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STANDING COMMITTEE ON AGRICULTURE (1998-99)

TWELFTH LOK SABHA

MINISTRY OF AGRICULTURE

(Department of Agriculture and Cooperation)

DEMANDS FOR GRANTS (1999-2000)

EIGHTEENTH REPORT

सत्यमेव जयते

AUTHENTICATED
K. YERRANNAIDU
Chairman
Standing Committee on Agriculture

LOK SABHA SECRETARIAT
NEW DELHI

April, 1999/Chaitra, 1921 (Saka)

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Presented to Lok Sabha on 20.4.1999
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LOK SABHA SECRETARIAT
NEW DELHI

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4. Smt. Anita Jain	—	*Under Secretary*
5. Ms. Amita Walia	—	*Reporting Officer*

PREFACE

I, the Chairman, Standing Committee on Agriculture having been authorised by the Committee to submit the report on their behalf, present this Eighteenth Report on Demands for Grants of the Ministry of Agriculture (Department of Agriculture and Cooperation) for the year 1999-2000.

2. The Standing Committee on Agriculture was constituted on 5th June, 1998. One of the functions of the Standing Committee as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha is to consider the Demands for Grants of the concerned Ministries/Departments and make a report on the same to the Houses. The report shall not suggest anything of the nature of cut motions.

3. The Committee took evidence of the representatives of the Ministry of Agriculture (Department of Agriculture and Cooperation) on 30th March, 1999. The Committee wish to express their thanks to the officers of the Ministry of Agriculture (Department of Agriculture and Cooperation) for placing before them, the material and information which the Committee desired in connection with the examination of Demands for Grants of the Ministry for the year 1999-2000 and for giving evidence before the Committee.

4. The Committee considered and adopted the Report at their sitting held on 7th April, 1999.

NEW DELHI;
7 April, 1999
17 *Chaitra*, 1921 *(Saka)*

KINJARAPU YERRANNAIDU,
Chairman,
Standing Committee on Agriculture.

CHAPTER I

INTRODUCTORY

Agriculture sector is key to all strategies of planned economic development in India. Agriculture and allied activities make the single largest contribution to Gross Domestic Product, accounting for 27% of the total. Agriculture provides employment to around 65% of the total work force. This sector provides foodgrains to the population and raw material to the major industries. About two-thirds of the country's population depend upon this sector for their livelihood. Accordingly, a very high priority has been accorded to agriculture in the five year plans. The pressure on the land resources due to extensive and intensive cultivation, heavy removal of soil nutrients, injudicious use of various agro chemicals have exceeded beyond their carrying capacity. Hence, the dimension of agriculture has been shifted towards a new direction, which is otherwise known as sustainable agriculture, which means successful management of resources to satisfy changing human needs, while maintaining or enhancing of quality of environment and conserving of natural resources.

Agricultural Development Strategies during Ninth Plan

1.2 The Ministry of Agriculture has outlined the following strategy for agricultural development during Ninth Plan. The agricultural development strategies during 9th Plan are to be centered around achieving the objectives of sustainability of employment generation food and nutrition security, equity and poverty alleviation. Efforts will be made to achieve a growth rate of 4.5% per annum in agricultural output and production of 234 million tonnes of foodgrain by 2001/02. This will have a significant impact on overall growth and poverty alleviation. Regionally differentiated strategies will be followed to realise the full potential of growth in every region. The emphasis will be on raising the capabilities of small peasants and promoting sustainable agricultural systems, while at the same time conserving and maximising the value from scarce resources, water and land. Infrastructure development will be given the highest importance. Emphasis will be laid on minor irrigation by harnessing ground water resources. Timely and adequate availability of inputs will receive special attention. The regional programmes will be formulated in such a manner as to ensure provision of inputs to the farmer, particularly in the remote, hilly, backward and tribal areas. Agricultural credit is a crucial input and it will receive special attention. The programmes relating to land reforms would be strengthened to raise agricultural growth and help the poor. Efforts will be made to increase public investment during the Plan period. In every district, the Rural Infrastructure Development Fund (RIDF) must be used to promote projects which encourage organisations of groups of small farmers, artisans and landless labourers for skill upgradation, processing, transport infrastructure, quality improvement etc. support to agricultural research will be enhanced and emphasis will be placed on bio-technology, micro-biology, genetic improvement of crops including hybrid technology, genetic upgradation of animal resources, improvement of fish genetic stock and post-harvest technology, etc. Efforts will be made to accelerate the growth rates of allied sectors such as horticulture, including fruits and vegetables, fisheries, livestock and dairy. Agricultural exports will receive special attention as these have a lot of potential for increasing farm incomes and employment, besides earning foreign exchange. Co-operatives will be strengthened. Greater participation of women in agriculture than at present will be encouraged. Linkages with markets will be strengthened and agro-processing and agro-industries will be encouraged.

1.3 The Department of Agriculture and Cooperation had proposed an outlay of Rs. 18253.81 crores for the Ninth-Plan. However, an outlay of Rs. 9153.82 crores excluding 75 crores of State Plan Schemes has been provided for the centrally and centrally sponsored schemes of the Department of Agriculture and Cooperation for the Ninth Five Year Plan period by the Planning Commission.

