: DACNET- Web Based LUS Information System, Ministry of Agriculture & Farmers Welfare, GoI)

Nagaland State faces unique challenges, which have to be overcome in order to bring about sustainable development and judicious utilization of land, water and other natural resources. These challenges are–

- High susceptibility to soil erosion due to natural Hilly terrain
- High annual rainfall with excessive surface run-off during summer and drought-like situation in winter

- Extensive practice of shifting cultivation (traditional jhum), leading to soil degradation, which ultimately affects the production and productivity of land.

Under Land Development, Soil Conservation and Watershed Development, the following programmes are implemented in the State with funding sourced under various heads Viz. State Plan, Earmarked Sector, Co-financing and CSS including NEC-

4.2.2.1 Assessment of Credit Potential for 2024-25: The estimated credit potential for the year 2024-25 is assessed at ₹4.66 crore.

4.2.2.2 Watershed Development

Watershed is the main hydrological entity for all soil and water conservation activities. Watershed management recognizes the judicious management of basic resources viz. soil, water and vegetation, for achieving particular objective for the well-being of the people. NABARD's watershed intervention started since 1990s in the rainfed/dryland states. However, for the Northeastern parts of the country, due to the different topographical and geological conditions, a spring shed based watershed system has been introduced. A spring shed is an area within a ground or surface water basin that contributes to the spring flow. The NE region receives heavy to very heavy rains with no part of North-East India receiving rainfall below 1000 mm. However, despite receiving heavy rainfall, springs dry up during the winter season, leading to acute scarcity of water. Implementation of water recharge structures such as dug out farm ponds, continuous or staggered trenches, water absorption trenches, etc., in the catchment area of spring sheds helps in storage and recharge of water table.

4.2.2.3 Recent Initiatives

- The Soil Fertility Management Programme, exclusive web based STMS (Soil Testing Monitoring System) for soil health.
- Towards restoring the soil health in the state and help boost the rural farmers and the agri sector the Directorate of Soil & Water Conservation, GoN has set up 12 static soil testing laboratories covering 11 districts and has commissioned 3 mobile soil testing laboratories which will be detailed throughout the state to augment the existing labs in the district. Village level soil testing labs in all 74 blocks have been established, farmers training and demonstration have been conducted covering all the blocks and more than 27000 soil health cards have been generated for farmers across the state. All these activities are being implemented under the Soil Health Management (SHM) and Soil Health Card (SHC) Scheme under the National Mission for Sustainable Agriculture (NMSA).
- National Mission for Sustainable Agriculture (NMSA) - Aims at making agriculture more productive, sustainable, and remunerative and climate resilient by promoting location specific integrated/composite farming systems; soil and moisture conservation measures; comprehensive soil health management; efficient water management practices and mainstreaming rain fed technologies.

4.2.2.4 NABARD Initiatives

- **Springshed based Watershed Development Programme:** NABARD has sanctioned 25 spring shed based Watershed programs till date. The total treatment area is 5100 ha since 2018-19 covering 1127 beneficiaries. The total grant amount sanctioned so far is Rs. 792.48 lakh.
- **Monitoring of Watershed projects using geospatial technologies** – NABARD in association with National Remote Sensing Centre (NSRC), Hyderabad developed the BHUVAN portal for monitoring its watershed projects.

4.2.2.5 Action Points for Banks and State Government

- Banks to encourage loans for land development and watershed development activities.
- State Govt. to facilitate satellite mapping of land resources/ watersheds / micro watersheds and treatment / development of problem soils, which can be converted into pulses granaries of the state.

Under NABARD's Rural Infrastructure Development Fund (RIDF), the Soil and Water Conservation Department, Government of Nagaland was sanctioned an amount of ₹3.00 crore to develop 168 ha of permanent bench terracing, 50 rain harvesting ponds, and 140 units of vermicompost for organic manure inputs in 62 projects covering 11 districts of Nagaland state.

4.3 ANCILLARY ACTIVITIES

4.3.1 Food and Agro Processing: In view of the predominance of agriculture in the economy of the state, the scope for agro and food processing as a prospective modern manufacturing activity assumes much importance, for enhancing farmers' income. The sector has strong backward linkage with agriculture sector and has the potential to contribute to the growth of rural income and employment. The state is endowed with abundance of fruits, vegetables, maize and other agro-products, and has the potential to be a sunrise zone for food processing and other agri-businesses. It offers significant business opportunities in processing of fresh fruits, vegetables, medicinal and aromatic plants, spices and herbs in the agri sector and meat, dairy and apiary-based products in the food sector. Indicative list of Permissible Activities under Food Processing Sector as shared by Ministry of Food Processing Industries (MoFPI) which may include Cleaning, Air Cooling (Field Heat Removal), Sorting, Grading/Sizing, Packaging, Warehousing, Distribution of Fruits & Vegetables, Transportation including in refrigerated van/Cold Chain infrastructure system Packaging and storage including techniques like Silo, Hermetic storage; pest management, Storage at low temperature/Cold Storage/Modified/Controlled Atmosphere packaging, etc. Details of indicative list is available at <https://www.rbi.org.in/scripts/Notification>.

GoI has accorded top priority for the development of the food processing industry in the country and a special fund of ₹2000 crore, designated as 'Food Processing Fund', has been established in NABARD to make available affordable credit to agro-processing units being designated as Food Parks. Financial assistance from this fund, will be provided by NABARD either directly or through consortium arrangements with other financing agencies. State Governments, entities promoted by State/Central Governments, Joint ventures, Cooperatives, Federation of Cooperatives, SPVs, Farmers' Producers Organizations, Corporate, Companies, Entrepreneurs, etc., may avail of loans from this fund for establishing the designated Food Parks and also for setting up of individual food/agro processing units in the designated Food Parks.

4.3.1.1 Present Status: At present, agro-processing and value-added product units are generally in the unorganized tiny sector. Village level agro-processing units have created a large number of self-employment opportunities. A large number of food and fruit processing units are also functioning under the Self Help Groups. The rural based informal processing units are devoid of appropriate technology, processing standards, benefits of volume, standard packaging and market access. A rural based processing unit is generally endowed with raw material availability, but severely constrained in both backward and forward linkages. The state lacks basic infrastructure facilities like post-harvest handling, an efficient supply chain, adequate storage and processing facilities. Hence, facilities have to be created for primary processing and secondary processing in the state by infusion of proper technology and establishing marketing linkages. The industrial areas and food parks in the state are:

Table 4.18: Food Parks in Nagaland

SN	Industrial Park	Location	Type (Multi/ single product), etc.	Total Area (Ha)	Total Land Available (Ha)
Mega Food Park					
1	Doys Agri Resource Private Ltd. d	Dimapur	Multi products	08	08
Special Economic Zone					
1	Agro and Food Processing Special Economic Zone(SEZ)	Dimapur	Multi products	40	40

(Source: Publication on Investment Environment & Opportunity for Food Processing Sector: Nagaland 2017 published by Ministry of Food Processing Industries, GoI)

4.3.1.2 Issues: Some of the major factors hampering the industrialization process of the State are as under:

- Constraints of road connectivity and poor transportation add to the cost /price of raw materials for industrial use as well as finished and semi-finished goods.
- Non-availability of skilled workforce may also be another disincentive faced by the industries in the state. The extension efforts necessary for skill enhancement / acquisition of the local workers / labourers need to be intensified to reduce dependence on costly immigrant labour.
- The development of industries requires energy. Inadequate availability of power and its poor quality to meet industrial requirements is a major concern.
- The Micro and Small industries which provide supplementary livelihood options to the tribal, have tremendous growth potential. However, the demand for these products is very low and not enough for promoting mass production.
- The existing marketing network does not ensure remunerative returns to the producers, which affects the viability of value addition driven by market tastes and preferences.

4.3.1.3 Initiatives by GoI/NABARD

- A Food Processing Fund of ₹2000 crore has been created in NABARD for providing direct term loans at affordable rates of interest to Designated Food Parks and food processing units within Designated Food Parks.
- As a part of the Aatmanirbhar Bharat Initiative, MoFPI is implementing a Centrally Sponsored Scheme for setting up/upgradation of 2 lakh micro food processing enterprises. The enterprises can be set up or upgraded through credit linked subsidy during five years from 2020-21 to 2024-25 with an outlay of ₹10,000 crores.

4.3.1.4 Assessment of Credit Potential for 2024-25: The aggregated PLP projections for 'Food and Agro Processing' sub-sector for the year 2024-25 for Nagaland have been assessed at ₹28.13 crore.

4.3.1.5 Suggested Action Points

- Development of basic infrastructure in the state like roads, electricity, soft connectivity etc.
- Setting up a user-friendly single window system by State Govt. for facilitating prospective entrepreneurs in getting required permission / licence and the basic infrastructure like water, electricity, connectivity, etc.

- Department of Industries may play a vital role in providing incentives to prospective entrepreneurs, identification of location specific ventures and preparation of project profiles for all feasible activities under the sector.
- State Government may arrange to organize more industrial fair / handicrafts melas / artisan melas, buyer seller meets etc. to provide more avenues for marketing of MSME products.
- All banks in the state may accord special attention to the development of this sector and enhance financing to the new and existing units.
- Loan facility under the Food Processing Fund of NABARD can be availed by the State Govt. and prospective entrepreneurs.

4.3.2 Agri. Ancillary Activities-Others

4.3.2.1 Introduction: The “Others” category as the name suggests is a sub sector comprising areas that need credit support and impact the overall development of the agro sector indirectly. These services are provided by government agencies but in the current ecosystem scenario, a competitive environment needs the presence of professional private sector entities. The Agri-Clinic and Agri-Business Centre (ACABC) scheme is one such intervention, under implementation across the nation since 2005-06, which aims to provide services to farmers through trained self-employed agriculture graduates who would establish the Agri Business Centres / Agri Clinics, which are subsidized by the Govt. of India. A sampling of such activities include:

- Expert advisory and agro-extension services like soil testing, information about suitable crops, management of soil nutrients etc.
- Enhancement of productivity in agriculture through the use of quality, certified HYV seeds, timely availability of fertilizers in adequate quantity, use of appropriate farm implements etc.
- Post-harvest developmental interventions like adequate storage facilities with standard grading equipment, marketing arrangements for the produce, value addition by processing, etc.
- Providing farm equipment on a custom hiring basis as well as obtaining expert advice on agriculture practices by paying a reasonable fee.

Further, in order to reduce the farming expenditure and ensure better price realization there is also a need for collectivization of the efforts of the farmers by forming into Farmers Producers Organisations. This will enable producers to utilize economies of scale to procure inputs at a lower price, enable post-harvest value addition and derive more holding capacity / bargaining & selling power for their produce, access to timely and adequate finance, technology leading to capacity building and provide linkages to markets.

4.3.2.2 Initiatives by GoI/RBI/NABARD:

Pursuant to the Union Budget 2019-20 announcement, the Department of Agriculture Cooperation and Farmers Welfare (DAC&FW), GoI has approved a new Central Sector Scheme titled “Formation and Promotion of Farmer Produce Organizations (FPOs)” to form and promote 10,000 new FPOs with a total budgetary provision of ₹4,496 crore for five years (2019-20 to 2023-24) with a further committed liability of ₹2,369 crore for the period from 2024-25 to 2027-28 towards handholding of each FPO for five years from its aggregation and formation. These FPOs will be formed by various agencies including NABARD, SFAC, NCDC, etc. As on 31 March 2023 NABARD has supported the promotion and nurturing of 10 FPOs in Phek, Noklak, Tuensang, Mokokchung and Wokha districts out of its own fund, while there are 83 FPOs promoted in the state under CSS-FPO by various agencies including NABARD. The main business activities of these FPOs include agri-inputs, procurement and sale; crop production, aggregation and marketing; sale of paddy, paddy seed, vegetables, fruits, spices etc.

As on 31 March 2023, NABARD, under its own fund (PODF-ID), has promoted 10 FPOs in the State through various NGOs viz., Better Life Foundation, Eleutheros Christian Society (ECS), InDev Solution LLP, Chakhesang Women Welfare Society (CWWS), Pro Rural Society, Community Educational Centre Society (CECS) and Mass Educational Welfare Society (MEWS) with grant assistance for 3 years.

As per the recent RBI guidelines on Priority Sector Lending, loans up to ₹5 crore to co-operative societies of farmers for disposing of the produce of members, loans for setting up of Agri-clinics and Agribusiness Centres, loans sanctioned by banks to MFIs for on-lending to agriculture sector have been included under Agriculture. Microfinance institutions, ranging from non-profit organizations to commercial banks offer small loans, savings accounts and money transfers, as well as insurance for a variety of needs, such as death, illness or loss of property. Such microfinance loans issued by the banks to individuals/MFI are classified under priority sector lending by RBI.

4.3.2.3 Assessment of Credit Potential for 2024-25: The aggregated PLP projections for “Others” sub sector within Ancillary activities for the year 2024-25 for Nagaland has been assessed at ₹17.91 crore.

4.3.2.4 Suggested action points: Banks may suitably sensitize their branch managers to encourage agriculture graduates to set up Agri Clinics and Agri Business Centres to provide last mile services to farmers.

4.4 MICRO, SMALL AND MEDIUM ENTERPRISES (MSME)

4.4.1 Introduction: The Micro, Small and Medium Enterprises (MSME) sector contributes significantly to the economic and social development of India by fostering entrepreneurship and generating large employment opportunities at comparatively lower capital cost, next only to agriculture. In Nagaland, the Industrial sector has not seen significant development in almost 6 decades of Statehood. Lack of appropriate infrastructure, poor internal economy, inadequate industrial labour force and relatively low motivation for entrepreneurial ventures are some of the reasons that have held back industrialization in the State. Under these circumstances, the scope of Micro, Small & Medium Enterprises (MSME) sector is high and its development has assumed greater significance.

The definitions of Micro, Small and Medium Enterprises (MSMEs) as well as the process of registration for MSMEs have been revised by the Ministry of MSME vide notification dated 26th June 2020. In addition to the old criteria of categorization of MSMEs on the basis of investment in Plant and Machinery/Equipment, the criterion of turnover has been included. Moreover, the difference between manufacturing and services sectors has been removed and now both are at the same level of treatment.

As a result of change in classification w.e.f. 1st July 2020, an Enterprises is being classified as a Micro, Small or Medium Enterprises on the basis of the following criteria:

Table 4.19: Revised definition of MSME (Gazette of India notification dated 01.06.2020)

Composite Criteria	Micro	Small	Medium
Investment in Plant & Machinery/equipment	Not more than Rs.1 crore	Not more than Rs.10 crore	Not more than Rs.50 crore
Annual Turnover	Not more than Rs.5 crore	Not more than Rs.50 crore	Not more than Rs.250 crore

The registration process for MSMEs in India has been simplified. Any person who intends to establish a micro, small or medium enterprise may file Udyam Registration online in the Udyam Registration portal, based on self-declaration with no requirement to upload documents, papers, certificates or proof. On registration, an enterprise (referred to as “Udyam” in the Udyam Registration portal) will be assigned a permanent identification number to be known as “Udyam

Registration Number”. An e-certificate, namely, “Udyam Registration Certificate” shall be issued on completion of the registration process. Erstwhile EM-II or UAM registration or any other registration issued by any authority under the Ministry of MSME, will have to migrate to Udyam Registration or file Udyam Registration afresh.

According to the latest data available on the MSME dashboard (15 January 2024) of the Ministry of MSME, 20059 MSME units of Nagaland have so far been registered under UAM. Out of these registered MSMEs, 19851 are micro-enterprises units, 194 small enterprise units and only 14 are medium units.

Dimapur has the highest number of registered MSMEs at 6541 nos., followed by Kohima at 3055 units. District-wise, category-wise details of registered MSME units are given in the table below.

Table 4.20: District-wise Enterprises with Udyog Aadhaar Number (15 January 2024)

SN	District Name	Total Udyam	Micro	Small	Medium
1	Dimapur	6541	6400	129	12
2	Kohima	3055	3020	34	1
3	Mokokchung	1334	1321	13	0
4	Phek	1300	1300	0	0
5	Zunheboto	1281	1278	3	0
6	Mon	1106	1103	3	0
7	Wokha	1026	1020	6	0
8	Chumoukedima	903	899	4	0
9	Tuensang	898	898	0	0
10	Peren	760	760	0	0
11	Kiphrie	610	609	1	0
12	Longleng	445	445	0	0
13	Tseminyu	262	262	0	0
14	Niuland	261	259	1	1
15	Noklak	237	237	0	0
16	Shamator	40	40	0	0
	Total	20059	19851	194	14

(Source: MSME Dashboard, Ministry of MSME, GoI)

Existing MSME schemes of the Central/State Government:

a. Prime Minister’s Employment Generation Programme

Prime Minister’s Employment Generation Programme (PMEGP) is a Central Sector Scheme administered by the Ministry of Micro, Small and Medium Enterprises (MoMSME). The Scheme is implemented by Khadi and Village Industries Commission (KVIC) as the Nodal Agency at the National Level. At the State level, the Scheme is implemented through the State KVIC, State Khadi and Village Industries Board (KVIBs), District Industries Centres (DICs) and banks as per the Guidelines of the programme.

