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## REPORTS

# DRIP BY DRIP

Sales of micro-irrigation systems are growing, despite delays in subsidy disbursement.

**W**hen the Centre announced a substantial subsidy for micro-irrigation systems in the eighth plan, many expected the manufacturers of these systems to respond with enthusiasm. That hasn't happened; the response of the corporate sector has been at best lukewarm.

The government scheme promised a subsidy of up to 50% of the cost of the micro-irrigation systems, to be borne equally by the Centre and the states (the Centre's outlay for this year is Rs 15.5 crore, which is to be matched by the states.) But thanks to bureaucratic delays and other problems, the response from farmers hasn't been encouraging. Says Jain Irrigation banking and finance controller S.M. Udani: "Subsidy sales account for only 25% of our total business." Voltas product manager (agro-industrial products & pumps division) S.K. Chakravarty puts the proportion of subsidy sales slightly higher: 33-50%. But he too is emphatic that the subsidy scheme won't make an overwhelming difference to sales.

M.J. Pook, technical director of Calcutta-based Premier Irrigation Equipment, complains about the implementation of the scheme. He feels that the government's notification "should have included a model scheme of disbursement. Since it did not, each state is following its own system and in some cases it is causing considerable delay and almost unworkable programmes."

To avail of the subsidy, a farmer has to collect various papers relating to his farm, fill out several forms, and submit these to the agricultural development officer, who in turn consults an agricultural development committee consisting of five-six persons, including the local MLA. Thereafter the committee decides on the subsidy amount and finally disburses the sum. "What is meant to take a month generally ends up taking at least four," says Batliboi & Co deputy manager (drip and sprinkler system) R.S. Sawant.

But what is drip irrigation? Put simply, it is a method in which water is applied at regular intervals directly

at the plant roots through a low-pressure delivery system consisting of a pump, filters and a network of pipes. It is usually used for high-value horticultural crops like mangoes and bananas because of its high cost.

Drip irrigation costs, on an average, Rs 15,000 per acre, as against Rs 800 per acre for flood irrigation and Rs 8,000 per acre for sprinkler irrigation. But since savings on water can vary

There are around 15 players in the field currently, but the market is dominated by a handful: Jain Irrigation (which has a 65% marketshare), Premier Irrigation Equipment, EPC Irrigation, PIL and Voltas. Now, lured by the growing market, new players are planning to enter it; Finolex Pipes and Garware are believed to be among these.

Meanwhile, existing companies are



A VINEYARD USING DRIP IRRIGATION: Enormous water savings

between 30-70% and increases in yield can amount to 20-30%, it is attractive despite the cost.

Small wonder then that a lot of farmers are opting for it. Last year, sales of drip and micro-sprinkler irrigation systems amounted to Rs 34 crore (with drips accounting for 95% of the total). And the market is growing fast; accurate figures are hard to come by but sales this year are expected to be between Rs 60 crore and Rs 90 crore. The potential market is even vaster. According to the National Committee on use of Plastics in Agriculture (NCPA), an IPCL subsidiary, the demand for micro-irrigation systems is estimated to be 25 lakh acres by 2000; against this only about 60,000 acres had come under micro-irrigation between 1982 and 1990.

gearing up for competition. Voltas signed a technical collaboration last year with Wade Manufacturing Co of the US. And this year there have been a spate of foreign tie-ups: Jain Irrigation with Chapin Watermatic of US; EPC Irrigation with Kulker SA of France; Basumai Finance (earlier known as Coromandel Indag) with Netafin of Israel. Also, EPC has signed a marketing agreement with Batliboi. Companies are also going all out to woo dealers, offering incentives to those who meet targets.

As competition increases in what has hitherto been a restricted market, dealers can expect incentives to grow juicier, and a flood of them instead of the current drip.

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