1.4 During evidence Members of the Committee asked as why Planning Commission delays the approval of the schemes and what is the procedure for formation/approval of new schemes. Secretary, M/o Agriculture, Department of Agriculture and Cooperation stated that:

> "The Department of Agriculture makes the schemes and then it circulates it to the Departments concerned, that is, the Planning Commission, the Finance Ministry and any other Department which is concerned with the schemes. It could be Ministry of Water Resources, Ministry of Rural Development etc. it all depends on the schemes. It is circulated to all the Departments. Then, a meeting takes place in the Finance Ministry to decide

about it. In this meeting, the Planning Commission and the other Departments concerned also participate. They take a decision. If they approve the scheme, it has to go to the Cabinet for approval. We make an initial proposal. Accordingly, we ask for the money in the Budget. We hope that during this period the scheme will get approved by the Finance Ministry, the Planning Commission and the Cabinet. It happens that sometimes are not approved as has happened in respect of these cases.

1.5 Sector-wise 9th Plan Outlay Proposed by Deptt. of Agriculture and finally approved by Planning Commission

S. No.	Name of Division/ Scheme	IX Plan Outlay	
		Proposed by DAC*	Finally Approved by Planning Commission
1	2	3	4
1.	Agricultural Census	56.50	48.00
2.	Cooperation	1362.45	918.00
3.	Credit	5078.49	1650.00
4.	Crop	1353.00	1279.82
5.	Extension	421.00	180.00
6.	Fertiliser	186.97	167.50
7.	Agri. Implements & Machinery	1052.00	120.00
8.	Horticulture	2380.00	1200.00
9.	Plant Protection	503.90	116.00
10.	Rainfed Farming System	1595.00	1030.00
11.	Seeds	138.25	111.00

1	2	3	4
12.	Dte. of Econ. & Stat. & CACP	362.16	244.00
13.	Soil & Water Conservation	1656.34	900.00
14.	TMO&P	2058.75	906.00
15.	Natural Disaster Management	14.00	12.00
16.	Trade (SFAC) & Int. Cooperation	20.00	40.00
17.	Information Technology		150.00
18.	Secretariat Economic Services	15.00	15.00
19.	Plan Coord. (Macro Management)		3.00
20.	Agri. Marketing		60.00
21.	Policy Division		3.50
	Total Plan Outlay	18253.81	9153.82
State Plan Schemes			
1.	Watershed Development in Shifting Cultivation Areas in N-E States	75.00	75.00
	Total	18328.81*	9228.82

*excluding fisheries division.

CHAPTER II

AN OVERVIEW OF THE DEMANDS

The BE & RE for 1998-99 & BE for 1999-2000 for Demand Nos. 1 & 2 are as under:—

(Rs. in crores)

	BE 1998-99		RE 1998-99		BE 1999-2000	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
Demand No.1	1433.00	3065.45	947.01	3862.81	1415.00	4579.66
Demand No.2	523.00	1.12	431.40	1.12	541.00	1.19
Total	1956.00	3066.57	1378.41	3863.93	1956.00	4580.85

2.2 The Committee in its earlier Reports on Demands for Grants have been emphatically asking for a higher allocation in the RE stage. Inspite of that during the year 1998-99 the plan allocation for the Department of Agriculture and Cooperation has come down to Rs. 1378.41 crores in the RE stage from Rs. 1956.00 crores in the BE stage. This accounts to reduction of Rs.577.59 crores *i.e.* 29.53% reduction. The Plan allocation in BE (1999-2000) which is kept at the same level as BE (1998-99) is less in real terms as compared to BE (1998-99). Keeping in view the reduced purchasing power of the rupee over the year.

2.3 The following are the budget estimates, Revised Estimates & Actuals from 1992-93 to 1998-99 in respect of Demand No. 1 & 2.

(Rs. in crores)

Year	Budget Estimates		Revised Estimates		Actual	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
1992-93	1049.75	1848.50	1272.90	2197.04	1214.88	2195.18
1993-94	1330.00	713.39	1327.14	1345.63	1183.50	1235.48
1994-95	1419.00	380.86	1472.22	916.63	1279.43	910.31
1995-96	1505.00	546.31	1333.00	674.97	1246.42	649.14
1996-97	1487.25	2274.19	1392.86	1727.10	1378.61	1724.52
1997-98	1431.00	2048.51	1266.28	2761.74	1222.41	2650.61
1998-99	1956.00	3177.45	1378.41	3863.93	—	—

2.4 As per the above mentioned Tables the Department has slashed down the plan allocation from Rs. 1956.00 crores (at the BE stage) to Rs. 1378.41 crores (at the Revised Estimate stage) under Plan head, while in the Non-Plan side the amount has increased from Rs. 3066.57 crores (BE stage) to Rs. 3863.93 crores at the RE stage for 1998-99.

2.5 The decrease in allocation at R.E. stage has been mainly attributed to new schemes which were proposed for the IX Plan which could not get through in the year 1998-99. The details of some of the major new Scheme for which R.E. has been slashed down are as follows:—

(Rs. in crores)

		BE	RE
1	2	3	4
1.	On-farm Water Management for increasing production in Eastern States	155.00	Nil
2.	Technology Mission on Cotton	59.97	Nil

1	2	3	4
3.	Experimental Crop Insurance Scheme	100.00	Nil
4.	Others	41.53	4.62
		356.50	4.62

2.6 Government of India allocation for Central Plan outlay for the year 1999/2000 is Rs. 1,03,521 crores. The share of the Department of Agriculture & Cooperation from the Central Plan Outlay during the last five years has been as follows:—

(Rs. in crores)

Year	Central Plan Outlay (GOI)	Deptt. of Agri. & Cooperation	Per cent Share
1999-2000	103521	1941	1.87
1998-99	105187	1941	1.84
1997-98	91839	1416	1.54
1996-97	85004	1471	1.73
1995-96	78849	1490	1.89

2.7 It may be observed from the above table that Plan Outlay to Department of Agriculture and Cooperation was increased by 37 per cent (at BE stage) during 1998-99 (Rs. 1941 crores) over that of 1997-98 (Rs. 1416 crores). However, there is no increase in the Plan Outlay for the Department of Agriculture and Cooperation during 1999-2000. By and large, in the last five years, the percentage share of Agriculture remained static around 1.8%, except the year 1997-98, even though 64% of the work force are engaged in agriculture and allied activities and the contribution of the agriculture sector to the total GDP is around 27%.