Table 4.21: District-wise consolidated performance of PMEGP (FY 2022-23)

SN	District	Nos. of Project	Margin money utilized (Rs. in lakhs)	Employment generated
1	Chumoukedima	30	81.31	359
2	Dimapur	174	737.94	2233
3	Kiphire	26	26.93	162
4	Kohima	101	393.49	1192
5	Mokokchung	34	137.55	632
6	Mon	35	82.32	215
7	Peren	7	6.78	55
8	Phek	31	35.38	294
9	Tuensang	3	2.52	16
10	Wokha	8	13.17	65
11	Zunheboto	20	17.75	204
	Total	469	1535.14	5427

(Source: PMEGP e-Portal, kviconline.gov.in)

b. Scheme of Fund for Regeneration of Traditional Industries (SFURTI)

Govt. of India has launched the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) with the aim to recognize the talent, creativity, enterprise of hard work of rural Artisan in a variety of fields, ranging from food products to handicrafts; leather products, to Ayurvedic medicines and to make the Traditional Industries more productive, profitable and capable for generating sustained employment for traditional industry Artisans and subsequently empower and convert them as self-governing entrepreneurs. It is Cluster based scheme of Govt. of India. Under this scheme, projects of 09 Clusters have been approved by the Project Sanctioning Committee as given in the table below:

Table 4.22: District wise details of approved SFURTI Clusters in Nagaland (as on 15 January 2024)

SN	<u>District</u>	<u>Sector</u>	<u>Name of Cluster</u>	<u>Implementing Agency Name</u>	<u>No. Of Artisans</u>	<u>Total Project Cost (Rs. in Lakh)</u>
1	Kiphire	Agro	Agribusiness Cluster	North East Initiative Dev.Agency (NEIDA)	500	257.56
2	Mokokchung	Bamboo	Bamboo & Cane Craft Cluster	Rudich Ulare Multipurpose Society Limited	250	247.81
3	Zunheboto	Bamboo	Cane & Bamboo	Three Brothers Society,	280	200.3

			Processing and Furniture Making Cluster	SouthPoint, Zunheboto,		
4	Dimapur	Bamboo	Dimapur Bamboo & Textiles Cluster	Naga Women's welfare Society	300	153.99
5	Dimapur	Agro	Nagaland Shiitake Mushroom & Other Food Processing Cluster	Sustainable Development Research Centre, Nagaland	300	221.76
6	Mokokchung	Agro	Pineapple Processing And Value Addition Cluster Nagaland	Diezelie Society, Kohima, Nagaland	250	216.5
7	Phek	Agro	Thipuzumi Kiwi and Allied Food Processing Cluster	Thipuzumi Kiwi Farming Cooperative Society Ltd	567	445.54
8	Dimapur	Handicraft	Toys and Naga Tribal Jewellery Cluster	Mind Blowers' Club , Dimapur	270	124.18
9	Zunheboto	Agro	Turmeric, Ginger and Moringa Processing Cluster	The Hill-Star Multipurpose Cooperative Society	600	419.5

(Source: www.sfurti.msme.gov.in)

c. PM Formalization of Micro Food Processing Enterprise (PMFME): Under Aatmanirbhar Bharat Abhiyan, the Ministry of Food Processing Industries (MoFPI), GOI, in partnership with the states, has launched a centrally sponsored scheme called, 'PM Formalization of Micro Food Processing Enterprise (PMFME)' with an outlay of Rs.10,000 crores for coverage of 2 lakh enterprises over a period of 5 years (2020-21 to 2024-25).

In Nagaland, the Department of Industries and Commerce is the State Nodal Agency for the implementation of PM FME and will provide financial assistance, capacity building, technical and skill development support to existing food processing units, entrepreneurs, SHGs, cooperative societies and FPOs/FPCs to set-up/upgrade food processing units across all the districts.

There are several micro food processing enterprises emerging across the State. However, these are majorly home-based and un-organized. In order to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products, the State Government deliberated and adopted the One District One Product (ODOP) approach to provide

adequate emphasis towards processing and value addition of the products so identified. Accordingly, the most dominant and potential product in each District was identified for ODOP:

Table 4.23: District-wise list of ODOP in Nagaland

SN	District	ODOP
1	Kohima	Pickle products
2	Dimapur	Pineapple products
3	Mokokchung	Coffee products
4	Wokha	Fish products
5	Peren	Naga King chilly products
6	Phek	Kiwi products
7	Kiphire (Aspirational District)	Kholar (Rajma) products
8	Tuensang	Kholar (Rajma) products
9	Mon	Large cardamom products
10	Longleng	Ginger products
11	Zunheboto	Soya bean products

(Source: www.pmfme.nagaland.gov.in)

d. Micro Units Development and Refinance Agency (MUDRA)

PM MUDRA Yojana was launched on 8 April 2015 to extend finance and credit support to Microfinance Institutions (MFI) and agencies that lend money to small businesses, retailers, self-help groups and individuals. Under MUDRA, the bank extends credit facility in 03 categories, namely-

Shishu : loans up to ₹50,000/-

Kishore : loans above ₹50,000/- and up to ₹5 lakh

Tarun : loans above ₹5 lakh and up to ₹10 lakh

Table 4.24: District-wise PMMY Disbursements during FY 2022-2023

(₹ in Lakhs)									
SN	District	Sishu		Kishore		Tarun		Total MUDRA	
		No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	Chumoukedima	57	13.21	392	883.06	71	555.63	520	1451.9
2	Dimapur	1874	714.51	3389	4812.16	455	3353.87	5718	8880.54
3	Kiphire	2	1	69	147.58	4	25.43	75	174.01
4	Kohima	901	328.45	1894	2457.74	318	2313.38	3113	5099.57
5	Longleng	15	2.3	37	89.27	6	42.81	58	134.38
6	Mokokchung	54	15.06	300	658.89	118	827.11	472	1501.06
7	Mon	34	11.83	101	198.22	33	132.05	168	342.1
8	Niuland	23	11.5	77	177.73	2	13.58	102	202.81
9	Noklak	0	0	4	3.32	1	7.41	5	10.73
10	Peren	26	4.31	123	220.96	2	14.67	151	239.94
11	Phek	6	0.95	176	456.03	13	109.24	195	566.22

12	Shamator	7	3.5	5	14.04	2	11.41	14	28.95
13	Tseminyu	0	0	71	208.98	8	51.34	79	260.32
14	Tuensang	3	1.5	38	105.71	11	64.6	52	171.81
15	Wokha	79	66.37	68	140.73	29	158.57	176	365.67
16	Zunheboto	63	47.4	94	174.71	16	126.9	173	349.01
	Grand Total	3144	1221.89	6838	10749.13	1089	7808	11071	19779.02

(Source: SLBC background paper)

A total of 11071 units have been financed by commercial banks in the State during the financial year 2022-23, totalling 197.79 crores in disbursement.

e. Other Existing MSME schemes

A list of some of the existing MSME schemes which are applicable in the State of Nagaland are listed below:

- Credit Guarantee Scheme for Micro & Small Enterprises (CGTMSE)
- Interest Subvention Scheme for MSMEs-2018
- Credit Linked Capital Subsidy Component (CLCS & TU schemes)
- MSME Technology Centres (TCs)
- Micro and Small Enterprises Cluster Development Programme (MSE-CDP)
- A Scheme for Promotion of Innovation, Rural Industries and Entrepreneurship (ASPIRE)
- Promotion of MSMEs in NER and Sikkim- a sub-component of Central Sector Scheme “Technology and Enterprise, Resource Centres”
- Zero Defect Zero Effect (ZED) Certification scheme for MSMEs
- Entrepreneurship Skill Development Programme (ESDP) schemes
- Skill Upgradation & Mahila Coir Yojana (MCY)
- The National Scheduled Tribe and Scheduled Caste Hub

The Department of Industries & Commerce, Government of Nagaland, is mandated with development of Industrial Sector in the State, including MSME Sector. The Department has so far created the following infrastructures in order to facilitate the Industrial growth in the State –

Table 4.25: State owned Industrial Infrastructures in Nagaland.

SN	Infrastructure	Location/ District
1	2 (two) Industrial Estates (40 acres) has 25 ready built Standard Factory Sheds	Dimapur
2	1 (one) New Industrial Estate (yet to be completed)	Tuli, Mokokchung
3	2 (two) Mini Industrial Estate	Tizit (Mon) Tuensang
4	2 (two) Growth Centres under ‘No-Industry District’	Longleng Noklak (Tuensang)
5	3 (three) Growth Centres under DIC schemes	Chuchuyimlang (Mokokchung) Baghty (Wokha) Saring (Mokokchung)
6	Industrial Growth Centre	Ganeshnagar (Dimapur)
7	Export Promotion Industrial Park (EPIP)	Ganeshnagar (Dimapur)
8	Agro & Food Processing Special Export Zone (AFSEZ)	Ganeshnagar (Dimapur)
9	Mini Industrial Growth Centre	Viswema, Kohima
10	Nagaland Tool Room & Training Centre (NTTC) *	Dimapur
11	Extension Centre of NTTC, Dimapur	Kiphire

12	Industrial Infrastructure Development Centre (IIDC) *	Kiruphema (Kohima)
13	3 Industrial Estates *	Mokokchung Mon Peren
14	Khadi Plaza (Haat)*	Dimapur (Agri Expo complex)

(Source- <https://dcmsme.gov.in/>; *Annual Administrative Report 2021-22)

In addition to the above, the following areas in the State have been identified for development as Industrial Zones-

- a. Bhandari Sub Division, Wokha
- b. Dimapur Sub Division, Dimapur
- c. Ghathashi Area, Zunheboto
- d. Industrial Growth Centre, Longleng
- e. Industrial Growth Centre, Noklak (Tuensang)
- f. Mini Industrial Growth Centre, Viswema, Kohima
- g. New Industrial Growth Centre, Ganeshnagar, Dimapur
- h. Tizit Sub-division, Mon
- i. Wazeho Area, Phek
- j. Tuli Area, Mokokchung
- k. Longnak/ Longtho area, Mokokchung
- l. Kiphire Sub-division, Kiphire

4.4.2 Assessment of Credit Potential for 2024-25: The potential for financing activities under the Non-Farm Sector in the district is high. It will give a boost to the economy by providing additional income as well as generating employment opportunities. The aggregated PLP projections for 'Micro, Small and Medium Enterprises (MSME)' sector for the year 2024-25 for Nagaland has been assessed at ₹489.98 crore.

4.4.3 Others: For promotion of MSMEs in NE Region and Sikkim, Ministry of MSME is implementing the following schemes in addition to others schemes which are applicable to all states.

4.4.4.1 Setting up new and modernize existing Mini Technology Centres: The Scheme envisages financial assistance to State Governments for setting up new and modernize existing Mini Technology Centres. The quantum of financial assistance is 90% of the cost of machinery / equipment / buildings, not exceeding ₹ 10.00 crore. Cost of land would not be admissible for financial assistance.

4.4.4.2 Development of new and existing Industrial Estates : Financial Assistance @ 80% of the cost of infrastructure facilities not exceeding ₹ 8.00 crore is being implemented for development of new and existing Industrial Estates. The infrastructure facilities include power distribution system, water, telecommunication, drainage & pollution control facilities, roads, banks, storage and marketing outlets etc.

4.4.4.3 Capacity Building of Officers : Capacity Building of officers engaged in promotion and development of MSMEs, by deputing them for various Techno-managerial training programmes in MSME Institutions such as NIMSME, Hyderabad & MSME Technology Centres. The expenditure towards training fee and the boarding/lodging expenses of officers would be borne by Government

of India under the scheme and would be paid directly to the Training Institutions. Expenditure towards TA/DA would be borne by the respective Departments / State Governments.

4.4.4.4 Suggested Action Points: Micro enterprises under food processing, bamboo crafts, etc., may be encouraged in the state on cluster basis.

4.5 EXPORT CREDIT, EDUCATION & HOUSING

4.5.1 Export Credit

4.5.1.1 Introduction: Exports play an important role in accelerating the economic growth of the country. Of the several factors influencing export growth, credit is a very important factor that enables exporters to efficiently execute their export orders. Export credit is granted in rupees as well as in foreign currency.

Post liberalization in 1991, export sector has made significant progress and has been instrumental in employment generation, speeding up the economic development and stabilizing the financial sector of the country. States have to be partner in the India's export growth story. There have been several efforts such as Make in India, 'Zero Defect Zero Effect', Merchandise Exports from India Scheme (MEIS), Service Export from India Scheme (SEIS) have been taken to promote the exports.

With the objective of promoting exports from the country, ECGC Ltd. (Formerly known as Export Credit Guarantee Corporation of India Ltd.) wholly owned by Government of India, is providing credit risk insurance and related services for exports. ECGC provides (i) a range of insurance covers to Indian exporters against the risk of non – realization of export proceeds due to commercial or political risks (ii) different types of credit insurance covers to banks and other financial institutions to enable them to extend credit facilities to exporters and (iii) Export Factoring facility for MSME sector which is a package of financial products consisting of working capital financing, credit risk protection, maintenance of sales ledger and collection of export receivables from the buyer located in overseas country.

RBI has initiated several measures in the recent years to ensure timely and hassle free flow of credit to the export sector. These measures, inter alia, include rationalization and liberalization of export credit interest rates, flexibility in repayment/prepayment of preshipment credit, special financial package for large value exporters, export finance for agricultural exports, Gold Card Scheme for exporters etc. Advances made by banks under 'Export Credit' upto sanctioned limit of ₹ 25 crore per borrower (for units having turnover upto ₹100 crore) have been brought under the ambit of the Priority Sector as per the guidelines issued by the RBI. These include pre-shipment export credit and post shipment export credit.

Nagaland Coffee is emerging as a popular brand and is being exported to foreign countries. At present the State has 8997 hectares of coffee plantation and the Govt. has set a target to cover 50,000 hectares by 2030. The State Govt. is also making efforts to promote natural tea in Nagaland and is creating awareness of the health benefits of the different natural teas like roselle, cardamon, ginger, lemongrass, etc.

Currently, India's largest export to Myanmar is pharmaceutical products (37 percent) along with essential oils and perfumes, cotton and some machinery. Nagaland could try to take advantage of the existing trade in pharma products. There is also a system of informal trade operating with Myanmar in items like wheat and wheat products, paper and stationery products, meat and veterinary products especially chicken. There are large imports, albeit informally, from Myanmar

like timber and even precious stones and gold. These areas have to be formalized, expanded and capitalized upon for trade and commerce to emerge as an important economy for Nagaland.

4.5.1.2 Assessment of Credit Potential for 2024-25: The aggregated PLP projections under Export Credit for the year 2024-25 for Nagaland has been assessed at ₹3.91 crore.

4.5.1.3 Suggested action points: Exporters to be encouraged to avail the export credit insurance facilities extended by ECGC.

4.5.2 Education

4.5.2.1 Introduction: One of the lynchpins of inclusive development is a well-educated and skilled population, with equal rights and opportunities for all. Investing in education now, in a balanced way across levels and in equitable ways across population groups, will have a multiplier effect on overall development.

To provide financial support to meritorious students who secure admission in Institutes for pursuing higher education, including vocational courses in India or abroad, education loans are available from financial institutions. As per the Master Direction on Priority Sector Lending issued by RBI on 04 September 2020, such loans to individuals for educational purposes, including vocational courses, not exceeding ₹20 lakh will be considered as eligible for priority sector classification. Loans currently classified as priority sector will continue till maturity.

As per Nagaland Vision 2030 document, the number of educated persons who will be looking for employment is around 12,909 annually. This has been estimated taking into account the number of students enrolled and passing out at the various stages of education namely at Class X, Class XII and at the graduate level within and outside the state. The document also emphasizes the need to improve the quality of services provided by the educational institutions in the next 5 to 7 years.

The Economic Survey 2019-20 noted that the expenditure on education by the centre and the states as a proportion of the Gross Domestic Product (GDP) has been around 3% between 2014-15 to 2018-19. The National Education Policy, 2020 (NEP) reaffirms the recommendation of increasing public investment on education to 6% of GDP.

4.5.2.2 New Education Policy 2020: NEP is a comprehensive framework to guide the development of education in the country, across all states. A new policy comes along every few decades to reflect the changing realities in the country. The latest policy is India's third such policy, which replaces the 1986 NEP, which was in place for the last 36 years.

The Department of School Education, Govt. of Nagaland has launched the innovative Online Digital Education in the state from the month of May 2020 and Nagaland became the first state in the country to incorporate sign language interpretation in the broadcasted video lessons.

4.5.2.3 Assessment of Credit Potential for 2024-25 : The aggregated PLP projections for Education sector for the year 2024-25 for Nagaland has been assessed at ₹18.96 crore.

4.5.2.4 Suggested action points to ensure quality education

- Timely coordination between college management and bankers will help in guiding /assisting students to enroll for professional courses. This will help students avail hassle free and timely education loan.
- Banks may conduct awareness camps in schools and colleges to make students aware of their respective education loans scheme.

- Implementation of NEP in the true spirit
- Encourage industry-academia-research partnerships to improve the quality of education
- Invest in main and ancillary infrastructure in the state.

4.5.3 Housing Sector

4.5.3.1 Introduction: Along with food and clothing, housing is one of the most basic necessities of mankind which allows him to live in a state of security and dignity. Even after 74 years of Independence, this right is an elusive dream for a large section of population- both in Rural and Urban India. By 2030, 40% of the country's billion-plus population will probably live in cities. Increasing urbanization has led to tremendous pressure on land, civic infrastructure, transport, open spaces etc. The majority of India's new urban dwellers will be underprivileged and suffer deficits of opportunity and entitlement.

As per Census 2011, Nagaland recorded the highest growth rate of 69 percent urbanization as compared to National growth rate of 21 percent. However, the urbanization pattern is somewhat skewed as the urban growth is concentrated in few key towns such as Dimapur and Kohima. Many towns are in a stage of transition from rural to urban without possessing the requisite urban attributes. Within this existing scenario, one of the many challenges confronted with, is shortage of housing.

