

THE HINDU
Business Line

SBI plans to expand seaweed farming to coastal States

Our Bureau

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State Bank of India plans to expand funding for contract farming of seaweed by women self-help groups it initiated in Tamil Nadu to other coastal States, according to Dr M.G. Vaidyan, Deputy General Manager of the bank.

In Tamil Nadu, the bank has organised a marketing tie up for the self-help groups (SHGs) to sell the seaweed to Pepsico India. Seaweed-based products find application in food and pharmaceutical industry.

SUCCESSFUL VENTURE

The value the bank sees in the scheme is the opportunity for livelihood and entrepreneurship development in coastal areas, supporting women development and assured returns for bank going by the nearly 100 per cent loan recov-

ery from self-help groups, he said.

Addressing an international conference on marine hazards and opportunities here today, Dr Vaidyan said that the success of funding SHGs in the coastal districts of south Tamil Nadu has encouraged the bank to move into more States with this scheme.

Dr Vaidyan said that the bank assists seaweed cultivation projects in collaboration with a Chennai-based NGO, Aquaculture Foundation of India. It helped them tie up with Pepsico for marketing the seaweeds. Each member of a SHG earns over Rs 5,000 a month and they are able to repay a Rs 5-lakh loan in three years with an interest of 7 per cent. The bank hit up on the scheme in consultation with Aquaculture Foundation of India as a new model for funding livelihood restoration

projects following the destruction suffered by fishermen and coastal communities after the tsunami of December 2004.

LOAN DISBURSEMENT

The SHG route for loan disbursement had proved a major success in entrepreneurship development and loan recovery. The bank has granted a total of about Rs 2,263 crore to over 5.40 lakh groups, of which, 64,662 groups were in Tamil Nadu. It had decided to use this route for the livelihood restoration project in Mandapam, Ramanathapuram district and extended to Tuticorin and Kanyakumari.

The bank now plans to extend the project to other coastal districts in Tamil Nadu and other States. It plans to extend over Rs 100 crore to support over 10,000 families by March 2007, Dr Vaidyan said.