2.8 The Ministry has informed that a National Agricultural Policy is under formulation of Government and is in final stage of drafting. Giving aims and objective of the policy the Ministry stated that it aims at the management and conservation of the natural resource base through sustainable management of land and water resources and seeks to promote environmentally non-grading, technically sound, economically viable and socially acceptable improvement of natural resources to promote sustainable development of agriculture.

2.9 The policy will, to this end, seek to achieve:

(i) Conservation of the natural resource base through sustainable management of land and water resources and protection and conservation of bio-diversity;

(ii) maintenance of food self-sufficiency;

(iii) greater employment generation, higher household incomes and reduction of poverty through diversification of farming systems;

(iv) reduction of regional imbalances through greater emphasis on rainfed farming and developing areas of untapped potential;

(v) efficient use of inputs;

(vi) expansion of the rural infrastructure through increased public and private sector investment;

(vii) remunerative prices for agricultural produce through the strengthening of marketing institutions and infrastructure and creating a favourable economic environment for the growth of the agriculture sector;

(viii) value addition to farm produce through agro-processing and improved post-harvest facilities;

(ix) revitalization of the rural credit institutions to augment the flow of credit for agriculture and rural sector;

(x) strengthening of agricultural research and education;

(xi) restructuring of agricultural extension to make it more demand-driven and farmer accountable;

(xii) higher agricultural exports and integration of the Indian commodity markets with global markets;

(xiii) creating quality consciousness among farmers and agro-processors;

(xiv) securing benefits to the agriculture sector at par with industry;

(xv) greater participation of user communities;

(xvi) safeguarding the interests of women and weaker sections of the rural community;

(xvii) land reforms that lead to higher productivity with equity.

2.10 The farmers will be the principal focus of attention in the policy, both as the mainspring and the beneficiaries of agricultural development. The policy will seek to introduce new and innovative approaches to management of agriculture by the Central and State Governments and promote use of the latest information technology for accelerating the growth process.

2.11 The Ministry further informed that the views of the concerned Ministries/Departments at the Planning Commission on the draft National Policy on Agriculture have been obtained and incorporated. The draft is currently being settled to give greater on the contemporary issues.

2.12 The draft after finalization will need to be placed before the cabinet for its approval. It is, therefore, difficult to give a precise date when the National policy on Agriculture is likely to be announced by the Government.

2.13 During 1999-2000 the Planning Commission has suggested a target of 218 MT of foodgrain production. When asked what was the total demand projected by the Ministry of Agriculture during 1999-2000 and out of this what is the total demand accepted by the Planning Commission and whether the allocation is sufficient to meet the foodgrain target. The Ministry stated that the allocation of Rs. 1941 crore for the year 1999-2000 is much below our requirement if the targets of higher production of foodgrains of 218 million tonnes for the year 1999-2000 are to be achieved. Department had proposed an outlay of Rs. 3000 crores for the year 1999-2000 but the Planning Commission has accepted an outlay only of Rs. 1941 crores which would affect the new initiatives proposed for the 9th Plan *viz.*, On-farm Water Management, Technology Mission for Cotton, Revamping of Credit Cooperative Structure etc.

2.14 In the oral evidence when asked that with the reduced amount how the Ministry would be able to achieve the target of doubling the production of food-grains, and whether some schemes are to be abandoned. Secretary Agriculture and Cooperation stated that "In last year we went with a higher proposal and we were given Rs. 956 crores and we were given on the same lines this year also. So, we have reprioritised our schemes. In some places we have increased one allocation and in some places we have reduced."

2.15 When further queried that when allocation of money is reduced what will be the result of a particular programme the Secretary clarified that "Every programme has a number of schemes. Under Crop Protection we have a number of schemes and on extension, there are a number of schemes. Some of schemes will not be taken up unless they get approved for other schemes, we have re-allocated this money considering the importance of schemes".

2.16 Statement showing RE and Actual Expenditure for 1997-98 B.E., R.E. and Actuals for 1998-99 and Budget Estimate for 1999-2000 on the Plan Side.

(Rupees in lakhs)

Sl. No.	Head of Development	Revised Estimate 1997-98	Actual Expenditure 1997-98	Budget Estimate 1998-99	Revised Estimate 1998-99	Actual expenditure 31-1-1999	Budget Estimate 1999-2000
1	2	3	4	5	6	7	8
1.	Agri. Extension and Training	1022.00	954.72	3248.00	1450.00	510.87	4000.00
2.	Agriculture Census	230.00	216.56	230.00	700.00	167.26	1000.00
3.	Agriculture Eco. & Stat.	2851.00	2794.26	3070.00	3060.00	2211.56	6020.00
4.	Seed Development	991.00	737.71	1500.00	825.00	125.18	3000.00
5.	Fertilizer and Manures	1161.00	772.97	1600.00	659.00	303.31	2000.00
6.	Plant Protection	2869.00	1329.52	3500.00	1750.00	799.78	3400.00
7.	Agri. Implements & Machinery	1858.00	1792.43	2500.00	1500.00	873.94	3000.00