Housing sector in India is one of the fastest growing economic development sectors. Census 2011 figures reveal that the housing stock has increased from 24.9 crore in 2001 to 33.1 crore in 2011, indicating a growth of 33 per cent. As per the estimated housing shortage for 2012-17, urban areas have about 95% shortage in economically weaker sections and lower income group categories, whereas rural areas have about 90% shortage in below poverty line category. The Twelfth Five Year Plan (2012-17) has estimated the total housing shortage in rural areas at 43.67 million units. Further, as per KPMG Report on 'Decoding Housing for All by 2022', the total shortage for rural housing is estimated at 6.4-6.5 crore by 2022. Government of India has launched a comprehensive mission, "Housing for All by 2022" which seeks to address the housing requirement of urban poor including slum dwellers through promotion of affordable housing for weaker section through credit linked subsidy scheme.

4.5.3.2 Important Housing Development Schemes: With a view to ensure 'Housing for All' by 2022, exclusive schemes for urban and rural areas were introduced by GoI viz., PMAY (Urban) and PMAY (Gramin). Under PMAY (Gramin), financial assistance is provided for construction of pucca house to all houseless and households living in dilapidated houses. It is envisaged that one crore households would be provided assistance for construction of pucca house, under the project during 2016-17 to 2019-20. The scheme is funded on the cost-sharing ratio of 90:10 between the Government of India and the State Government. In the state of Nagaland, Rural Development Department is the Nodal Department. The recent initiatives by the Government of India include allowing of FDI up to 100 per cent in development projects for townships and settlements, approval of the Real Estate (Regulation and Development) Bill, 2013, setting up of the Urban Housing Fund etc.

Pradhan Mantri Awas Yojana (Urban): The key components of this programme are as follows:

- In-situ as well as ex-situ *slum rehabilitation* with participation of private developers.
- Credit linked subsidy for affordable housing to poor where loan up to ₹6 Lakh with an interest rate of 6.5% for 20 years or more is provided to beneficiaries.
- Affordable housing in partnership with private sector where government provides financial assistance at ₹1.5 Lakh per EWS house being built, up to builders in States/UTs/Cities.
- Central assistance of ₹1.5 lakh is provided to individual eligible families for construction of houses.

In the State of Nagaland, as 08 January 2024, a total of 31,860 houses have been sanctioned under PMAY (Urban) out of which 31,841 houses have been grounded. (Source – <https://pmay-urban.gov.in>)

Pradhan Mantri Awas Yojana (Gramin): The salient features of the scheme are as follows:

- PMAY-G aims at providing a pucca house, with basic amenities, to all houseless households by 2022
- The unit assistance under the scheme is ₹1.20 Lakh for plains and ₹1.30 Lakh in hilly, difficult areas and Integrated Action Plan (IAP) for Selected Tribal and Backward Districts.
- To target the genuinely deprived, beneficiaries are selected as per **Socio Economic and Caste Census (SECC), 2011 data** which is to be verified by the Gram Sabhas and not BPL criteria.
- Implementation and monitoring of this scheme are carried out through end-to-end e-governance models – using AwaasSoft and AwaasApp respectively.

4.5.3.3 Priority Sector guidelines: Reserve Bank of India recently revised PSL norms for housing. Loans to individuals up to ₹35 lakh in metropolitan centres (with population of ten lakh and above) and loans up to ₹25 lakh in other centres for purchase/construction of a dwelling unit per family, are eligible to be considered as priority sector provided the overall cost of the dwelling unit in the metropolitan centre and at other centres does not exceed ₹45 lakh and ₹30 lakh, respectively. Loans for repairs to damaged dwelling units of families up to ₹10 lakh in metropolitan centres and up to ₹6 lakh in other centres under priority sector lending. For helping economically weaker sections, bank loans to any governmental agency for construction of dwelling units or for slum clearance and rehabilitation of slum dwellers subject to a ceiling of ₹ 10 lakh per dwelling unit and loans sanctioned by banks for housing projects exclusively for the purpose of construction of houses for economically weaker sections and low income groups (family income limit of ₹3 lakh per annum), the total cost of which does not exceed ₹10 lakh per dwelling unit can be considered under priority sector loans of banks.

The **Credit Risk Guarantee Fund** with a corpus of ₹1,200 crore in collaboration with NHB was set up (2012) to facilitate credit availability to low-income customers without any collateral. The purpose is to guarantee the lending agencies for loan to Economically Weaker Section and Low Income Group LIG/EWS borrowers for loan amount up to ₹8 lakhs and unit size not exceeding 430 sq. ft., thereby reducing the perceived risks for the lending institutions and catalyze the flow of credit to low-income housing sector.

In order to provide affordable credit to housing in rural areas, Government has created national agencies such as NHB and the HUDCO.

4.5.3.4 Challenges: Except in a part of Dimapur district, cadastral survey has not been taken up in the state. As a result, mortgage of land may be a hurdle for non-salaried class persons.

4.5.3.5 Assessment of Credit Potential for 2024-25: The aggregated PLP projections under Housing sector for the year 2024-25 for Nagaland is ₹56.35 crore.

4.5.3.6 Suggested action points:

- Banks may extend credit to beneficiaries of PMAY-G who are in need of credit for constructing house with more facilities.
- There is a demand for carrying out repair to houses, construction of toilets, house expansion, renovation and replacing thatched roof with concrete structure. Banks could on-lend through such entities.
- There is also a need to popularize reverse mortgage loan among senior citizens.

4.6 INFRASTRUCTURE

Investment related to rural infrastructure is explained in detail in Chapter 5.

4.6.1 Social Infrastructure involving bank credit: The prime objective of any State is to improve social infrastructure for sustainable and improved standard of living of the people. As per revised Priority sector Lending norms “Social Infrastructure” covering schools, health care, drinking water and sanitation facilities in Tier II to Tier VI centres have been brought under the ambit of PSL norms. As per the *Nagaland Vision 2030* document, there has been substantial addition to the physical stock of with respect to both schools and health centres. Provision of quality and efficient social infrastructure services like drinking water, sanitation, education, and health is essential to realize the full potential of the economy. There is substantial social infrastructure needs which also offers large investment opportunities.

4.6.1.2 Schematic Refinance for Water, Sanitation and Hygiene (WASH) Activities:

Access to safe water, sanitation and hygienic conditions is essential to protect human health during infectious disease outbreaks, especially in the times of an on-going pandemic. Hence, NABARD has issued guidelines to provide Special Refinance Facility to eligible financial institutions for financing WASH related activities.

4.6.1.3 Policy Guidelines of RBI: As a sub-sector under Priority Sector, RBI has included 'Social Infrastructure'. Bank loans up to a limit of ₹5 crore per borrower for setting up schools, drinking water facilities and sanitation facilities including construction/ refurbishment of household toilets and water improvements at household level, etc. and loans up to a limit of ₹10 crore per borrower for building health care facilities including under 'Ayushman Bharat' in Tier II to Tier VI centres. Some of the areas where social infrastructure can be created with bank credit include education, health care, sanitation and drinking water.

4.6.1.4 Assessment of Credit Potential for 2024-25 : The credit potential for financing social infrastructure through banks is immense, especially in view of the revised Priority Sector guidelines and the same is assessed for 2024-25 at ₹33.63 crore.

4.6.1.5 Suggested action points

- As there is an increasing demand for quality education, banks may tap the potential for financing infrastructures for schools and coaching centers.
- The quality of water is a concern and needs Reverse Osmosis treatment. Bank may provide credit for establishment of RO plants.

4.6.2 Renewable Energy

4.6.2.1 Introduction: The energy needs of rural areas are at present being met out of fossil fuels or forest wood and also dung cakes being made from cattle dung. As the fossil fuels are non-renewable sources of energy and are fast depleting and cutting the trees for fuel wood is creating ecological imbalance, there is a need to promote viable and renewable sources of energy.

The sector offers huge potential for units like biogas, solar water heaters, solar cookers, solardryers, SPV lighting systems, e.g. portable lanterns, home-lighting and street lighting systems, SPV pump-sets, mini power plants for village electrification, biomass / Industrial/ MSW Based Power Projects, etc. Projects/ programmes being implemented in the Renewable Energy sector is expected to augment the need for credit in the State.

Bank loans up to a limit of ₹30 crore to borrowers for purposes like solar based power generators, biomass-based power generators, windmills, micro-hydel plants and for non-conventional energy based public utilities, viz., street lighting systems and remote village electrification etc., will be eligible for Priority Sector classification. For individual households, the loan limit will be ₹10 lakh per borrower will be considered under priority sector.

4.6.2.2 Renewable Energy in Nagaland: The major renewable energy sources relevant to Nagaland are solar energy, wind energy and hydel energy [mini hydel projects from 101 KW to 2000 KW and small hydel projects from 2001 KW to 25 MW]. The Nagaland Empowerment of People through Energy Development (NEPeD) Agency, an autonomous agency formed by the GoN is working independently towards addressing the energy challenges particularly in the remote rural corners of the state. NEPeD's hydroger replication program was also partly supported under NABARD's Rural Innovation Fund (RIF). More than 130 hydrogers have been manufactured by the agency and they have assisted in the installation of these machines in remote villages that have no access to power. The maximum load generated by the turbines is 3.5 kW. NEPeD has successfully installed hydrogers in the neighboring states of Arunachal Pradesh, Sikkim and Meghalaya.

Schemes of GoI to promote use of renewable Energy:

PM Surya Ghar: Muft Bijli Yojana: With a view to boost solar rooftop installations and promote use of solar energy in the country, the GoI under the Ministry of New and Renewable Energy (MNRE) has initiated the Solar Rooftop Subsidy Scheme. This subsidy is applicable to households, industries and social structures (Schools, hospitals, etc). Applications can be submitted online in the national portal for rooftop solar created by the MNRE. Credit can be availed from various financing banks for meeting the cost of the installation while subsidy will be credited directly to the account of the applicant. In the recent interim budget announcement of 2024, the scheme has been revamped and renamed as 'PM Surya Ghar: Muft Bijli Yojana'. With an investment of ₹ 75000 crore, the project aims to solarize 1 crore households in the country. The revamped programme intends to provide upto 300 units of free electricity every month to households that get solar panels installed. The quantum of subsidy has also been increased under the revamped scheme. This scheme can be popularized and promoted by banks and State Govt agencies in the state.

PM-KUSUM Scheme: This scheme has 3 components. Component A aims to promote decentralized grid connected solar energy power plants of upto 2 MW capacity, Component B provides for installation of standalone solar powered agricultural pumps and solarization of

existing grid connected agricultural pumps has been included under Component C of the scheme. This scheme is beneficial to farmers as the electricity generated from the solar plants will be used for irrigation purpose and they will also be able to sell the surplus power to the DISCOMs.

4.6.2.3 Assessment of Credit Potential for 2024-25: The aggregated PLP projections for Renewable Energy sector for the year 2024-25 for Nagaland has been assessed at ₹2.91 crore.

4.6.2.4 Suggested action points:

- The line department to facilitate grounding of more units by organising workshops for bankers and other Government departments.
- State Government to encourage establishment of PV cell manufacturing units in the State.
- Detailed potential mapping of potential available in the State under the renewable energy sector may be carried out on site specific basis by appropriate agency and the same may be given wide publicity at the district level.
- Government offices/schools/colleges should be encouraged to go for solar lighting under the revamped PM Surya Ghar: Muft Bijli Yojana.
- Banks to encourage home loan/home improvement loan to individuals to install roof top solar PVs and solar water heating system and include the cost of such equipment in their home loan proposals. Banks may finance Solar Roof tops under net metering concept.

4.6.3 Informal Credit Delivery System

4.6.3.1 Introduction: Inclusive development is one of the critical determinants of national growth and its importance increases manifold in a developing and vast country like India. The poor living in villages represent the country's vulnerability, arising out of their unequal access to financial literacy, products and services. NABARD has been working towards bringing the excluded population into the formal banking system by addressing both demand and supply side constraints through, among others, the Self Help Group-Bank Linkage Programme (SHG-BLP), Joint Liability Groups and other similar initiatives.

The SHG movement, which started as a link between the unbanked and the formal banking system to cater to the credit needs of the poor. With more than 5000 channel partners and 112.23 lakh groups touching nearly 13.8 crore rural households, it is probably the world's most widely participated grassroots oriented microfinance programme.

4.6.3.2 Status of SHG-BLP in Nagaland: The first SHG in Nagaland was formed in 1999. As at the end of March 2023, there are 19917 SHGs which have been savings linked and the SHGs' total savings, through hard thrift, was ₹29.90 crore in banks. Out of these, only 11.19% at 2228 SHGs are credit linked with ₹34.86 crore. There is a huge scope for banks to bridge the 88% funding gap. Extra effort will be needed from all stakeholders for the growth of SHG-BLP in the state of Nagaland.

Table 4.26: District wise SHG report of Nagaland during FY 2022-23 (as on 31-03-23):

SN	District	During 2022-23			
		SHGs savings linked		SHGs Credit linked	
		No.	Amount (₹ lakh)	No.	Amount (₹ lakh)
1	Chumoukedima	1541	200.86	213	541.06

SN	District	During 2022-23			
		SHGs savings linked		SHGs Credit linked	
		No.	Amount (₹ lakh)	No.	Amount (₹ lakh)
2	Dimapur	1749	449.06	270	495.55
3	Kiphire	1005	134.99	74	88.76
4	Kohima	2253	382.73	124	216.37
5	Longleng	282	83.52	0	0
6	Mokokchung	2221	339.46	517	722.25
7	Mon	2134	222.18	191	186.17
8	Niuland	1048	87.52	295	598.8
9	Noklak	102	5.63	0	0
10	Peren	659	75.27	27	34.51
11	Phek	2068	330.88	153	169.27
12	Shamator	151	18.65	10	9.12
13	Tseminyu	723	132.73	23	16.73
14	Tuensang	1680	143.77	82	95.1
15	Wokha	1037	131.16	146	194.89
16	Zunheboto	1264	252.07	103	118.26
	TOTAL	19917	2990.48	2228	3486.84

(Source: SLBC Background paper as on 31 March 2023)

4.6.3.3 NSRLM's SHGs: Nagaland has been actively involved in the SHG Bank Linkage Programme since its inception. The National Rural Livelihood Mission (NRLM), the poverty reduction programme of GoI is being implemented as Nagaland State Rural Livelihood Mission (NSRLM) in all the blocks of Nagaland. NSRLM envisages creation of sustainable livelihoods of the poor within a period of 5 to 7 years. NSRLM work in 1241 Villages under 74 RD Blocks across 11 Districts, with an aim to create effective and efficient institutional platforms to enable the rural poor to increase their household income by means of sustainable livelihoods enhancements and better access to financial services. The Rural Development Department, Govt. of Nagaland is the nodal agency for implementing the NRLM in Nagaland. Regular savings, maintenance of books and accounts, internal lending and credit support from banks are the major factors for spearheading the movement in the State.

Along with the increase in economic gains, the State Mission has observed tremendous participation and contribution from the community members towards social cause.

To make the SHG members credit-worthy through savings intensification, NSRLM deposit with banks Community fund corpus. Under NSRLM, as per reports available, 141 trained and certified SHG members have been deployed as Business Correspondent (BC)-Digipay Sakhi. Since its launch 150 women SHG members have been trained from RSETI in Jalukie and are IIBF certified. The

Mission aims to deploy 500 certified women BC Sakhi in Gram Panchayats by 2025. 33 SHGs have been trained as BCs and additional 69 BCs are to be trained through RSETI. The State Mission has entered into an MoU with Industrial Development Finance Company (IDFC) First Bank for deployment of certified SHG members as BC Sakhi initially at Dimapur. With an aim to achieve social and economic empowerment of women, the state government has adopted 'micro credit' as a tool to extend financial support to the SHGs. To ensure effective Bank linkage for SHGs, the NSRLM has entered into MoUs with HDFC Bank and the SBI. The Nagaland Rural Bank has also extended credit to the SHGs promoted by the Mission.

4.6.3.4 NABARD's Self Help Promoting Institution (SHPI) Scheme: For forming SHGs and handholding them towards credit linkage with banks, NABARD has been giving grant assistance to partner agencies called Self Help Promoting Institutions (SHPIs). There are 02 ongoing SHPI projects in the state which are as under.

Table 4.27: Ongoing SHPI projects of NABARD in Nagaland

SHPI	District covered	Year of sanction	Target of SHGs	Grant sanctioned (₹ lakh)
NStCB	Dimapur & Kohima	2019-20	500	28.00
NStCB	Remaining 09 districts	2019-20	1000	56.00

The progress of the above ongoing SHPI projects as on 31 March 2023 is as under:

- a) 1500 SHGs have been savings linked and 1500 credit linked, out of the total target of 1500 SHGs by NStCB under 2 projects. Further, 153 SHGs have been credit linked for a second time.

4.6.3.5 Joint Liability Groups (JLGs): Another offshoot of SHG-BLP, the Joint Liability Group (JLGs) Scheme of financing the mid-segment clients among the poor, leverages on social collateral offered by the members. It is a win-win situation for both financing Banks and JLGs - since the loan is extended for economic activity, JLG members are able to come out of debt trap and improve their economic and social status and Banks are able to improve their business portfolio with prompt repayment by JLG members.

In Nagaland, 176 JLGs have been extended credit support to the tune of ₹6.46 crore during 2022-23. In addition to the financial support for creating awareness and capacity building of all stakeholders and incentives for the JLG Promoting Institutions, NABARD also extends 100% refinance support to banks on their lending to JLGs. JLGs are being encouraged to federate themselves as Farmer Producer Organizations to reap the economies of scale in procurement of inputs and marketing of their produce / finished products.