1	2	3	4	5	6	7	8
8.	Crops	11236.00	11212.49	37282.00	12666.00	10470.69	24200.00
9.	Tech. Mission on Oilseeds & Pulse	17100.00	16397.57	17500.00	15766.00	13202.41	18500.00
10.	Rainfed Farming	15629.00	14888.38	27000.00	22625.00	20359.81	23000.00
11.	Horticulture	18683.00	18242.49	30000.00	22000.00	14796.64	26000.00
12.	Secretariat Eco. Service	351.00	223.76	300.00	300.00	139.42	380.00
13.	Crop Insurance	11000.00	11000.00	14400.00	11000.00	4200.00	21500.00
14.	Trade (SFAC)	200.00	50.00	250.00	50.00	0.00	250.00
15.	Natural Disaster Mgmt.	209.00	161.40	320.00	210.00	12.95	300.00
16.	Other Programmes	0.00	0.00	600.00	140.00	0.00	2950.00
17.	Agricultural Marketing	0.00	0.00	0.00	0.00	0.00	2000.00
	Total Demand No. 1	85390.00	80774.26	143300.00	94701.00	68173.82	141500.00

1	2	3	4	5	6	7	8
Demand No. 2—Other Services of the Deptt. of Agri.							
18.	Soil & Water Conservation	13788.00	13407.26	17500.00	16680.00	13738.58	19000.00
	including State Plan	1500.00	1500.00	1500.00	1500.00	1180.00	1500.00
19.	Credit	14095.00	14094.42	16300.00	14082.00	4722.22	16600.00
20.	Cooperation	11855.00	11407.96	17000.00	10878.00	9084.57	17000.00
	Total Demand No. 2	41238.00	40409.64	52300.00	43140.00	28725.37	54100.00
	Total Demand No. 1&2	126628.00	121183.90	195600.00	137841.00	96899.19	195600.00

2.17 The following are the details of Non-Plan expenditure in respect of the Department of Agriculture & Cooperation:—

1994-95	Rs. 910.31 crores
1995-96	Rs. 649.614 crores
1996-97	Rs. 1724.52 crores
1997-98	Rs. 2650.60 crores
1998-99	Rs. 3863.93 crores (RE)
1999-2000	Rs. 4580.85 crores (BE)

2.18 When asked about the reasons for this phenomenal increase in the Non-Plan expenditure the Ministry stated that the major portion of the Non-Plan expenditure of the Department of Agriculture & Cooperation relates to the scheme of concession (subsidy) on Phosphatic and Potassic (P&K) fertilisers as indicated in the following statement:—

(Rs. in crores)

Year	Expenditure on Concession Scheme	Other Non-Plan Expenditure
1994-95	527.95	382.36
1995-96	500.00	149.614
1996-97	1671.77	52.75
1997-98	2596.00	54.60
1998-99	3790.00 (RE)	73.93 (RE)

2.19 When asked about the percentage of the total plan funds reached the North Eastern States in 1997-98 and 1998-99 and also about the percentage earmarked for 1999-2000, Ministry in a written reply has stated that the percentage of funds released to North Eastern States out of the total plan funds released to States during 1997-98 and 1998-99 (as on 01.10.98) are 5.58% and 5.03%. Statewise allocation of funds has not been done for the year 1999-2000 so far.

2.20 The sector-wise details of funds released during these years for North-Eastern States are as follows:—

(Rs. in lakhs)

Sl. No.	Sector	1997-98	1998-99 (as on 01.10.98)
1.	Crops	295.00	168.00
2.	Technology Mission on Oilseeds & Pulses	525.22	321.50
3.	Rainfed Farming System	865.00	1144.50
4.	Horticulture	1017.64	744.36
5.	Soil Water Conservation	1602.91	44.67
6.	Economics & Statistics	76.86	26.28
7.	Others	405.42	100.06
	Total	4788.05	2548.87

CHAPTER III

SEEDS

Seed is the basic, crucial and vital input for attaining the sustained growth in agricultural production. In view of its importance, emphasis has been laid on the production and distribution of quality seeds from the very First Five Year Plan.

3.2 Approved 9th Plan Outlays, Expenditure for different schemes/ projects for 1997-98, Anticipated Expenditure for 1998-99 and Annual Plan Outlay for 1999-2000 for Seed Division is as under:—

(Rs. in lakhs)

Sl. No.	Name of the Scheme	IXth Plan Outlay	Exp. 1997-98	Antici-pated Exp. for 1998-99	Annual Plan Outlay 1999-2000
1.	N.S.P. III	500	397	250	100
2.	Quality Control Arrangement on Seeds	2000	15	90	556
3.	Transport Subsidy on Seeds	1000	22	Nil	198
4.	NPVD, Establishment and Maintenance of Seed Bank Programme	1500	220	75	1496
5.	Foundation and Certified Seed Production of Vegetable Crops	2000	88	275	431

3.3 Under the seeds division a provision of Rs. 3000 lakhs have been made for 1999-2000 as against RE of Rs. 725 lakhs during 1998-99 which amounts to 313.79% increase over the previous year.

3.4 The allocation for 1999-2000 has been increased in order to implement the following new schemes:

Name of the Scheme	Provision
1. Implementation of Plant varieties and farmers' Rights Protection (PVP) Legislation	Rs. 218 lakhs
2. Establishment & Maintenance of Seed Bank	Rs. 1496 lakhs
3. Pilot scheme for Seed Crop Insurance	Rs. 100 lakhs

3.5 Increased expenditure is also expected to be incurred for construction of National Seed Training Centre building at Varanasi at a cost of Rs. 414 lakhs; and on strengthening of State Seed Certification Agencies, under the scheme of Quality Control Arrangements.

3.6 The requirement and availability of certified quality seeds during 1997-98 and 1998-99 is as under:

Year	Requirement	Availability
1997-98	78.55 lakhs Qtls.	99.74 lakhs Qtls.
1998-99	85.17 lakhs Qtls.	104.38 lakhs Qtls.

3.7 The availability of Certified seed is more than the requirement. Inspite of that the farmers community suffer because of non-availability of these seeds. When asked about the reasons the Ministry in its written reply has stated that "It has been noticed that though the overall availability of seed exceeds the projected requirement, there are shortages of seeds of certain individual crops in certain seasons or in certain parts of the country. This occurs mainly due to lack of advance Planning by the State Governments. The gap between the requirement and availability is met by the use of farm-saved seed or seed exchanged between farmers and seed procured from the un-organised sector.

3.8 The Committee in their last report had recommended that Government should formulate a scheme whereby plots are identified in each village and taken on rent by Governmental and Non-Governmental seed growing agencies to undertake production of location specific quality seeds on these plots for onward supply to the farmers locally. In reply to the recommendation, the Government had stated that this scheme is not necessary as a number of central scheme envisage the seed village components in them and the private sector is also taking up production of considerable quantity of quality seeds.

3.9 The physical target and achievement relating to distribution of certified seed and quality seed during each of last three years and target for 1999-2000 is as under:—

(Qty. in Lakh Quintals)

Year	Physical Target	Physical Achievement
1996-97	70.00	73.27
1997-98	75.50	75.60
1998-99	83.00	83.00 (Anticipated)
1999-2000	91.00	

NSP III

3.10 The National Seeds Project, Phase - III (NSP - III) was launched in March, 1990 with World Bank assistance of US $ 150000 thousand. NSP-III has ended on 30.06.1996. Under National Seed Project 11 State Seeds Corporation and two Central Seed Corporation namely National Seeds Corporation Ltd. & State Farmers Corporation of India Ltd. were the beneficiary organisation. The utilisation of funds by the following Seeds Corporation is as under:—

Sl. No.	Name of the Corporation	Amount Released	Amount Utilised
1	2	3	4
1.	AP State Seed Development Corporation	703.40	533.40

1	2	3	4
2.	Karnataka State Seeds Corporation India Ltd.	454.04	384.85
3.	M.P. State Seed & Farm Development Corporation	898.00	585.00
4.	Orissa State Seed Corporation	648.00	318.00

3.11 During 9th Plan, a provision of Rs. 50000 thousand was provided under the scheme. During 1997-98, a provision of Rs. 41,000 thousands was made under the scheme, out of which the expenditure under the scheme was Rs. 39,700 thousand. During 1998-99, a provision of Rs. 2500 thousand has been made under the scheme, out of which the expenditure so far has been Rs. 477 thousand. For the year 1999-2000, a token provision of Rs. 100 thousand has been made to meet likely residual expenses.

Quality Control Arrangements of Seeds

3.12 The main aim of the scheme is to strengthen the quality control programmes of seeds in order to ensure that farmers get good quality seeds. Under the scheme there is component of setting up National Seed Training Centre (NSTC) at Varanasi.

3.13 During 1997-98, a budget provision for Rs. 42 lakhs was made, but the expenditure was only Rs. 15 lakhs. During 1998-99, a budget provision of Rs. 375 lakhs has been made Revised estimates for the scheme was kept as Rs. 135 lakhs. Anticipated expenditure during the year is Rs. 90 lakhs. For (1999-2000) a provision of Rs. 556 lakhs is proposed. Giving reasons for saving of funds, the Ministry stated that no funds could be released to CPWD for construction of CSTL building at Varanasi due to lack of demand from the CPWD and due to non-filling up of vacant posts in the Division started during 1995-96 was renamed as Establishment and Maintenance of seed bank with changed components.

Establishment and Maintenance of Seed Bank

3.14 The original scheme "National Programme for varietal Development". This scheme is proposed to be introduced during Ninth Plan and has the following objectives:

(i) Establishment of Seed Bank for maintenance of breeder, foundation and certified seed of different crops to ensure timely availability of seeds to the farmers.

(ii) To take care of the special requirement of seed at the time of natural calamity.

(iii) To even out the shortfall in production programme of seeds which sometime arise due to natural factors.

(iv) To create infrastructural facilities for production and distribution of quality seeds.

3.15 During 1997-98, a provision of Rs. 40,000 thousand was made under the scheme NPVD out of which expenditure of Rs. 22,000 thousand was incurred. During 1998-99, a provision of Rs. 17,500 thousand was made in RE (1998-99). The scheme is now been modified as "Establishment & Maintenance of Seed Bank" and EFC Memo is under formulation.

Pilot Scheme for Seed Crop Insurance

3.16 This scheme is proposed to be introduced on a pilot basis in the States of Maharashtra, Andhra Pradesh, Uttar Pradesh, Karnataka etc. The scheme to be implemented through G.I.C. will compensate registered seeds growers for the difference between the raw seed procurement price and the price of grain/salvage value of crop in case his seed is rejected by the certification agency for the purpose of certification on account of damage by flood, rains, hail-storms or disease out-break, hot winds or cold winds which may have effected the grain development. The outlay under this scheme is intended to meet the administrative cost of the scheme, cost of studies required to be undertaken to work out actual rates of premium and for provision of subsidy on premium payable by seeds growers if required. A provision of Rs. 1000 lakh has been made for the IX Plan period.