Promotion of Business Model for JLGs by Commercial Banks and RRBs through BC network is also another intervention by NABARD, which would give momentum to the Joint Liability Group - Bank Linkage Programme.

In Nagaland, the cumulative number and sanction of grant support to banks/other agencies as on 31st March 2023 under JLGPI programme are 13 Nos. and ₹74.04 lakh respectively. Under the ongoing JLGPI project, 750 JLGs are envisaged to be promoted at a total grant support of ₹15 lakh to Nagaland State Coop. Bank.

4.6.3.6 Livelihood Interventions for SHGs: NABARD has been supporting need based skill development programmes under Micro Enterprise Development Programme, which bridges skill deficits by providing training in farm/off-farm/service sector and promotes entrepreneurial talents of the members to set up micro enterprises for matured SHGs through appropriate resource NGOs and other support organisations.

The constraints in rural enterprise development are primarily low or negligible income, lack of skill and mentoring services and poor access to credit and marketing avenues. NABARD developed the sustainable livelihood strategy through the Livelihood and Enterprise Development Programmes (LEDP) to find ways to bridge the skill, knowledge and resource gap and at the same time maximize on the existing strengths and facilitate market linkages. LEDP is a cluster based participatory enterprise development programme conceived by NABARD to facilitate graduating of SHG members into producers' group. The programme is to encourage mutual interest through collectivization in contiguous villages. NGO as a Project Implementation Agency is to provide intensive training on demand driven livelihood activity and extend mentoring and hand holding support to the SHG members for taking up their livelihood activity successfully. Grant assistance is available from NABARD for both agriculture and allied sector and low input non-farm sector /handicraft activities. As on 31 March 2021, five LEDPs have been sanctioned for weaving, tailoring and piggery in Phek, Wokha and Tuensang districts respectively for benefitting a total of 690 SHG members with sanctioned grant assistance of ₹26.77 lakh.

4.6.3.7 Assessment of Credit Potential for 2024-25: The aggregated PLP projections for financing through 'Informal Credit Delivery System' sector is ₹61.16 crore for the State as a whole. To facilitate this, the following steps are suggested.

- Identify bank branches which are not participating in SHG-BLP and actively involve them.
- Revive SHGs which have become dormant due to inadequate hand holding support from SHPIs/ banking system and other extraneous factors.
- Convergence with Government programmes like National Rural Livelihood Mission (NRLM) to maximize the benefits to SHG members.
- To improve quality of bookkeeping at SHG level.
- Additional financial literacy drive at SHG level to eliminate over-indebtedness at members' level.
- Effective documentation of success stories and updating of periodical developments under the programme in the State.

CHAPTER V

Status and Prospects of Cooperatives

5.1. Background

A cooperative is defined as ‘an autonomous association of persons united voluntarily to meet their common social, economic and cultural needs as well as their aspirations through a jointly owned and democratically controlled enterprise’.

A cooperative is governed by seven major principles, i.e. voluntary and open membership; principle of democratic member control; principle of member economic participation; principle of autonomy and independence; principle of education, training and information; principle of cooperation and, principle of concern for community.

Cooperative enterprises help their members to collectively solve shared socio-economic problems. Cooperatives strengthen bargaining powers of their members, help them get access to competitive markets and to capitalise on new market opportunities. As such, they improve income opportunities, reduce costs and manage risks of the members.

5.2. Formation of Ministry of Cooperation by GoI

The GoI has set up a separate Ministry for Cooperation on 06 July 2021 which will provide a separate administrative legal and policy framework for strengthening the cooperative movement in the country, to help deepen the presence of cooperatives, to streamline processes for ‘Ease of doing business’ for co-operatives and enable development of Multi-State Co-operatives (MSCS). In the words of the Hon’ble Prime Minister, “The Cooperative movement is such a model which can provide a successful alternative to socialism and capitalism”.

5.3. Latest initiatives by Ministry of Cooperation (MoC), GoI

The MoC has, in consultation, coordination and partnership with state governments, NABARD, national level federations, training establishments at state and national level and other stakeholders is working on the following initiatives:

- a. **Computerization of Primary Agriculture Cooperative Societies:** This scheme aims at computerization of 63000 functional PACS leading to increase in efficiency, profitability, transparency and accountability in the working of PACS.
- b. **Co-operative Education - Setting up of World’s largest Cooperative University:** This aims at introduction of cooperative education as a course curriculum and also as independent degree / diploma courses in Schools and Universities. This will also take care of research in the field of cooperation.
- c. **World’s largest Cooperative Training Scheme:** This aims at revamping, strengthening existing cooperative training structure in the country and modernize the training methods through a revamped scheme.
- d. To provide facilities at par with FPOs for existing PACS
- e. Establishing Multipurpose PACS/ Dairy/ Fisheries cooperatives in every panchayat
- f. **World’s largest food grain storage scheme for cooperatives:** Under this scheme, approved by the Cabinet on May 31, 2023, different types of agricultural infrastructure such as godowns, custom hiring centers, processing units, fair price shops, etc. will be created by convergence of various schemes of the Government of India at the PACS level. This scheme will ensure country's food security, reduce wastage of food grains, result in better price for farmers for their produce and meet various agricultural needs at the PACS level itself.
- g. Revival and computerization of PCARDBs/ SCARDBs

- h. Establishment of National Cooperative Database
- i. Amendment to Multi State Coop. Act 2002 and setting up of 3 new Multi State Cooperative Societies (MSCS) at the national level for Exports, Certified Seeds and Organic Farming respectively to give special focus on the produce of the cooperatives
- j. New Cooperative Policy - Drafting of new Cooperative policy with a view to strengthen the cooperatives and make them vibrant with increased contribution to the economy

h. Model Bye-Laws for making PACS Multipurpose: The economic activities undertaken by PACS are restricted by their respective Bye laws which in most cases are decades old and need revision. To address this issue a Committee under the aegis of the Ministry of Cooperation was formed to prepare draft model bye laws for PACS. Based on the suggestions and feedback from across the states and various stakeholders, the draft model Bye laws was suitably amended and circulated to all states for adoption. The model byelaws will enable PACS to diversify their business activities into more than 25 sectors (agriculture & non-agriculture, credit and non-credit), thus converting them into Multi-Purpose Primary Agricultural Credit Societies. Model Byelaws are only indicative in nature and PACS concerned may adopt them after suitable modifications as per their respective State Cooperative Acts.

All these initiatives will create immense business potential from grassroot upward in times to come.

5.3 Status of Cooperatives in Nagaland:

Nagaland has a two-tier cooperative credit structure. The Nagaland State Cooperative Bank Ltd. (NStCB) is at the apex level with 4,203 PACS affiliated to it. The bank has the second largest banking network in the state with the presence of 22 branches. NStCB plays an important role in agricultural credit disbursement as it accounts for about 27% of the total crop loans disbursed in the State.

Table 5.1. Sector-wise/ Activity-wise distribution of Cooperatives

The sector-wise distribution of cooperative societies in Nagaland is as under:

Sr. No	Type	Number of Societies
A. Details of Non-Credit Cooperative Societies		
1	Livestock and Poultry	640
2	Dairy	189
3	Fishery	409
4	Agriculture and Allied Cooperative	2046
5	Agro Processing Industrial Cooperative	73
6	Bee Farming	13
7	Consumer Stores	170
8	Credit and Thrift	88
9	Educational Training	03
10	Handicraft	13
11	Housing Societies	48
12	Handloom Textile Weavers	587

13	Marketing	187
14	Labour Societies	5
15	Multipurpose Cooperative	2234
16	Transport	06
17	Women Welfare	27
18	Miscellaneous	36
	Total	6774
B. Details of Credit Cooperative Societies		
19	Primary Agriculture Credit Societies	1344
C. Details of Multi State Cooperative Societies		
20	No. of MSCs	Nil
<i>Source: National Cooperative Database</i>		

5.4 Initiatives by State Government in strengthening the outreach and activities of Cooperatives

- Implementation of One Village-One Cooperative Society:** One Multi-Purpose Cooperative Society (MPCS) for every village has been implemented which will act as a Model Cooperative Society for others to emulate. This proposal of **One Village-One Cooperative Society** will be further strengthened due to the recent Govt. policy directive on cancellation of Non-functioning and defunct Cooperatives and the constitution of a High-Powered Committee headed by Addl. Chief Secretary to the Govt. of Nagaland. The Department has so far registered 120 Nos. of Cooperative Societies under the One Village One Society.
- Grassroots Training on cooperative:** The Department conducts grassroots training and sensitization programme on cooperatives in the block level where resource persons from the department as well as allied departments are utilized in conducting seminars and technical training.
- Rashtriya Krishi Vikas Yojana (RKVY):** Rashtriya Krishi Vikas Yojana was introduced to incentivize states to draw up comprehensive agriculture development plans for ensuring more inclusive and integrated development of agriculture and allied sectors. The Government of India launched the Scheme in 2007 which has been operational since then. The Department of Cooperation has been implementing this important CSS program under the Department of Agriculture. Under this Scheme, the Department is involved in the mobilization of farmers by forming Commodity Interested Groups, skill enhancement trainings, distribution of machineries to prevent perishable commodities and food products, providing credit linkages etc.
During the period under report, the Department has formed one hundred & forty (140) Commodity Interested Groups (CIGs) in the State Government designated project cluster and trainings were conducted accordingly. The Department has also distributed Hybrid Biomass-fired Vegetable Dryer (40-50 kgs.) to twenty-four (24) progressive CIGs/Cooperative Societies for preservation of fruits and vegetables in the year 2021-2022 and in the year 2022-2023 rural poultry project was implemented in each cluster for women CIGs where fund was provided for construction of Poultry shed, Feeds and two weeks old vaccinated chicks was provided numbering 400 birds to each CIG.

4. **Convergence program**

The department of cooperation has taken the initial steps to concretize the much-desired convergence program of agri and allied activities through the organization of specialized and department specific cooperative societies. Convergence of Agri Department's organic initiatives, livelihood programs of NERLP, beekeeping activities of NBHM, common service centres under I.T department etc., resulted in framing of specialized byelaws and registering these cooperatives as legal entities under the Nagaland Cooperative Societies Act 2017. So far, the following numbers of cooperative societies under convergence program have been registered:

Table 5.2. Cooperative Societies registered under Convergence Programme

Sl.	Type of Society	Nodal department /Agency	Total registered
1.	FPO cooperatives/ organic	Agriculture department	16
2.	Livelihood cooperatives	North East Rural Livelihoods Project NERLP	14
3.	Apiary & bee keeping cooperatives	National Beekeeping & Honey Mission NBHM	5
4.	Common service centre cooperative	I.T.	1
5.	Integrated cooperatives/ one village-one cooperative	Village authorities	65
6	Formation & Promotion of 10,000 new FPOs under CSS	Ministry of Agriculture & Farmers' Welfare	13

5. **Cancellation of Non-functioning Cooperative Societies:** The Department has undertaken stringent steps to identify and cancel Non-functioning/defunct Cooperative Societies, which haven't commenced working or have ceased to work or have ceased to comply materially with any condition as per the Cooperative Act, Rules or Bye-laws. Accordingly, the Registrar of Cooperative Societies has identified and cancelled 566 defunct/ non-functioning cooperative societies till date.

6. **Implementation of Integrated Cooperative Development Project (ICDP)**

ICDP is implemented in five districts of the State viz., Kohima, Tuensang, Peren, Longleng and Kiphire whereby agriculture and allied sectors are being targeted along with other sectors for creation of infrastructure facilities like godowns, cold storage, mini processing, cottage industries, marketing, transport, credit and banking, etc. With the successful implementation of Phase I (2018), Phase II (2019), Phase III (2020), the 4th and the final phase of the ICDP project was launched in November 2021. The financial outlay under ICDP for all 5 districts was to the tune of ₹ 52.10 crore. The project has resulted in the creation of six collection centers, installation of 300 micro-ATMs, 42 pickup marketing godowns, 3 customised marketing bus, 304 piggery units, a fruit preservation unit in Tuensang, 2 marketing complexes, and 1230 hectares of new areas under agricultural production. (Nagaland Economic Survey 2022-23)

5.5. **NABARD's initiatives for the Cooperative Sector in Nagaland:**

1. **Cooperative Development Fund (CDF):** One significant development in Nagaland's cooperative credit landscape is the support extended by the NABARD through its Cooperative Development Fund (CDF). NABARD's involvement is instrumental in providing financial assistance to the cooperative credit institution in the state viz. the Nagaland State Cooperative

Bank Ltd. This support aims to bolster the credit structure of the cooperative institution, empowering them to serve their members and contribute to rural development in the state effectively. The CDF serves as a lifeline, injecting much-needed capital into the Cooperative Bank, enabling them to thrive in a competitive economic environment.

2. PACS Development Cell (PDC): To further strengthen the PACS in Nagaland, a PACS Development Cell (PDC) has been established within the Nagaland State Cooperative Bank in FY 2021 with NABARD's support of Rs. 36 lakhs. The PDC serves as a hub for capacity building, offering training, handholding, and exposure visits to PACS. This initiative empowers the grassroots level cooperatives, enabling them to efficiently manage their resources, handle financial transactions, and adapt to emerging challenges. The PDC's role in nurturing the cooperative ecosystem cannot be overstated, as it plays a pivotal role in developing skilled and capable cooperative leaders.

3. Comprehensive Support Plan (CSP): The Comprehensive Support Plan (CSP) is another critical component of NABARD's cooperative development strategy in Nagaland. Under this plan, the Nagaland State Cooperative Bank has been sanctioned financial assistance of Rs. 99.08 lakhs from NABARD's CDF for infrastructure development and capacity building of 28 PACS affiliated to the Bank. This support sanctioned in FY 2021-22 is for a three-year period and aims to enhance the physical and operational capabilities of these societies, enabling them to cater to a broader range of economic activities. The CSP serves as a beacon of hope for the cooperative bank striving to expand their operations and contribute significantly to the state's economic progress.

4. Business Diversification and Product Innovation Cell (BDPIC): In today's dynamic economic environment, diversification and innovation are essential for the sustainability of cooperatives. Recognizing this, NABARD has taken a significant step by launching the Business Diversification and Product Innovation Cell (BDPIC) a scheme to assist the Nagaland State Cooperative Bank (NStCB) to offer new products for business improvement and meet the growing needs of its members. This initiative focuses on enhancing the credit structure of the cooperative bank, allowing it to offer a broader array of financial products and services to its members. The cost of setting up of the Cell is estimated at ₹82.50 lakh which shall be shared between NABARD and the NStCB @ 80% and 20% respectively. Accordingly, the financial support from NABARD will be ₹66.00 Lakh and the balance amount of ₹16.50 lakh will be borne by the NStCB. The BDPIC has since been made operational in the bank with effect from this FY. By embracing innovation and exploring new business avenues, the Nagaland State Cooperative Bank can remain resilient and adaptable in an ever-changing economic landscape.

5.5. Central Government initiatives for cooperative sector in Nagaland:

1. Computerization of PACS: Nagaland has witnessed remarkable progress in modernizing Primary Agricultural Credit Societies (PACS). With the sanctioning of 33 PACS in the first phase for computerization during the FY 2023-24, these societies are now better equipped to streamline their operations, enhance transparency, and provide improved services to their members. The second phase of computerization will further add 167 PACS to the list. The digital transformation of PACS is a vital step towards creating a robust financial infrastructure in the state, fostering financial inclusion and economic growth.

2. Adoption of Model Byelaws: As per the Office of the RCS, 1245 PACS out of 1344 PACS have adopted the model Byelaws. The rest are dormant in nature.

3. World's Largest Grain Storage: 6 PACS have been identified in 5 districts. NABARD is working with the MoC in implementing the pilot project. NABARD has awarded the assignment for preparation of Detailed Project Report (DPR) and Project Management Consultancy (PMC) to NABCONS.

4. PACS as Jan Aushadhi Kendras for access to generic medicines at Rural level: 11 PACS have applied, however, 3 initial approvals given as on date.

5. PACS as Common Service Centre (CSC) for better access to e-Services: 7 PACS have been on-boarded as CSCs and 7 are whitelisted to be on-boarded. The state government is making efforts to on-board all the PACS sanctioned for Computerization.

6. PM Kisan Samriddhi Kendras by all PACS: 33 PACS are in process to function as Kisan Samriddhi Kendras.

5.6 Potential for formation of cooperatives: There is fair potential for cooperative activity in agriculture and allied, fishery, handloom, livestock & poultry, multipurpose cooperative sectors in the district as elucidated in the table. This can have immense multiplier effect in giving a fillip to economic activities in the district. There are, however, a large number of cooperative societies that are dormant and non-functional. There is therefore a need to revive and re-energize the cooperative societies in the state. Some of the suggested steps towards this end are building the capacities of the members of the cooperative societies to enhance their skills and knowledge, identifying the reasons for their inactivity and taking corrective measures, encouraging them to focus on activities that are compatible with the local economy and meeting the needs of the consumers in the market.