Loans and Advances to State Farm Corporation of India (SFCI)

3.17 The State Farms Corporation of India (SFCI) is a public sector undertaking under the control of Seeds Division. The Corporation suffered huge losses in its operations and is not in a position to meet its statutory obligations like payment of wages to its employees, pension etc. Further, the SFCI had taken a loan of Rs. 12,400 thousand from State Bank of Bikaner & Jaipur (SBBJ) in 1984-85. The Government guarantee for the loan was valid upto 08.06.1996. SFCI was unable to make timely payment of interest and principal due to its bad financial position. The Government guarantee was extended for a sum of 40,000 thousand plus interest thereon upto 31.03.1997. The Bank invoked the guarantee in the last week of March, 1997 prior to the expiry of the guarantee. Therefore, an amount of 10,000 thousand provided in Budget Estimate for 1998-99 for the purpose was released to SFCI as loan towards part payment of loan to State Bank of Bikaner & Jaipur. There are no physical achievement to report under the scheme.

3.18 The details of targets and achievements in the last three years are as under:

Area Under Seed Production

(in Hectare)

Year	Target	Achievement
1995-96	36,975	28,441
1996-97	31,000	28,908
1997-98	33,000	29,634

Seed Production

(in lakh Quintals)

Year	Target	Achievement
1995-96	3.66	1.91
1996-97	3.30	2.01
1997-98	3.75	1.73

Implementation of PVP Legislation

3.19 In order to fulfil the obligations under the TRIPs Agreement of the World Trade Organisation (WTO) which India has ratified, the DAC is formulating a legislation on a sui generis system for protection of Plant Varieties & Farmers' Rights. The proposed legislation provides for setting up of a Plant Variety Protection Authority vested with necessary executive power to perform all functions related to the protection of plant varieties. For implementation of above legislation this New Scheme has been formulated for 9th Plan Period with a budget outlay of Rs. 500 lakhs.

CHAPTER IV

CROPS

Foodgrains production estimated at 192.4 million tonnes in 1997-98 was quite a let down from the preceding years record output of 199.4 million tonnes. Major set back was seen in wheat whose production was lower by 3.5 million tonnes and coarse cereals whose production had dropped by over 33 million tonnes. Prospects for Kharif 1998 output of rice and coarse cereals are no better than Kharif 1997. However, there are overall prospects of achieving over 200.88 million tonnes foodgrains output for 1998-99 mainly due to Rabi crops sown in November-December 1998. Rabi foodgrains output is likely to be 96.5 million tonnes which is higher by 5.2 million tonnes when compared with Rabi 1997-98. Foodgrains production performance in the last five years and estimated production for 1998-99 is listed in table given below:

4.2 Foodgrains Production

(Million Tonnes)

Crop	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99 Estimated
Rice	80.3	81.8	77.0	81.3	82.3	84.48
Wheat	59.8	65.8	62.1	69.3	65.9	70.63
Coarse Cereals	30.8	29.9	29.0	34.3	31.1	30.58
Pulses	13.3	14.0	12.3	14.5	13.1	15.19
Foodgrains	184.3	191.5	180.4	199.3	192.4	200.88
Kharif	100.4	101.1	95.1	104.4	101.1	102.49
Rabi	83.9	90.4	85.3	94.9	91.3	98.39

4.3 The growth rate of production of main foodgrain achieved for the year 1997-98 and 1998-99 are as under:

Sl.No.	Name of the Crop	1997-98	1998-99
1.	Rice	0.69	2.4
2.	Wheat	-4.97	7.179
3.	Jowar	-27.00	4.62
4.	Bajra	-2.24	-09.00
5.	Maize	0.77	-04.00
6.	Ragi	-1.69	0.54
7.	Tur	-26.66	20.81
8.	Gram	10.09	6.13
9.	Other Pulses	-17.07	18.77

4.4 The targets for the annual growth rate is not fixed. The average annual growth rate for the IX Plan for Agriculture sector is fixed at 4.5% and foodgrain target of 218 MT has been proposed for 1999-2000.

4.5 Under crop division the following are the Centrally Sponsored Schemes:

(i) Integrated Cereals Development Programme in Rice Based Cropping system Area (ICDP - Rice)

(ii) Rice seed, Minikit & State Level Training Programme.

(iii) ICDP - Wheat.

(iv) Minikit Programme of Wheat including Propagation of new technology.

(v) ICDP - Coarse Cereals.

(vi) Minikit Programmes of Coarse Cereals including propagation of new technology.

(vii) Intensive Cotton Development Programme.

(viii) Special Jute Development Programme.

(ix) Sustainable Development of Sugarcane based cropping system- (SUBACS).

4.6 Scheme-wise details of Plan outlay and expenditure during the IX plan in respect of Crops Division

IX Plan Period Rs. in thousands

S.No.	Scheme	Outlay proposed by ministry for IX plan	IX Plan approved outlay	1997-98			1998-99			% age of (6+9) out of total (5+8)	1999-2000
				BE	Actual	Shortfall	RE	Anti-Exp.	Shortfall		BE
1	2	3	4	5	6	7	8	. 9	10	11	12
1.	(a) ICDP-Rice	2650000	2406600	414100	414100	00	362500	361700	800	99.90	470000
	(b) ICDP-Wheat	2728737.5	1530000	164400	163500	900	196500	160261	36239	89.71	320000
	(c) ICDP-C. Cereals	2198600	1564600	224000	223559	431	261000	258442	2558	99.38	300000
Total Cereal Crops		7577337.5	5501200	802500	801169	1331	820000	780403	39597	97.48	1090000
2.	Intensive Cotton Dev. Programme	1000000	799600	150000	139635	10365	160000	159950	50	96.64	610000
3.	Special Jute Dev. programme	284900	237600	40000	37366	2634	40200	40200	00	96.72	40000

1	2	3	4	5	6	7	8	9	10	11	12
4.	Sustainable Dev. of Sugarcane Based Cropping System	1401400	1080600	16000	110580	49420	160000	159976	24	84.55	210000
Total CASH Crops		2686300	2117800	350000	287581	62419	360200	360126	74	91.20	860000
5.	Seed Minikit										
	(a) Rice	135000	135000	15000	9146	5854	25000	25000	00	85.37	29700
	(b) Wheat	135000	135000	15000	14956	44	33000	33000	00	99.91	29800
	(c) Coarse Cereals	50000	50000	10000	7800	2200	7000	7000	00	87.06	9000
Total MINIKITS		320000	320000	40000	31902	8098	65000	65000	00	92.29	68500
6.	Crop Dtes.	7000	6900	1500	775	725	1400	1400	00	75.00	1500
New Schemes to be Implemented During IX Plan											
7.	On farm Efficient Water Management	4494000	1600000	400000	00	400000	00	00	00	0.00	400000

1	2	3	4	5	6	7	8	9	10	11	12
8.	Increasing Productivity in NE States	#	#	00	00	00	00	00	00	0.00	0000
9.	Tech. Mission on Cotton	4650000	3250000	00	00	00	00	00	00	0.00	0000
		9144000	4850000	400000	00	400000	00	00	00	0.00	400000
Total IX plan		19734637.5	12795900	1594000	1121427	472573	1246600	1206929	39671	81.97	2420000

4.7 The 9th Plan outlay for Crop division is Rs. 1279.82 crores Revised Estimate for 1998-99 was Rs. 126.60 lakhs and the actual expenditure upto 31.01.99 is Rs. 104.71 lakhs. Budget allocation for the year 1999-2000 is Rs. 242.00 lakhs. The reasons for shortfall as mentioned by the Ministry are:

(a) The State Governments were already having unspent balance lying with them.

(b) Late sanctions of the Scheme by some States as well as non-implementation of the scheme and the inability of some of the states to provide the matching contribution.

(c) When asked about the steps being followed by the Department for effective monitoring to ensure hundred percent implementation of the schemes. The Ministry has stated that State Governments have been advised to issue sanctions in time and ensure release of funds so that implementation of the scheme is improved. The schemes have been modified as per the requirements of the State Governments and certain components which have not picked up during previous years have been dropped. The interaction with State Officials in held through periodical meetings at different levels and field visits to get a feed back about the performance of the schemes. To have an effective monitoring, the system of area officers of the level of Joint Secretaries in the Department of Agriculture and Cooperation has been introduced for identified states.

Minikit Programmes

4.8 Under Minikit programmes for rice, wheat and Coarse Cereals, Rs. 685 lakhs have been allocated for 1999-2000.

4.9 Under Minikit Programme of Rice Rs. 297 lakhs have been allocated in BE (1999-2000) but during the year 1997-98 only Rs. 91.46 lakhs could be utilised against the approved outlay of 150 lakhs. Stating the reasons for under utilisation and the special steps proposed to utilise the whole amount during 1999-2000, Ministry informed that the shortfall under Rice Minikit programme during 1997-98 was mainly due to non-implementation of the programme by the States of Bihar, Himachal Pradesh, Meghalaya and Punjab and partial implementation by the States of Gujarat, Jammu & Kashmir, Madhya Pradesh, Maharashtra, Orissa, Tripura and Uttar Pradesh for want of location specific varieties.

4.10 To utilise the proposed outlay of Rs. 297 lakhs during 1999-2000 the varieties for inclusion under the programme were identified well in advance and State Governments were requested to multiply the seeds of these varieties during Kharif 1998 and intimate the availability of seeds of these varieties by the end of March, 1999.

ICDP

4.11 Integrated Cereals Development Programme—Rice/Coarse Cereal/Wheat based cropping system has been allocated a sum of Rs. 10900 lakhs for 1999-2000 as against Revised Estimate of Rs. 8200 lakhs for 1998-99.

4.12 As stated in the performance budget ICDP Wheat and ICDP—Rice programmes have been proposed to be implemented on a larger scale.

4.13 The ICDP-Rice is proposed to be implemented during remaining period of IX Five Year Plan in all the districts and blocks in the States of Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Bihar, Orissa, Eastern Madhya Pradesh, Andhra Pradesh, Tamil Nadu, Kerala, Goa and Union Territory of Pondicherry. Besides, the Sikkim state which hitherto was covered under ICDP-Coarse Cereals, is also proposed to be brought under ICDP-Rice.

4.14 ICDP-Coarse Cereal Scheme is proposed to be implemented in all the blocks of five States viz., Gujarat, Karnataka, Madhya Pradesh (except Chhatisgarh region), Maharashtra and Rajasthan (except Sriganganagar and Hanumangarh districts) during the remaining period of the 9th Plan i.e. 1999-2000 onwards subject to approval of EFC/CCEA. An amount of Rs. 30.00 crores (BE) has been proposed during 1999-2000. For enhancing the activities of the scheme, new components like use of weedicides, power tillers and water pumping sets are proposed to be included.