CHAPTER VI

Infrastructure Support

6.1. Introduction: Infrastructure is a prerequisite for development. Enabling infrastructure is critical for boosting productivity of economic factors through its multiplier effect. Rural infrastructure - roads, irrigation, flood protection, godowns, market yards, educational institutions, drinking water and sanitation, health centres, etc. - contributes to the enhancement of rural farm and non-farm productivity. This, in turn, accelerates economic growth and improves quality of life of rural masses. Empirical evidence suggests that investment in infrastructure significantly improves the growth potential of an economy. Further, it has been established that infrastructure index has a strong correlation with development parameters like 'per capita income' and 'poverty rate'. A robust infrastructure leads to a rise in economic activities, thereby increasing the income levels of people. Improved infrastructure facility is directly related to raising the productivity of any economic activity/entity and enhancing the efficacy of production process. Infrastructure development not only supports production and consumption levels, but also creates many direct and indirect externalities involving large flow of expenditure, which result in additional income and employment. Investment in infrastructure as such improves lives and helps in reducing poverty. Thus, the role of infrastructure in uplifting the rural economy becomes vital.

The State Government's Vision 2030 document highlights the importance of infrastructure development. The focus has been on improved road connectivity, strengthening of existing roads with a well-structured maintenance policy. In addition, importance has been accorded to renewable and sustainable sources of energy as well as development and improvement of IT infrastructure in the remotest areas. While infrastructure is primarily the domain of public investments, private investments, particularly for social infrastructure and infrastructure like irrigation (micro), storage and market-yards, need to be encouraged. A credit potential of ₹3,363.56 lakh for social infrastructure, ₹291.65 lakh for renewable energy, ₹2,040.83 lakh for agricultural infrastructure and ₹254.03 lakh for other infrastructure have been assessed for the year 2024-25.

6.2 Status of important infrastructure sectors

6.2.1 Roads: The total road network in the State, including National Highways, State Highways, District Roads, Urban Roads, Town Roads and Rural Roads is 11,277.50 km (Source: Statistical Handbook 2022) with a road density of 68.02 km per 100 sq. km, which is much lower than the national density of 194 km per 100 sq. km.

Roads are the lifeline, given the tough terrains and scattered population in the State. This is equally important for the development of transport sector to facilitate timely supply of inputs and quick disposal of perishable agricultural produce to the target markets.

6.2.2 Irrigation: Net Irrigated Area in the State is 1.17 lakh ha. against the Net Cropped Area of 3.62 lakh ha. and the Gross Irrigated Area is 1.22 lakh ha. against the Gross Cropped Area of 4.97 lakh ha. (Source: Statistical Handbook 2023). There are no Major or Medium irrigation projects in the State. However, a substantial number of Minor irrigation projects have been implemented in the State under the erstwhile Accelerated Irrigation Benefit Programme (AIBP) through Water Users Associations (WUA). Currently, both Minor and Micro irrigation activities are being undertaken in the State under the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY).

6.2.3 Storage Godown and Market Yard: Adequate and scientific storage facilities, particularly, activity-specific small and localised storage space with warehouse receipt/e-receipts facilities, is important for reduction of post-harvest losses, distribution and marketing of food grains, thereby ensuring food security and remunerative price realisation to farmers. The State has a dry storage capacity of 57,627 MT as well as a cold storage capacity of 7,150 MT against the estimated rice production of 5.51 lakh MT, total foodgrain production of 7.05 lakh MT and horticulture crop production of 8.59 lakh MT.

There are 19 notified Principal Market Yards under the management of respective market committees covering all districts of the State (Source: NSAMB, GoN). An Organic AC Market complex covering an area of 42,230 sq. ft. with cold storage capacity of 100 MT has been constructed at the NSAMB Complex in Dimapur.

6.2.4 Energy: With only three power generating stations, the power generating capacity of Nagaland is 26 MW. While Likimro hydroelectric power plant has the highest capacity of 24 MW, Lang and Tehok hydroelectric power plants have a capacity of one MW each. The State being non-industrialised, domestic consumption accounts for 40.83% of the total usage, followed by 16.77% for commercial purposes, about 7% for industrial purposes whereas about 16% is utilised as bulk. As per Government of Nagaland report, against a peak demand of 250 MW, the State produces only 15%, i.e., 26 MW, showing a huge deficit in the availability of power. Although, the Doyang Hydro power plant in Wokha district, built by NEEPCO, has a power generating capacity of 75 MW, Nagaland gets only about 12%, i.e., 9 MW as per the agreement. Nagaland's estimated hydropower generation potential is 1,634 MW.

Table 6.1: Hydro Power Plants installed in Nagaland

Name of Hydro Power Plant	Capacity (MW)
Likimro	24
Lang	1
Tehok	1

6.2.5 Renewable Energy: Renewable energy has become an important component in achieving energy security. As per Vision 2030 document of Government of Nagaland, the following target has been set for the state for harnessing green and clean energy:

- ✓ Provide access to clean energy for all
- ✓ Increase the share of renewable energy in total energy consumption
- ✓ Improve energy efficiency
- ✓ Achieve 100% household use of clean cooking fuel

With an estimated potential of 8,934 MW of renewable energy generation in the State including Solar Power (7,290 MW), Hydro Power (1,634 MW) and Biomass (10 MW), the targets set by the State Government can be achieved, if exploited in right earnest.

6.3 Critical infrastructure support

- The critical infrastructure support needed for exploitation of the potentials assessed in PLPs for 2024-25 for the Priority Sectors, are indicated in Annexure –III.
- The projects under the above broad categories have been identified including last mile projects, which if implemented, would have a significant bearing on bridging critical infrastructure gap and spin-off benefits for rural population and economy at large.

6.4 NABARD'S Support to Infrastructure in Nagaland through RIDF

Under Rural Infrastructure Development Fund (RIDF), cumulatively, 1,254 projects with a loan component of ₹928crore have been sanctioned to the Government of Nagaland since inception of the scheme and ₹639crore has been disbursed. RIDF covers 39 eligible activities covering broad sectors like agriculture and related sector, rural connectivity and social sector. The major sector-wise sanctions under RIDF in the State indicate that 443 projects (35%) were sanctioned towards rural connectivity (roads and bridges).

6.5 Major schemes related to Infrastructure Development

6.5.1 NABARD Infrastructure Development Assistance (NIDA): It is a long- term funding scheme with flexible terms and facility for both on-budget as well as off-budget borrowings by the state-owned institutions/corporations. Projects under the Harmonised Infrastructure List

approved by GoI/RBI, Rurban Mission and 39 approved purposes under RIDF are eligible for financing under NIDA. PPP projects are also eligible for financing under the Fund. High-value projects with revenue potential are preferred for finance under NIDA. The repayment period is generally 15 years with moratorium of three years. The repayment period can be extended up to 25 years, based on the nature of the project. Potential projects in Nagaland, which can be financed under NIDA, are construction of state highways, bridges, solar and hydro power projects, hybrid rural transportation (including buses), agri storage and marketing infrastructure, cold chain system, etc.

6.5.2 Food Processing Fund (FPF): With the objective to make available affordable credit to agro-processing units designated as Food Park, a special Fund of ₹2000 crore was set up in NABARD by RBI and GoI during 2014-15. This Fund is used to provide loans to the eligible institutions for establishing the designated Food Parks as well as individual food/agro processing units in such designated Food Parks. Finance can be extended by NABARD either directly or through consortium route.

6.5.3 Fisheries and Aquaculture Infrastructure Development Fund: Announced in the Union Budget of 2018-19, a dedicated Fund named Fisheries and Aquaculture Infrastructure Development Fund (FIDF) was set up with a corpus of ₹7522.48 Crore for creation of infrastructure facilities for inland as well as marine fisheries. The scheme aims to achieve fish production target of 20 million tonnes by 2022-23. NABARD is one of the Nodal Loaning entities for this scheme. State Governments/UTs and state entities, cooperatives and individuals can avail concessional finance for development of fishing infrastructure.

6.5.4 Agriculture Infrastructure Fund (AIF): AIF has been set up by GoI with a corpus of ₹1 lakh Crore for development of post-harvest management infrastructure and community farming assets. The financing facility offers medium- and long-term debt to Primary Agricultural Cooperative Societies, Farmers Producer Organizations, Agriculture Entrepreneurs, Start-ups, etc. through interest subvention.

6.5.5 Dairy Infrastructure Development Fund: The Vision 2022 document has pegged the country's estimated milk production at 254.5 million tonnes. To achieve this objective, GoI has set up a Dairy Processing and Infrastructure Development Fund (DIDF) in NABARD with a corpus of ₹8,004 crore to support modernisation of the dairy sector. DIDF aims to aid viable milk unions and dairy federations through National Dairy Development Board (NDDB) and National Cooperative Development Corporation (NCDC) for creating modern infrastructure and augmenting milk production.

6.5.6 Agri Marketing Infrastructure Fund (AMIF): GoI has created this Fund with NABARD with a corpus of ₹2000 crore. AMIF aims to provide support for creation of modern infrastructure for agricultural marketing and related services with focus on maximising the benefits for the farmers through e-NAM.

6.5.7 Micro Irrigation Fund (MIF): GoI has created MIF with a corpus of ₹5000 Crore with NABARD, which aims to help the states to fund innovative, composite, commodity-, community- and cluster-based micro irrigation projects in a manner to create and/or augment additional irrigation potential. The assistance shall be available to states at an attractive rate of interest.

6.5.8 Suggested Action Points

- Accelerating the pace of building rural connectivity through all-weather roads, providing irrigation to every field, electrification of all rural households, bridging the gaps of storage – both dry and cold storage requirements and providing basic social infrastructure such as schools, colleges, health centres, sanitation, drinking water, etc.
- To meet the vast investment requirements, for which public finance may not be sufficient, financial support may be availed from NABARD under its various dedicated Funds like RIDF, NIDA etc. and other such infrastructure financing agencies. In terms of revised priority sector

guidelines, professionals and corporate houses may contribute to bridge the gap in social infrastructure.

- PPP mode of infrastructure development/financing may be given a thrust.
- With huge export potential for horticulture crops in the State, the state government may create enabling infrastructure like construction of modern pack houses, cooling chambers and cold chain maybe given priority, etc.

CHAPTER VII

Details of policy initiatives of GoI, RBI, NABARD and the State Government

Policy Initiatives - Government of India

7.1.1. Union Budget of India- 2023-24 - Major Highlights

Vision for *Amrit Kaal* – An empowered and inclusive economy

- Facilitating ample opportunities for citizens, especially the youth, to fulfil their aspirations
- Providing strong impetus to growth and job creation
- Strengthening macro-economic stability

Priorities of the Budget: Saptarishi

Inclusive Development

- Building an accessible, inclusive and informative solutions for farmers
- Setting up Agri Accelerator Fund for encouraging innovative start-ups in rural areas
- Launching of Atmanirbhar Horticulture Clean Plant Program to boost production of high value horticultural crops
- Target of Rs.20 lakh crore for agriculture credit with focus on animal husbandry, dairy and fisheries
- Pradhan Mantri Matsya Kisan Samridhi Sah-Yojana (PM-MKSSY), as a Central Sector Sub-scheme under PMMSY with targeted investment of Rs.6,000 crore
- Making India Global Hub for Millets: ‘Sree Anna’
- Setting up of massivedecentralised storage capacity for enhancing remuneration of farmers

Reaching the Last Mile

- Saturation of essential government services across multiple domains in 500 aspirational blocks
- Launching of Pradhan Mantra Development Mission to saturate Particularly Vulnerable Tribal Groups (PVTG) families and habitations

Infrastructure and Investment

- Continuance of the 50-year interest free loan to state governments for one more year to spur investment in infrastructure

Unleashing the Potential

- National Data Governance Policy to be brought out to enable access to anonymized data for start-ups and academia
- Vivad se Vishwas I for providing relief to MSMEs affected during COVID
- Entity DigiLocker to be set up for use by MSMEs, large business and charitable trusts for storing and sharing documents online securely

Green Growth

- Green Credit Programme to be notified under the Environment (Protection) Act to incentivize environmentally sustainable and responsive actions
- PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth (PM-PRANAM) to be launched to incentivize States/UTs to promote alternative fertilizers
- 500 new ‘waste to wealth’ plants under GOBARdhan (Galvanizing Organic Bio-Agro Resources Dhan) scheme to be established for promoting circular economy
- Mangrove Initiative for Shoreline Habitats & Tangible Incomes (MISHTI) to be taken up for mangrove plantation along the coastline and on salt pan lands
- Amrit Dharohar to be implemented for optimal use of wetlands
- Setting up 10,000 bio-inputs resource centre to facilitate farmers adopt natural farming

Youth Power

- Pradhan Mantri Kaushal Vikas Yojana 4.0 to be launched to skill lakhs of youth within the next three years
- Digital ecosystem for skilling to be further expanded with the launch of a unified Skill India Digital platform

Financial Sector

- National Financial Information Registry (NFIR) to be set up to serve as the central repository of financial and ancillary information
- Expanded corpus under Credit Guarantee for MSMEs to enable additional collateral-free guaranteed credit of Rs.2 lakh crore

7.1.2. PACS Computerisation

The new Ministry of Cooperation was formed with a mandate to realise the vision of 'Sahakar Se Samridhi'. To realise this vision, the GoI have initiated computerisation of 63,000 Primary Agricultural Credit Societies (PACS) with an investment of Rs.2,516 crore. NABARD, apart from financial contributions, has taken the initiative of ground level implementation of the project.

National Cooperative Policy -The National Cooperative Policy envisions increasing contribution of cooperative sector in GDP from present level of Rs.21 lakh crore to Rs.90 lakh crore by year 2030 and reaching around Rs.900 lakh crore by 2047, thereby aiming to achieve the target of around 40% share in the GDP of the nation. The Policy Framework is under finalisation.

World's Largest Grain Storage -Ministry of Cooperation, GoI had conceived the idea of creating the World's largest grain storage in the Cooperative sector by establishing Godowns /Warehouses of varying capacities at the grassroots cooperatives. NABARD is involved with the MoC in implementing the pilot project. NABARD has awarded the assignment on preparation of Detailed Project Report (DPR) and Project Management Consultancy (PMC) to NABCONS.

Formation of 2 lakh more PACS - Union Cabinet, in its meeting held on 15.02.2023, has approved the plan for Strengthening Cooperative Movement in the country by formation of 2 lakh PACS in next five years. NABARD, NDDB and NFDB are required to prepare national level action plans for strengthening primary cooperative societies and establishment of new multipurpose PACS or primary Dairy/ Fishery cooperative societies, as per requirement.

Formation of Multi State Cooperative Societies – GoI is envisaging formation of three Multi State Cooperative Societies at national level, one each for Exports, Certified Seeds and Organic Farming to give special focus on the produce of the cooperatives.

JanSamarth Portal – GoI has launched JanSamarth Portal, a unique digital portal linking twelve Credit Linked Govt. Schemes on a single platform, for ease of access to all the beneficiaries and related stakeholders. The Portal uses cutting-edge technology and smart analytics to provide intuitive guidance to beneficiaries for checking subsidy eligibility and auto recommendation system offers best suitable scheme as per beneficiary's requirements and credentials. Advanced technologies automate entire lending process based on digital verifications making the entire process simple, speedy and hassle free.

Account Aggregator Framework - Account Aggregator (AA) network is a financial data-sharing system that gives consumers, greater access and control over their financial records and expands the potential pool of customers for lenders and fintech companies. GoI has directed that

all banks, including the Cooperative Banks and RRBs should on-board the AA framework. NABARD has come forward to set up a Common Infrastructure at its level and on-board the cooperative banks on the AA ecosystem as a service to the banks.

Aspirational Block Programme (ABP) - The Hon'ble Prime Minister has launched the Aspirational Block Program throughout India with a special emphasis on the "India-First Approach" in January 2023. The programme aims at developing the most backward blocks of the country identified based on a variety of factors as recognized by NITI Aayog. The program will cover 500 districts across 31 states and UTs initially with over half of these blocks are in 6 states - Uttar Pradesh (68 blocks), Bihar (61), Madhya Pradesh (42), Jharkhand (34), Odisha (29) and West Bengal (29). ABP will concentrate on tracking 15 important socio-economic indicators covering Health and nutrition, education, agriculture and water resources, basic infrastructure, skill development, financial inclusion and social development. These socio-economic indicators will be monitored in real-time, and periodic rankings in important subject areas will be made public in order to promote healthy competition among the blocks and data-driven government.

Enhancing Credit Flow: Credit Guarantee Schemes: Credit Guarantees are risk-sharing instruments for lenders and are aimed to improve flow of credit in borrowers' segment which are normally perceived to be risky by lenders. For the promotion of Agriculture and Allied Sector, GoI has announced two Credit Guarantee Schemes which are being managed by NABSanrakshan Trustee Private Limited, a wholly owned subsidiary of NABARD.

7.2. Policy Initiatives - Reserve Bank of India

Item	Credit Guarantee Scheme for FPOs	Credit Guarantee Scheme for Animal Husbandry and Dairying
Guarantee Cover	85% of the sanctioned amount max. Rs.1.5 cr	25% of the Credit Facility
Annual Guarantee Fee	Up to 0.85% of sanctioned amount	0.50% of the sanctioned amount
Eligible Lending Institutions	Scheduled Commercial Banks, Co-operative Banks, NEDFI, NABKISAN, etc.	Scheduled Banks
Eligible Borrower	FPOs (Agri based)	FPO, Pvt. Company, Sec. 8 Company, Individual Entrepreneur, MSME, etc.

The following important initiatives have been taken by the RBI under Agriculture and Rural Sector:

- Master Circular on Lead Bank Scheme (FIDD.CO.LBS.BC.No.04/02.01.001/2023-24 dated 03 April 2023) issued by RBI has inter alia included revised agenda for SLBC meetings, activities under annual calendar, mechanism of data flow for LBS fora meetings, alternative framework of Due Diligence in place of No Dues Certificate, etc.
- As per Master Circular on SHG - Bank Linkage Programme (FIDD.CO.FID.BC.No.1/12.01.033/2023-24 dated 01 April 2023) issued by RBI, a simple system requiring minimum procedures and documentation is a precondition for augmenting flow of credit to SHGs.

- Master Circular on Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) SHG-Bank Linkage Programme consolidating all the instructions/ guidelines issued on the subject issued till date was issued by RBI vide circular FIDD.GSSD.CO.BC.No.07/09.01.003/2023-24 dated 26 April 2023.

7.3. Policy Initiatives – NABARD

7.3.1. Refinance

Long-Term Refinance

To ensure increased and uninterrupted credit flow to farmers, as also to give a boost to capital formation in agriculture sector, NABARD provides refinance to the cooperative banks and RRBs out of Long Term Rural Credit Fund, at a reasonable rate of interest. An amount of Rs. 1,07,015 crore was disbursed during the year 2022-23.

Short-Term Refinance

NABARD provides Short Term refinance to Cooperatives, RRBs and SFBs for their crop loan lending. The disbursement for the year 2022-23 was Rs.1,58,905 crore.

Special Refinance Scheme

NABARD introduced Special Refinance scheme for financing under Agriculture Infrastructure Fund (AIF) for RRBs, Cooperative Banks and subsidiaries of NABARD with a view to address the existing infrastructure gaps and to provide a fillip to the rural financial institutions for funding projects of other than PACS under AIF and also funding to eligible beneficiaries being covered under AIF. The scheme envisages creation of investment in viable projects relating to post harvest management infrastructure and community farming assets.

7.3.2. Government Sponsored Programmes with Bank Credit

- Government of India introduced Sugar Ethanol Interest Subvention scheme in 2018-19 with a view to increase the production of ethanol and its supply under the 'Ethanol Blended Petrol (EBP).' NABARD is the nodal agency responsible for managing the Sugar Ethanol Interest Subvention Scheme of the Department of Food and Public Distribution (DFPD), Government of India.
- KCC-ISS portal developed by MoA & FW, GoI went live on 26 December 2022. Presently, the data entry is going on in the portal. As on 30 March 2023, 174 Cooperative Banks and 29 RRBs have started data entry in the portal. NABARD is monitoring the progress in respect of Cooperative Banks and RRBs.
- NABARD has been playing an important role in channelling subsidy to eligible banks under various credit-linked subsidy schemes of Government of India, primarily for agriculture projects and priority sector activities. Implementation of these schemes has also enabled enhancement of flow of Ground Level Credit (GLC) to agriculture and allied sector and priority sector activities.

7.3.3. Rural Infrastructure Development Fund (RIDF)

RIDF instituted in NABARD during 1995-96 with the main objective of providing loans to State Governments for completing ongoing rural infrastructure projects, at present covers as many as 39

activities, classified under three broad sectors, viz: (i) Agriculture and related sector (ii) Social Sector and (iii) Rural Connectivity. RIDF is estimated to create/restore irrigation potential of 376 lakh ha, 5.35 lakh km of rural roads and 13.34 lakh meters of bridges and also generate non-recurring employment of 3029 crore man-days as on 31 March 2023.

7.3.4. Micro Credit Intervention

NABARD has been extending grant support to partner agencies for promotion and nurturing of SHGs, training and capacity building of SHG members and other stakeholders, besides initiating special programmes for backward regions.

7.3.5. Financial Inclusion

NABARD supports the creation of the financial inclusion infrastructure of banks and various financial inclusion awareness activities under the aegis of the Financial Inclusion Fund (FIF) placed in NABARD. Apart from extending assistance to RFIs for onboarding to technology platform, NABARD has onboarded the Account Aggregator platform as Financial Information User (FIU) which will facilitate structured financial data sharing from Financial Information Users (FIUs).

7.3.6. Institutional Development

Cooperative Development Fund (CDF): The Cooperative Development Fund was constituted in 1993 under section 45 of NABARD Act 1981, with an initial corpus of Rs 10 crore. The fund is replenished every year through Contribution from NABARD's surplus. Assistance from the CDF is available to co-operatives in the form of soft loans/grants for infrastructure development of PACS for resource mobilisation, human resource development, capacity building and operational streamlining, setting up of PACS Development Cells in CCBs etc., which in turn contribute to their functional efficiency.

As on 31 March 2023, the total utilizations from CDF was Rs. 3,363.30 lakh against the budget allocation of Rs.11,368.50 lakh (Allocation includes Rs.7,000.00 lakh towards GoI's PACS Computerization project).

7.3.7. Farm Sector Development

Central Sector Scheme on Formation and Promotion of 10,000 FPOs: NABARD, as one of the Implementing Agencies under the scheme, has empanelled 110 Agencies to work as CBBOs across the country. As on 31 March 2023, NABARD has sanctioned 1,751 FPOs wherein a total of 3.04 lakh farmers have taken the membership.

Climate Change: NABARD has facilitated sanction of 40 projects with a total financial outlay of Rs.1,852.61 crore under various funding mechanisms viz., Adaptation Fund (AF), National Adaptation Fund for Climate Change (NAFCC) and Green Climate Fund (GCF).

7.3.8. Off Farm Sector Development

Capacity Building Fund - Social Stock Exchange (CBF-SSE): A Capacity Building Fund of Social Stock Exchange (CBF-SSE) is proposed to be created in NABARD with a corpus of Rs.100 crore funded by NABARD, SIDBI, BSE, NSE and Others for awareness creation and capacity building of the different stakeholders.

7.4. Agriculture Credit target for 2023-24

For the FY 2022-23, agriculture credit achievement was Rs.21.67 lakh crore, as against the target of Rs.18.50 lakh crore. Agriculture credit target for the year 2023-24 has been fixed at Rs.20 lakh crore. In order to provide special focus to allied activities, separate sub targets of Rs.1.40 lakh crore

for working capital and Rs.1.53 lakh crore for term loan towards allied activities under GLC targets have been fixed.

Policy Initiatives – State Government

7.5. Recent Developments/ Initiatives, if any, taken by State Government in strengthening of outreach and activities of Cooperatives

Nagaland has a 2-tier cooperative credit structure. The Nagaland State Cooperative Bank Ltd. is at the apex level with 4,178 PACS affiliated to it. The bank has the second-largest banking network in the state with 22 branches spread across the length and breadth of the state.

The Government of Nagaland vide its Notification dated 14th April 2023, constituted State Cooperative Development Committee (SCDC) with Chief Secretary to the Govt. of Nagaland as Chairperson. The Cooperation Department, Govt. of Nagaland, vide its letter dated 20 July 2023, advised all Deputy Commissioners to notify District Cooperative Development Committee (DCDC), in their respective jurisdiction

Registrar of Cooperative Societies, Government of Nagaland has also started updating data in the National Cooperative Database (NCD) portal initiated by Ministry of Cooperation, Government of India. The NCD portal is expected to be useful in carrying out district-wise gap analysis for formation of new Multipurpose PACS (mPACS) and covering hitherto uncovered Gram Panchayats (GPs) in the state.

Under PACS as Common Service Centre (CSC) – Govt. of Nagaland has identified 24 Multipurpose PACS, 1 dairy and 2 fishery PACS across the state. Further, 14 PACS have on-boarded into the CSC portal and are engaged in providing last mile delivery of various citizen centric on-line services in far flung villages.

Public awareness on cooperation and Sahkar Se Samriddhi initiative of Ministry of Cooperation, Government of India various initiatives are organized. To strengthen the cooperative movement, awareness programme is conducted across the state targeting rural youths. Orientation programme for the newly registered cooperation societies is being conducted under the aegis of RCS, Nagaland. Convergence of Cooperatives with Government Sponsored Schemes are also being made.

7.5.4. Any other Policy Initiative taken by State Government impacting Agriculture and Priority Sector

Nagaland SDG Vision 2030 – Leaving no one behind: The Nagaland government on 17 August 2021 launched a vision document setting sustainable development goals (SDG) for the year 2030. The document aims to make the state well-governed, peaceful and prosperous, where all citizens will get equitable opportunities. It is expected to provide specific short-, medium- and long-term strategies that the state should focus on to meet the aspirations of the people for sustainable livelihoods and living standards. The document is based on the 17 specific goals of United Nations Sustainable Development Goals including No poverty, Zero hunger, Good health & well-being, Quality education, Gender equality, Clean water & sanitation, Affordable & clean energy, Decent work & economic growth, and Industry, innovation & infrastructure.

Fostering Climate Resilient Upland Farming Systems (FOCUS) is a project funded by the International Fund for Agriculture Development (IFAD) at a cost of ₹612.43 crore. It is being implemented in 668 villages across eight districts of Nagaland for a duration of 6 years till March 2024. The major components include improved jhum management and value chain and market access. The overall objective of the project is to increase the agricultural income of 1.37 lakh farming households and enhance their resilience to climate change. The long-term objective is to restore the ecological balance by addressing the ever-increasing human needs through a blend of

modern technological advances with traditional knowledge. This would be achieved through the development objective of increasing the environmental sustainability and profitability of farming systems practiced by highland farmers.

Naga-Integrated Settled Farming (N-IsF): The Department of Agriculture, Govt. of Nagaland has prepared a Naga-Integrated Settled Farming(N-IsF) business model for revitalizing the production systems through integrated farming at the farmers' field. This is expected to ensure a sustainable livelihood for farmers and transform the present subsistence agriculture into commercial and sustainable agriculture.

Farmer Markets: State Govt. has announced for setting up of Farmer Markets in all the districts aimed at promoting local products, organic food and a chain that ensures farm-to-market, and farm-to-table links without the middlemen.

Mission Organic Value Chain for North-Eastern Region: Under Mission Organic Value Chain for North Eastern Region, Department of Agriculture, Govt. of Nagaland will promote cultivation of dragon fruit in Dimapur, avocados in Kohima, apples in Kiphire, spices in Wokha, ginger in Mon and bananas in Mokokchung. It will help farmers to aggregate and collectively market their produce and create room for export.

Horticulture Model Village: Under the Mission for Integrated Development of Horticulture (MIDH) the state horticulture department has identified 16 villages as Horticulture Model Villages (HMV) one in each district of the state. The first such HMV was launched at Khonoma Village on 15th September 2023 by the Honourable Minister for Women Resource Development & Horticulture Smt S Kruse. HMV has been conceptualised to take horticulture development activities across the state to increase production and productivity of horticultural crops like kiwi, banana, pineapple, dragon fruit, etc and enhance economic opportunities of the farmers.

Vegetable villages: To revive the State's economy post COVID-19 pandemic, Department of Horticulture is developing 100 vegetable villages for 10,000 households, strengthening post-harvest and value addition infrastructure for fruits and vegetables and promoting mushroom cultivation.

Food for all: The Government of Nagaland has put in place its 'Vision 2025' goal of achieving food security for all by adopting modern technology and integrated farming approach and putting in place critical infrastructure for transportation, storage and processing of farm produce. The Vision aims at addressing the entire gamut of issues to make Nagaland a prosperous State surplus in food production by 2025.

Rubber Plantation: Rubber plantation was introduced in the State to wean the rural populace away from Jhum practice and to encourage settled farming, reclaiming the degraded lands and to uplift the rural economy. Accordingly, Land Resources Department, Govt. of Nagaland has set a target to bring 30,000 hectares under rubber plantation by 2030. Out of the above target, about 64% had been achieved.

Coffee Plantation: Considering the favourable agro-climatic condition of the state, comprehensive plan has been developed by Land Resources Department, Govt. of Nagaland to bring 50,000 hectares under Coffee plantation by 2030. Till date 8,997 hectares has been brought under Coffee plantation and more than 5000 families are engaged in the cultivation. Promotion of Nagaland coffee is being undertaken by improving production, value addition and marketing.

Bamboo Development as a Resource and Enterprise: Under the restructured **National Bamboo Mission** (NBM) being implemented from the year 2018-19 in 23 states across the country including the NER states, a total of 25 product development and processing units have been established in Nagaland as on March 2023. The Nagaland Bamboo Development Agency (NBDA) which is the implementing agency at the state level has two approaches for the promotion and development of the bamboo industry in the state viz. Development of bamboo as a resource and Development of bamboo as an enterprise. To achieve this end, the NBDA has been working to develop bamboo as an instrument of poverty alleviation and employment generation in the rural sector through various activities such as establishment of primary processing units in bamboo clusters, scientifically managed bamboo plantations of commercially viable bamboos, technology sourcing and dissemination, skill upgradation and capacity building, etc.

Nagaland Agriculture Export Policy: In tune with the National Agriculture Export policy, Nagaland Govt. has framed its Agriculture export policy along with identification of export clusters and crops. The objective of the policy is to promote better mechanism and infrastructure for market access of the organic and ethnic produce of farmers and enable remunerative returns. It also aims to promote private players in food processing and packaging under certification by notified agencies of the Government.

Development of irrigation potential: The State Govt. through the Dept. of Water Resources, has prepared a road map for creation of potential from around 37% at present to 45% of Ultimate Irrigation Potential by the year 2024 through Irrigation Development and Management (IDM). The road map will serve as a guiding document for expansion and strengthening of activities for sustainable management of water resources of the state.

Water supply: The Har Ghar Jal programme under the Jal Jeevan Mission (JJM) of the Dept. of Drinking Water and Sanitation, Ministry of Jal Shakti, Govt. of India, is envisioned to provide safe and adequate drinking water through individual House hold tap connections to all households in rural India by 2024. As on 31 March 2023, the Public Health Engineering Department of the Govt. of Nagaland has covered 3.77 lakh households in 1499 habitations with a functional household tap connection (FHTC) under JJM.

Animal Husbandry: In order to move towards self-sufficiency, the Dept. of Animal Husbandry and Veterinary Services (AH & VS) has initiated procurement of 24 numbers of pure breed Hampshire Pig from United Kingdom to upgrade breeding stocks in the state. This is being initiated under the National livestock Mission – Piggery Development in NER. ‘Tenyi-Vo’ the indigenous breed of pig of Nagaland is also being introduced at the state pig breeding farm in Sathazu, Phek district.

Forest: The ‘Forest and Biodiversity Management in the Himalaya (Nagaland)’ project funded by the German Development Bank KfW under an Indo-German Financial Cooperation is being implemented by the Nagaland State Biodiversity Board, the State Forest Department, GoN and the Nagaland Empowerment of People for Economic Development (NEPED) supported by a Project Management Consultancy as the Project Executing Agency. The project aims to safeguard biodiversity conservation in selected Community Conserved Areas (CCAs), while at the same time improving the living conditions and income of the local population in peripheral areas of protective forests. The project covers 12 CCAs, around 70 villages and 6 districts in the state and will be implemented over a period of 8 years from 2019-2026.

Hi-Tech Nurseries: The state budget for 2023-24 has earmarked a sum of ₹420.00 lakh to the Department of Environment, Forests and Climate Change, GoN, for setting up Hi-Tech nurseries to promote indigenous wild fruits in Nagaland

Nagaland Start-up Policy: With an aim to accelerate and promote local entrepreneurs in the state of Nagaland, the Department of Industries & Commerce, GoN has been appointed as the Nodal department to implement the Start-up Policy for the state which will create an enabling environment for start-ups to grow, by ensuring knowledge exchange, capacity building, policy interventions and access to funding. Under the start-up policy, the State Govt. aims to facilitate the growth of at least 500 start-ups in the next five years with a focus on establishing innovative “Made in Nagaland” products and services. Establish a world class State incubator, in partnership with global leaders on a PPP mode, which will nurture, guide and support existing and aspiring Startups to become successful business ventures and Achieve creation of direct and indirect employment in the private sector.

Promotion of “Made in Nagaland” products: To provide products from Nagaland access to a larger market, the Nagaland State Emporiums (NSEs) outside the State have been upgraded and various state agencies such as the Nagaland Bamboo Development Agency, DUDA, Women Resources Department, Agri and Allied departments and Nagaland Handloom and Handicrafts Development Corporation have been given space in the NSEs under the marketing banner of “Naturally Nagaland”. This initiative is expected to promote “Made in Nagaland” products to national and international markets.

ANNEXURE I																		(Rs. in lakh)
DISTRICT WISE, SECTOR WISE PLP PROJECTIONS FOR 2024-25																		
Sr. No	Sector	Financial Projection															Total	
		Dinapur	Chumoukedima	Niuland	Kiphire	Kohima	Tseminyu	Longleng	Mokokchung	Mon	Peren	Phek	Tuensang	Shamator	Noklak	Wokha		Zunheboto
A	Farm Credit																	
1	Crop Production, Maintenance and Marketing	293.80	2219.57	240.79	746.86	1984.10	914.72	660.90	5475.03	1085.68	1880.24	2020.28	1757.43	740.56	573.65	735.33	512.61	2184.55
2	Water Resources	86.44	85.28	9.40	9.40	91.90	38.86	72.50	95.07	24.71	15.45	15.04	40.08	19.54	21.05	89.94	74.02	788.68
3	Farm Mechanisation	54.21	254.88	57.44	38.72	73.90	31.95	24.51	90.00	43.23	113.98	33.23	44.51	22.26	13.54	50.74	43.49	990.59
4	Plantation and Horticulture	213.19	658.71	158.36	83.52	101.71	29.52	49.92	280.19	121.90	143.99	394.60	129.27	75.64	130.57	333.91	76.37	2981.37
5	Forestry & Waste Land Development	84.01	73.16	10.03	15.07	87.53	40.38	24.29	237.08	8.64	42.49	36.67	30.94	15.47	26.46	55.01	22.22	809.45
6	Animal Husbandry - Dairy Development	61.22	318.59	78.13	85.16	1116.08	334.37	64.32	864.51	380.68	114.99	136.25	118.81	58.15	34.83	83.64	30.53	3880.26
7	Animal Husbandry - Poultry Development	54.75	353.02	45.77	62.72	1124.68	494.95	72.97	387.22	229.90	88.23	87.25	50.98	25.47	16.11	296.72	208.75	3599.49
8	Animal Husbandry – Sheep, Goat and Piggery Development	378.45	595.93	155.83	539.64	1231.99	648.34	136.31	1318.09	456.92	368.62	139.31	388.18	186.41	79.07	527.23	218.89	7399.21
9	Fisheries	306.57	197.56	73.79	45.35	141.06	62.98	8.28	101.28	104.55	62.91	72.56	50.10	38.73	17.02	46.10	26.94	1355.78
10	Farm Credit-Others(bullock carts, two wheelers, etc.)	56.00	72.80	14.00	2.80	106.40	50.40	66.48	250.65	71.12	3.92	8.96	59.70	5.04	3.36	56.00	26.88	854.51
	Sub-Total	1588.64	4829.50	843.54	1629.24	6059.36	2646.47	1180.49	9099.11	2527.32	2834.81	2944.16	2670.00	1187.27	915.67	2274.63	1240.69	44470.88
B	Agriculture Infrastructure																	
1.00	Construction of Storage and Marketing Infrastructure	336.00	28.00	28.00	96.00	72.00	40.00	32.01	160.00	128.00	96.00	96.00	64.00	32.00	32.00	56.00	24.00	1320.01
2.00	Land Development, Soil Conservation and Watershed Management	46.20	53.34	16.12	6.00	38.49	16.90	20.05	68.12	56.41	51.30	12.14	12.90		7.61	28.18	25.36	466.80
3.00	Agri. Infrastructure - Others	17.20	18.92	3.44	1.72	37.44	18.72	12.38	34.40	25.46	21.67	11.01	6.54	3.10	2.06	13.76	26.21	254.03
	Sub-Total	399.40	100.26	47.56	103.72	147.93	75.62	64.44	262.52	209.86	168.97	119.15	83.44	42.78	41.67	97.94	75.57	2040.83
C	Agriculture - Ancillary Activities																	
1	Food and Agro Processing	352.00	68.80	2.40	42.40	510.40	107.20	35.20	164.80	173.60	116.00	140.80	37.60	32.00	41.60	448.00	540.80	2813.60
2	Agri. Ancillary Activities - Others	880.00	152.00	16.00	56.00	40.00	40.00	32.00	88.00	64.00	23.50	192.00	16.00	15.50	16.00	140.00	20.00	1791.00
	Sub-Total	1232.00	220.80	18.40	98.40	550.40	147.20	67.20	252.80	237.60	139.50	332.80	53.60	47.50	57.60	588.00	560.80	4604.60
D	Total Agriculture (A+B+C)	3220.04	5150.56	909.50	1831.35	6757.69	2869.29	1312.13	964.44	2974.78	3143.28	3396.11	2807.04	1277.55	1014.94	2960.57	1877.06	5116.31
E	Micro, Small and Medium Enterprises (MSME)																	
1	MSME- Investment Credit	26000.00	3920.00	240.00	500.00	3954.00	1793.00	373.40	2334.00	1200.00	160.00	800.00	216.40	364.80	364.80	1217.00	1834.40	45271.80
2	MSME-Working Capital	460.00	116.00	12.00	250.00	741.20	350.00	4.00	6.00	480.00	320.00	400.00	81.00	4.00	4.00	278.40	220.00	3726.60
	Total MSME	26460.00	4036.00	252.00	750.00	4695.20	2143.00	377.40	2340.00	1680.00	480.00	1200.00	297.40	368.80	368.80	1495.40	2054.40	48998.40
F	Export Credit, Education & Housing																	
1	Export Credit	200.00	148.00	0.00	0.00	18.40	24.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	391.20
2	Education	120.00	96.00	16.00	40.00	488.00	160.00	40.00	216.00	232.00	40.00	64.00	32.00	16.00	48.00	224.00	64.00	1896.00
3	Housing	2180.00	356.00	79.20	24.80	992.00	425.60	49.60	386.40	306.40	100.00	62.40	49.60	44.80	74.40	395.20	108.80	5635.20
	Total	2500.00	600.00	95.20	64.80	1498.40	610.40	89.60	602.40	538.40	140.00	126.40	81.60	60.80	122.40	619.20	172.80	7922.40
G	Infrastructure																	
1	Social Infrastructure involving bank credit	1315.20	113.60	24.36	56.00	528.00	224.80	88.80	115.20	71.20	48.80	56.00	83.20	77.60	86.40	319.20	155.20	3363.56
2	Renewable Energy	55.60	10.72	2.72	4.06	36.72	15.55	7.78	11.66	57.55	5.83	7.42	2.59	1.30	1.94	45.58	24.62	291.65
3	Others	696.00	248.40	62.80	80.25	1522.50	637.50	61.15	144.45	84.10	64.20	208.40	64.20	32.10	48.15	1334.00	828.00	6116.20
	Total	2066.80	372.72	89.88	140.31	2087.22	877.85	157.73	271.31	212.85	118.83	271.82	149.99	111.00	136.49	1698.78	1007.82	9771.41
	Total Priority Sector(D+E+F+G)	34246.84	10159.28	1346.58	2786.46	15038.51	6500.54	1936.86	12828.15	5406.04	3882.12	4994.33	3336.03	1818.14	1642.64	6773.95	5112.08	117808.52

ANNEXURE - II

Agency-wise, Broad Sector-wise flow of ground level credit (GLC)

(₹ in lakh)

Sl. No	Agency / Type of Loan	2020-21			2021-22			2022-23			2023-24
		Target	Ach.	%	Target	Ach.	%	Target	Ach.	%	Target
1	Crop Loan										
	CBs (incl SFB)	15893.00	12034.94	75.72	18248.05	13224.06	72.47	11284.64	16764.84	148.56	20437.69
	Coop.Bs	2748.70	1123.40	40.87	3115.95	1217.83	39.08	1433.00	1583.95	110.53	8737.82
	RRBs	671.00	52.00	7.75	687.39	43.72	6.36	397.80	60.59	15.23	930.42
	Sub Total	19312.70	13210.34	68.40	22051.39	14485.61	65.69	13115.44	18409.38	140.36	30105.93
2	Term Loan (MT + LT)										
	CBs (incl SFB)	15258.10	3939.26	25.82	16485.42	5563.10	33.75	8641.94	11963.06	138.43	21450.22
	Coop.Bs	7321.30	2084.70	28.47	5682.37	2093.23	36.84	1676.50	2501.26	149.20	2970.90
	RRBs	1676.60	135.85	8.10	1141.29	172.35	15.10	386.10	466.33	120.78	670.44
	Sub Total	24256	6159.81	25.39	23309.08	7828.68	33.59	10704.54	14930.65	139.48	25091.56
3	Total Agricultural Credit										
	CBs (incl SFB)	31151.10	15974.20	51.28	34733.47	18787.16	54.09	19926.58	28727.90	144.17	41887.91
	Coop.Bank	10070.00	3208.10	31.86	8798.32	3311.06	37.63	3109.50	4085.21	131.38	11708.72
	RRBs	2347.60	187.85	8.00	1828.68	216.07	11.82	783.90	526.92	67.22	1600.86
	Total (1+2)	43569	19370.15	44.46	45360.47	22314.29	49.19	23819.98	33340.03	139.97	55197.49
4	Non Farm Sector										
	CBs (incl SFB)	22736.6	38702.9	170.22	23171.83	34733.92	149.90	29836.37	64963.02	217.73	30047.50
	Coop.Bank	2009	52.2	2.60	2569.38	81.63	3.18	1697	4.00	0.24	2345.74
	RRBs	437	400.5	91.65	477.47	759.18	159.00	697.22	1135.67	162.89	1624.96
	Sub Total	25182.60	39155.60	155.49	26218.68	35574.73	135.68	32230.59	66102.69	205.09	34018.20
5	Other Priority Sector										
	CBs (incl SFB)	5554.9	1807.08	32.53	8399.38	7145.99	85.08	6251.86	2458.76	39.33	13691.33
	Coop.Bank	191.5	1398	730.03	488.46	22.50	4.61	433	1999.50	461.78	1294.57
	RRBs	75.25	0	0.00	145.59	60.00	41.21	88.53	191.00	215.75	1636.28
	Sub Total	5822	3205.08	55.05	9033.43	7228.49	80.02	6773.39	4649.26	68.64	16622.18
	CBs (incl SFB)	59443	56484.18	95.02	66304.68	60667.07	91.50	56014.81	96149.68	171.65	85626.74
	Coop.Bank	12271	4658.30	37.96	11856.16	3415.19	28.81	5239.50	6088.71	116.21	15349.03
	RRBs	2860	588.35	20.57	2451.74	1035.25	42.23	1569.65	1853.59	118.09	4862.10
	GRAND TOTAL (3+4+5)	74573	61730.83	82.78	80612.58	65117.51	80.78	62823.96	104091.98	165.69	105837.87

ANNEXURE III		Critical Infrastructure Support to be provided
District	Potential	Approx. cost
Mokokchung	Agri Link Road- Lakhuni to Lizo Model village - 12 km	0.60
	Agri Link Road- Satsukba & Shaiphumi village to Tzuong village - 10 km	0.60
	Horti Link Road- New camp highway to Tsupa terrace field via horti farm - 7 km	0.42
	Horti Link Road- Milak bridge (Khar village) to Horti farming project - 6 km	0.36
	Feed Mill 6 MT in Longpangyimsen	0.90
Kohima	Construction of New Veterinary Hospital with Modern Laboratory Facilities	38
	Ring Road from Nagaland Civil Secretariat to Taklu Ground at Lerie	25
	Road from Forest Colony to Meirema Basa via T Khel Village	25
Longleng	Iron cabled hanging foot bridge – over Yungmon River, Sakshi Block	0.20
	Modern abattoir/meat shop- 4 nos @ Rs 5.00 lakh per unit in Longleng Town	0.40
	Horti Link Road - Bhumnyu to Kainyu Yemnyu - 7 km	0.42
	Horti Link Road -Yongshei to Yongkhup - 6 km	0.36
	Horti Link Road -Bura Namsang to Homphang yem - 8 km	0.48
	Horti Link Road -Phongching to Phongching horti field - 6 km	0.36
Tuensang	Agri link road -Tuensang town to Sochet village - 4 km	0.24
	Agri link road -Dikhu bridge to Longra via Noksen paddy field - 15 km	0.90
	Horti link road -Chengdang village to Horti farm area - 4 km	0.24
	Horti link road- Kongya village to Horti farm area - 10 km	0.60
	Fishery- Fish Hatcheries at Longra, Noksen	0.20
	Zero energy storage- 30 MT at Litem, Noksen	0.50
	Fishery- Market haat in Longkhim HQ	0.15
Mon	Veterinary- Construction of Chick rearing house- 20*15sq.ft- 5 nos@ Rs 5 lakh per unit in Mon Town	0.50
	Agri link road-Hahyao khoa to Gahshong - 4 km	0.24
	Agri link road- Goching to Tapea area - 5 km	0.25
	Horti link road- Chi to Roagak area - 5 km	0.25
	Horti link road- Goching to Manhra area - 4 km	0.24
Noklak	Veterinary- Construction of CVO Office and staff quarters in Noklak HQ	1.00
	Horticulture- Construction of DHO Office and staff quarters in Noklak HQ	1.00
	Zero energy storage-30 MT in Noklak Village	0.30
	Fishery-Market haat in Noklak HQ	0.10

Phek	Cold storage (100 MT) in Kikruma Village	2.30
	Agri collection centre in Chosaba Village	0.10
Kiphire	Agri collection centre in Nitoi Village	0.12
	Cold storage (100 MT) in Kiphire	2.80
	Primary School in Vongva Village, Pungro Block	1.00
	24 MW Hydro power projects at Phelungre village	317.81
	42 MW Hydro power projects at Moya and Phor village	456.86
	Langkok – Lukhami junction to Longkhim Yangphi (Poly-technic college) – 4 Km	8.25
	Sangtsoze to Sangphure – 5 Km	4.00
	Pungro Hq to Myanmar Border – 92 Km	150.00
	Sangtsong to Vongtsuvong – 12 Km	15.00
Peren	Cold storage (100 MT) in Jalukie B Village	2.10
	Agri collection centre in Tening Village	0.08
Zunheboto	05 units of Cardamom Processing Plant	7.50
Wokha	Ice Plant cum Cold Storage of Fishes	1.60
	10 Units of Automatic Rubber Processing Machinery in a Common Facility Centre	100

ANNEXURE-IV	CRITICAL INTERVENTIONS REQUIRED IN VARIOUS SECTOR/SUB-SECTORS
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Sr. No	Name of the Sector		Critical Interventions Required	Name of Districts
1	Crop Production, Maintenance and Marketing	(i)	<ul style="list-style-type: none"> Promotion of climate adaptation and climate resilient agriculture practices. Issuance of KCCs to all financially excluded farm households in the State with coordinated efforts of Government and Banks. Share croppers/oral lessees/tenant and landless farmers may be extended KCC through JLG mode Strengthening and involvement of Primary Agriculture Cooperative Societies (PACS) in crop loan disbursement. Construction of Soil testing laboratory to ensure proper selection of crops, cropping pattern and crop rotation with pulses to maintain the fertility of soil. Promotion of Farmers Producer Organisations (FPOs) among small and marginal farmers (SF/MF) to facilitate better recovery and improve banker-customer relationship. Focused approach in cultivation of Millets and its promotion through processing and value addition 	All districts
		(ii)	<ul style="list-style-type: none"> Farm/Agri Link Roads- For giving connectivity and viability for the Naga Integrated Settled farming system to be set up all over the State, Agri-link roads are required. Cold storage unit – Pre Engineered Building (PEB) for multiple temperature and product use: Rs.50 lakh per unit for 500 MT capacity 	Peren, Phek, Kiphire, Longleng, Mon, Wokha, Zunheboto
		(iii)	<ul style="list-style-type: none"> Seed Farm for High Yielding Varieties: Rs.25-30 lakh per unit. If established, seed villages can be initiated and the farmers can get quality seeds at a reduced cost. 	Dimapur, Kohima, Wokha, Zunheboto

2	Water Resources	(i)	<ul style="list-style-type: none"> • Irrigation Department in coordination with Agriculture Department may prepare district-wise critical irrigation requirement data to ensure augmentation of additional irrigation coverage for enhancing crop productivity • Promotion and diversification towards less water intensive crops like millets, pulses etc., especially in water scarce Blocks/districts. • Building check dams, small-scale water storage structures can capture the excess rainwater during monsoon for use during dry spells, enhancing water availability for irrigation. • Water use efficiency methods such as Drip and Sprinkler Irrigation systems should be popularized by the line departments through awareness and banks may extend support for financing considering the efficiency of the systems. • Pump sets provided at a subsidized rate from central schemes like RKVY can be availed by SF/MF involving bank credit. Pump Sets of 5 HP may be financed by the banks. 	All districts
		(ii)	<ul style="list-style-type: none"> • Construction of Water Harvesting Structures – 10 x 10 x 3 mtr @ ₹0.62 lakh /structure • 5ft*6ft*5ft (Length*breath*height)- At Source • 5ft*6ft*5ft- At Collection point (1000 ft from the source) and piped by gravity to fields. 	Peren, Phek, Kiphire
		(iii)	<ul style="list-style-type: none"> • Water harvesting Structures: 	Mokokchung, Longleng, Mon, Tuensang
		(iv)	<ul style="list-style-type: none"> • Clusters for Integrated Irrigation Project to provide cost effective & location specific designs to farmers for rainwater harvesting/ recharge structures and awareness on conservation of water through good agricultural practices and water efficient cropping systems. Thrust to be given to micro irrigation like drip and sprinkler to conserve water 	Kohima, Wokha, Zunheboto
3	Farm Mechanization	(i)	<ul style="list-style-type: none"> • Setting up of Agri Clinics and Agri Business Centre (ACABC) to ensure adequate Agriculture extension service facility for the farmers All Districts • Banks may extend necessary credit support towards farm mechanization activities 	All districts

		(ii)	<ul style="list-style-type: none"> Custom Hiring Centres (Agriculture Mechanization), at block level-(Rs.10 up to 40 Lakh) to bring in timeliness and precision to agricultural operations, greater field coverage over a short period, cost-effectiveness, efficiency in use of resources and applied inputs. 	Dimapur, Kohima, Wokha, Zunheboto
		(iii)	<ul style="list-style-type: none"> Set up outlets for sale of genuine spare parts and Custom Hiring Centres with bank loan under Pradhan Mantri Mudra Yojana (PMMY)/ Stand Up India (SUI) Scheme. 	
4	Plantation & Horticulture	(i)	<ul style="list-style-type: none"> Production and supply of quality planting material with emphasis on establishment of hi-tech nurseries having provision for mother/scion blocks of improved varieties, good quality rootstock banks and hi-tech green house. Establishment of agro-processing units may be supported, which would add value to horticulture produce, minimize distress sales, and reduce post-harvest losses. Focused attention is needed to be supporting protected cultivation methods like greenhouses, shade-net houses, vertical farming etc. for high-value crops like off-season vegetables, exotic vegetables, and ornamental plants is needed. Expanding area under fruits, vegetables and flowers; there is potential for diversification of Agriculture through commercial horticulture focusing on domestic and export markets. For potential crops like herbs, exotic vegetables, promoting market-oriented production, grower's collectives, improve supply chain/ value chain to be encouraged involving contract farming and supply chain management practices. Commercial cultivation of medicinal plants and aromatic crops, exploring its potentials to cultivate as mixed crops in plantations & fruit orchards and linking with user industries need to be promoted. 	All districts
		(ii)	Mushroom spawn production unit 30 tonnes production capacity (₹15 lakh approx.)	Dimapur and Peren
		(iii)	Horticulture Link Roads (₹15 lakh to ₹21 lakh)	Mokokchung, Longleng, Tuensang
5	Forestry & Wasteland Dev	(i)		
		(ii)	Establish scientific forestry and commercial nurseries - ₹5.42 lakh (0.25 Ha)	All districts

6	Animal Husbandry – Dairy Development	(i)	<ul style="list-style-type: none"> The availability of good quality breeding animals may be ensured by establishing breeding programs that focus on improved genetics and disease resistance. The availability of adequate fodder, pasture, and grazing lands may be ensured to support the nutritional needs of small ruminants and goats. Comprehensive value chains for pork may be created by collaborating with either the government or the private sector along with establishing production, processing, and marketing systems. 	All districts
		(ii)	<ul style="list-style-type: none"> Establish feed manufacturing unit. Fully automatic 25 Ton capacity (Rs.40-50 lakh/plant) / 1-10 Ton capacity (Rs.6 lakh/plant) 	Phek, Kiphire, Kohima, Longleng, Mon, Wokha, Zunheboto
		(iii)	<ul style="list-style-type: none"> Setting up of milk processing units (2000 LPD capacity) in district HQs. 	Peren, Kohima, Mokokchung, Mon, Wokha, Zunheboto, Tuensang
		(iv)	<ul style="list-style-type: none"> Installation of automatic liquid nitrogen plant with output capacity of 10 to 50 L/hr ₹140 lakh per unit 	Mon, Mokokchung, Phek & Wokha
7	Animal Husbandry – Poultry	(i)	<ul style="list-style-type: none"> Setting up of Hatchery units under private sectors may be encouraged for regular supply of DOCs to the farmers along with strengthening & operationalizing the existing poultry farms, converting them into viable production and demonstration units. Adoption of advanced technologies in poultry farming, such as automated feeding systems, climate-controlled housing, and disease management tools to improve efficiency and productivity may be promoted. Setting up broiler and layer breeder farms 	All districts
		(ii)	<ul style="list-style-type: none"> Upgrading of existing poultry farms to breeding farm cum hatchery units for supplying DOC 	Dimapur, Peren, Kohima, Mokokchung, Phek, Wokha, Tuensang
		(iii)	Promotion of backyard poultry production cluster through SHG/JLG or individual entrepreneurs. Batch size of 2000 broiler chicks per cluster in 4 batches (500 per batch at 2-3 months)	All districts

		(iv)	<ul style="list-style-type: none"> Hygienic broiler retail outlets with chilling facility. Preferably in district HQ <p>Outlay- Rs.6.00 lakh per unit.</p>	All districts
8	Animal Husbandry – Sheep, Goat & Piggery	(i)	<ul style="list-style-type: none"> The availability of good quality breeding animals may be ensured by establishing breeding programs that focus on improved genetics and disease resistance. The availability of adequate fodder, pasture, and grazing lands may be ensured to support the nutritional needs of small ruminants and goats. Comprehensive value chains for goat meat & pork may be created by collaborating with either the government or the private sector along with establishing production, processing, and marketing systems. Establishment of carcass utilization centres will help in utilizing the by-products of fallen animal as well as waste from slaughter houses 	All districts
		(ii)	<ul style="list-style-type: none"> State-of-the-art Slaughter House-cum-Pork Processing Unit (30 pigs per shift/ 1 tonne per shift) <p>Rs.830 lakh per unit</p>	Mokokchung and Dimapur
		(iii)	<ul style="list-style-type: none"> Promotion & upscaling of backyard piggery (fattener) through SHG/JLG or individual entrepreneurs. Rural fattening units (4 pigs) @ Rs.1.30 lakh/ unit Micro commercial units (15 pigs) @ Rs.5.00 lakh/unit 	All districts
		(iv)	<ul style="list-style-type: none"> Liquid semen Laboratory for AI in Pigs- to be attached with state pig breeding farm <p>Cost- Rs.84.00 lakh per unit</p>	Mokokchung
9	Fisheries Development	(i)	<ul style="list-style-type: none"> Establishment of fish disease & water quality diagnostic centres and establishment of fish seed meal plants. Mobile fish disease diagnostic laboratories to be covered under Agri-clinics. Water bodies owned by Government may be leased out to good performing FPOs/ SHGs on a long-term basis for taking up commercial fisheries activities. Training to local unemployed youths on pisciculture and induced breeding for production of quality fish seed. Setting up a fish seed supply chain with the hatcheries in government sector supplying fish seed (spawn/fry) to licensed seed growers, who in turn can supply quality fingerlings/yearlings to fish farmers. Expansion of extension services of FFDA by engaging young graduates. 	All districts

		(ii)	<ul style="list-style-type: none"> Establishment of Fish seed farms (Hatchery & Nursery Ponds)- Rs.20.00 lakh to 25.00 Lakh 	Kohima, Wokha, Zunheboto, Kiphire, Phek, Longleng
		(iii)	Hygienic Retail Outlets- Rs.10-15 lakh	All districts
		(iv)	Value addition of fish products through SHGs- Tunnel dryer/ Godown/ Dressing units & Drying platforms- Rs.4.00 lakh to 5.00 lakh per unit	All districts
		(v)	Establishment of Ice Plant: Rs.25.00 lakh	Mokokchung, Wokha, Dimapur
10	Land Development, Soil conservation & Watershed development	(i)	<ul style="list-style-type: none"> Protective measures to control soil erosion through afforestation along with hills land with steep slopes 	All districts
11	Food & Agro Processing/ Storage and marketing	(i)	<ul style="list-style-type: none"> Creation of awareness, as most of the processing units belong to the unorganized sector, where applications of food-based laws for hygiene are not followed strictly. 	All districts
		(ii)	<ul style="list-style-type: none"> Provision of uninterrupted supply of electricity to units 	All districts
		(iii)	<ul style="list-style-type: none"> The existing marketing infrastructure such as wholesale markets and agri-logistics hubs may be developed to streamline the supply chain, reduce wastage, and enable efficient aggregation and distribution of agricultural goods, thus enhancing market access and profitability for local farmers. Incorporating advanced digital technologies such as online platforms and mobile apps for real-time price details, demand forecasting, and supply chain management. Farmers' groups, cooperatives and FPOs should collaborate to establish storage structures and market sheds, supported by credit from banks Availability of better services namely Weighing, Testing, and Financing against stocks, delivery on commodity exchange platform to enable depositors to realize better price for their produce. 	All districts

12	MSME	(i)	<ul style="list-style-type: none"> Govt. may consider bringing a policy to ensure purchase of goods manufactured by local micro, small and medium enterprises to encourage establishment of more manufacturing units and also to ensure more employment opportunities for the youth. District specific plan may be taken for development of new cluster as well as strengthening of existing structure through branding and providing marketing platform to the artisans. Design upgradation and marketing support may be ensured through the formation of Off-farm Producers Organization (OFPO) to explore the potential available under handicraft sector in the state. 	All districts
		(ii)	Handloom & Weaving Cluster (50-100 handlooms/ weavers)- approx. Rs.25.00 lakh	Kiphire
		(iii)	<ul style="list-style-type: none"> Hospitality and Tourism industrial centre -approx. 5.00 crore - 131526 tourists (125949 domestic & 5577 foreign) visited Nagaland in 2019 (Annual Administrative Report 2019, Department of Tourism, GoN) 	Kohima
		(iv)	Rubber Processing centre – Rs.40.00 lakh	Wokha & Peren
		(v)	Border Marketing Haat at Longwa. ‘OR’ Reviving of International Trade Centre, Longwa -Rs.25.00 lakh	Mon
		(vi)	Mega Food Park- Rs.50.00-70.00 lakh	Mokokchung
13	Export	(i)	Infrastructure like grading and packing units, pre cooling and cold storages, etc. need to be ensured.	All districts
		(ii)	Horticulture Department/APEDA may arrange sensitization workshops for agri-exporters to guide them about current export regulations, policies of importing countries, price competitiveness, quality concerns, certifications required & Phytosanitary requirements.	All districts
14	Education	(i)	Providing affordable access to disadvantaged / low income segments. Imparting education / skills that enable students to become entrepreneurs	All districts
		(ii)	Banks to conduct awareness programmes on education loans before the start of academic season.	All districts

15	Housing	(i)	Registration and computerization of individual land should be carried out in a time bound manner.	All districts
		(ii)	Develop models for lowcost housing using locally available materials.	All districts
16	Renewable Energy	(i)	<ul style="list-style-type: none"> Comprehensive awareness campaigns may be organised to educate the local population about the benefits of renewable energy sources, their environmental impact, and the economic advantages of transitioning towards cleaner energy options. Awareness creation for Managers of Rural Bank branches for financing in the sector. Collaborate with government bodies and private stakeholders to establish necessary infrastructure such as solar panels, wind turbines, and bioenergy facilities, making renewable energy sources easily accessible and encouraging their adoption. Promote Solar - powered Irrigation facilities. 	All districts
		(ii)	Awareness about alternative sources of energy, its cost, user manual and after sales service has to be created.	All districts
17	Social Infrastructure	(i)	Community led sanitation, public private partnership in drinking water supply, improvement of water quality supplied to households and cost effective health solutions etc. could some of the areas which banks can consider financing.	All districts
		(ii)	Tie-up with corporates for using CSR funds for improving infrastructure in schools/ colleges and health centers as well as creating sanitary facilities will augment development of social infrastructure.	All districts
		(iii)	Community Drinking Water plan may be setup at each block under National Rural Drinking Water Programme (NRDWP).	All districts

LIST OF ABBREVIATIONS / ACRONYMS

Abbreviation	Meaning
ACP	Annual Credit Plan
AHIDF	Animal Husbandry Infrastructure Development Fund
ACABC	Agri Clinic and Agri Business Centres
ADS	Area Development Scheme
AE	Advanced Estimates
AIF	Agricultural Infrastructure Fund
AMIF	Agri-Market Infrastructure Fund
ASCI	Agriculture Skill Council of India
ATMA	Agriculture Technology Management Agency
APPBO	Average Population per bank office
APY	Atal Pension Yojana
BC	Business Correspondent
CSS	Central Sector Scheme
CBs	Commercial Banks
CBS	Core Banking Solution
CBOs	Community Based Organisations
CD Ratio	Credit Deposit Ratio
CSPs	Customer Service Points
DBT	Direct Benefit Transfer
DIDF	Dairy Processing and Infrastructure Development Fund
DLCC	District Level Consultative Committee
DDM	District Development Manager
DEDS	Dairy Entrepreneurship Development Scheme
DLRC	District Level Review Committee
DOCs	Day Old Chicks
DEAF	Depositor Education and Awareness Fund
DPR	Detailed Project Report
DAH&VS	Department of Animal Husbandry & Veterinary Services
DOEFCC	Department of Environment Forest and Climate Change
ECS	Eletherous Christian Society
EWS	Economically Weaker Section
FPOs/FPCs	Farmers' Producers' Organisations /Companies
FIF	Financial Inclusion Fund

FIDF	Fisheries and Aquaculture Infrastructure Development Fund
FIP	Financial Inclusion Plan
FCI	Food Corporation of India
FPF	Food processing Fund
FLC	Financial Literacy Camps / Financial Literacy Centres
FY	Financial Year
GoI	Government of India
GoN	Government of Nagaland
GrAMs	Grameen Agricultural Markets
GSDP	Gross State Domestic Product
GLC	Ground Level Credit
GVN	Gramya Vikas Nidhi
GSVA	Gross State Value Added
HMNEH	Horticulture Mission for North-East and Himalayan States
IOI	Internet of things
ICDP	Integrated Cooperative Development Project
ISFR	India State of Forest Report
ISAM	Integrated Scheme for Agricultural Marketing Infrastructure
JLG	Joint Liability Group
JLGPI	Joint Liability Group Promoting Institution
LTIF	Long term Irrigation Fund
LIG	Low Income Group
KCC	Kisan Credit Card
KVK	Krishi Vigyan Kendra
KVIC	Khadi and Village Industries Commission
LEDP	Livelihood & Enterprise Development Programme
LTRCF	Long Term Rural Credit Fund
MEDP	Micro Enterprise Development Programme
MFI	Micro Finance Institutions
MSME	Micro, Small and Medium Enterprises
MOFPI	Ministry of Food Processing Industries
MoWR	Ministry of Water Resources
MUDRA	Micro Units Development and Refinance Agency
MNRE	Ministry of New and Renewable Energy
MT	Metric Tonnes
MIF	Micro Irrigation Fund

NIDA	NABARD Infrastructure Development Assistance
NABARD	National Bank for Agriculture and Rural Development
NAFCC	National Adaptation Fund for Climate Change
NAPCC	National Action Plan on Climate Change
NCDC	National Co-operative Development Corporation
NCIIS	National Crop Income Insurance Scheme
NDDB	National Dairy Development Board
NER	North Eastern Region
NFSM	National Food Security Mission
NH	National Highway
NRLM	National Rural Livelihood Mission
NERLP	North East Rural Livelihoods Project
NBHM	National Beekeeping & Honey Mission
NSStCB	Nagaland State Cooperative Bank Ltd.
NPAs	Non-Performing Assets
OPS	Other Priority Sector
ONDC	Open Network for Digital Commerce
PLP	Potential Linked credit Plan
PIP	Project Implementation Phase
PPIP	Pre Project Implementation Phase
PMFBY	Pradhan Mantri Fasal Bima Yojana
PMJDY	Pradhan Mantri Jan-Dhan Yojana
PMJJBY	Pradhan Mantri Jeevan Jyoti Bima Yojana
PMKSY	Pradhan Mantri Krishi Sinchayee Yojana
PMSBY	Pradhan Mantri Suraksha Bima Yojana
PMMY	Pradhan Mantri Mudra Yojana
PODF	Producers Organisation Development Fund
PSL	Priority Sector Lending
PPP	Private Public Partnership
PRODUCE	Producers Organization Development and Upliftment Corpus Fund
QE	Quick Estimates
RKVY	Rastriya Krishi Vikas Yajona
RRBs	Regional Rural Banks
RBI	Reserve Bank of India
RD	Rural Development
RIDF	Rural Infrastructure Development Fund

SoF	Scale of Finance
SAO	Seasonal Agricultural Operations
SCB	Scheduled Commercial Bank
SFAC	Small Farmers Agri-Business Consortium
SFP	State Focus Paper
SGDP	State Gross Domestic Product
SHG	Self Help Group
SHG-BLP	Self Help Group - Bank Linkage programme
ST (SAO)	Short Term Loans for Seasonal Agricultural Operations
StCB	State Cooperative Bank
SMAM	Sub-Mission on Agriculture Mechanization
SFP	State Focus Paper
SFURTI	Scheme of Fund for Regeneration of Traditional Industries
SLBC	State Level Bankers' Committee
TDF	Tribal development Fund
UNFCCC	United Nations Framework Convention on Climate Change
WIF	Warehouse Infrastructure Fund
WDF	Watershed Development Fund
WCC	Weavers Credit Card
WSHG	Women Self Help Group

Name and Address of DDMs- NABARD, Nagaland

District	Name	Address
Kohima, Zunheboto, Wokha	Poji	'D' Block, Sector - C, H. No. 16, Ward No. 6, Opp. Panchayat Hall, Kohima – 797001, M: 8575880664
Phek, Kiphire	Imsunaro	Bethel Colony, Mission Compound Junction, Phek Town, Phek - 797108 M: 8014174045
Mokokchung, Longleng, Noklak	Mangang Sanasam Amarjit	3rd Floor, H. No. 143A, Arkong Ward, I.M. Road, Mokokchung - 7986001 M: 9612507556
Peren	Bijayashree Parida	Nagaland Regional Office 4th Floor, NSCB Building, Kharmahal, Circular Road, Dimapur – 797112 M: 8928110324
Mon	Donald Sangma	Nagaland Regional Office 4th Floor, NSCB Building, Kharmahal, Circular Road, Dimapur – 797112 M: 7348911997
Dimapur	Chitebuni Kricho	Nagaland Regional Office 4th Floor, NSCB Building, Kharmahal, Circular Road, Dimapur – 797112 M: 8876219980



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- Education
- Allied Agriculture
- Agri/Food processing

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- Soft loans for Agri Startups

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☎ 044-28270138/28304658 ✉ finance@nabkisan.org

Corporate Office: C/o NABARD, Head Office, Mumbai

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Investment focus: Start-ups/MSMEs operating in/with

- **Sectors:** Agri-tech, rural fin-tech, food-tech, health-tech and edu-tech, with a rural focus
- **Stage:** Pre-Series A (INR 5-20 cr.) & Series A (INR 20-50 cr.)
- **Model:** Asset-light, technology-led models, which can be quickly scaled up across geographies

As on 31 March 2023:

- **Corpus raised:** INR 598 crore
- **Investments made:** INR 190.86 crore in 10 start-ups

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 - Credit Guarantee Scheme for FPO Financing
 - Credit Guarantee Scheme for Animal Husbandry and Dairying
- More than 700 FPOs provided credit guarantee till 31 March 2023 covering nearly 6.14 lakh farmers across 19 states
- Operations carried through Credit Guarantee Portal

Registered Office: NABARD, C- 24, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051

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