Cotton

4.15 The targets and production of cotton and yield per hectare during 1997-98 and 1998-99 and targets for 1999-2000 are given below:

Year	Target*	Production*	Yield (Kg./m)
1997-98	148.0	111.41	213
1998-99	148.0	140.99**	262**
1999-2000	150.0	—	—

*Lakh bales of 170 Kg. each
**Anticipation

4.16 Under Intensive Cotton Development Programme there has been a significant rise in BE (1999-2000) to 61 crore against Rs. 16 crores allocated in RE (1998-99). Informing about the reasons for substantial increase Ministry stated that during 1999-2000, it is proposed that Technology Mission on Cotton will start, hence BE has been shown as Rs. 61 crore against Rs. 16 crore BE (1998-99). The proposed Technology Mission on Cotton during 1999-2000 will include new components such as establishment of Bio-agent labs, supply of bio-agents, surveillance of diseases and pests, Drip irrigation system, establishment of delinting machines etc. Also the physical targets has been increased considerably for all the components (thereby increasing financial allocation) to achieve production targets fixed for IX Five Year Plan under the proposed Technology Mission.

4.17 In the proposed Technology Mission on Cotton which will function as modified Intensive Cotton Development Programme, under seed component, the component of delinted seed has been added through distribution of seed delinting units, IPM component has been modified by adding distribution of bio-agent labs, supply of bio-agents and Surveillance of diseases and pests, the distribution of drip irrigation system has been added to Water management as a new component for the efficient water management.

CHAPTER V

CROP INSURANCE

Under Crop Insurance the budgetary allocation for 1999-2000 is Rs. 21500 lakhs as against RE of Rs. 11,000 lakhs for 1998-99.

Comprehensive Crop Insurance Scheme (CCIS)

5.2 The Comprehensive Crop Insurance Scheme (CCIS) was introduced in the country with effect from 1st April, 1985 to protect the farmers against losses suffered by them due to crop failure on account of natural calamities and to restore their credit worthiness for the ensuing season. From Kharif, 1985 to Rabi 1997-98 season 64,472 thousand farmers have been covered over an area of 1,08,519 thousand hectares. The sum insured amounted to Rs. 19,22,86,411 thousand. Claims amounting to Rs. 1,62,31,491 thousand have been paid, as against a premium income of Rs. 31,31,373 thousand. When asked as in how many States it is being implemented, the problems being faced by the State in implementing the scheme and the reasons that all States are not implementing the scheme, the Ministry stated that during the last three years 15 States and 2 Union Territories implemented the CCIS.

5.3 Main reasons for non adoption/implementation of the scheme by rest of the States/UTs are:—

— The scheme is voluntary in nature.

— The scheme has limited coverage in terms of farmers (i.e. only loanee farmers covered) and crops (i.e. only foodgrains, pulses and oilseeds crops are covered).

— Since the scheme is area based therefore, realistic crop losses are not reflected.

— The crop loss due to localised natural calamities like hailstorm, land-slide etc. are not reflected properly under the CCIS.

— On account of inadequate crop cutting machinery, the States face difficulties in undertaking requisite number of crop cutting experiments etc.

5.4 The Government of India approved a revised scheme called the Experimental Crop Insurance Scheme (ECIS) covering all small and marginal farmers (both loanee as well as non-loanee) for implementation in 24 selected districts of 8 States from Rabi, 1997-98. 100% insurance charges payable by the small and marginal farmers will be borne by the Central and the State Governments concerned. The financial liability on account of this subsidy as also the indemnity claims would be shared between the Central and the State Governments in the ratio of 8:2. The scheme will be operated as far as possible in low unit area preferably a Gram Panchayat subject to the ability of the apparatus of the State Government in respect of conduct of crop cutting experiments and furnishing of yield data for the previous years.

5.5 The ECIS had been allocated Rs. 10,000 lakhs at BE stage but on RE stage it was cut down to Rs. 6600 lakhs during 1998-99. When asked about the reasons for this reduction Ministry stated that the Experimental Crop Insurance Scheme (ECIS) could be implemented during one season (i.e. Rabi 1997-98) against two seasons (i.e. Rabi 1997-98 and Kharif 1998) as originally planned, on account of financial and administrative difficulties. Further, out of 8 States selected for implementation of ECIS only 5 States could implement the scheme. As such, reduction in amount of RE was considered necessary.

5.6 Statewise details of farmers covered and claims under ECIS are as under:-

S. No.	Name of States	Farmers covered	Claims (Rs. in lakhs)
1.	Andhra Pradesh	118763	605.04
2.	Assam	3639	43.03
3.	Karnataka	62643	421.08
4.	Orissa	53906	17.38
5.	Tamil Nadu	239224	2368.88

Modified Comprehensive Crop Insurance Scheme

5.7 Keeping in view the limitations of CCIS and the ECIS it is proposed to introduce a Modified Comprehensive Crop Insurance Scheme (MCCIS) as a permanent substitute for ECIS as well as CCIS. A workshop to discuss the draft MCCIS was held on 12.12.98 for 1999-2000 Rs. 5 lakhs have been allocated for this purpose as a token provision for the time being. The details of MCCIS are being worked out. The following are some of the features which could perhaps be factored into the proposed MCCIS:

— All farmers (both loanee and non-loanee irrespective of small and marginal farmers) and some cash crops where past yield data are available may be included.

— Regarding levying/charging of insurance charges and liability on account of claims, two alternatives have been suggested:

(a) The insurance charges would be fixed by the Government (where they are not actuarial), which would then cross-subsidise the difference/shortfall between actuarial calculations and actual collections at the flat rate.

(b) Alternatively, the Government would extend a fixed subsidy (lumpsum) to the implementing agency and leave it to that agency to alter or modify insurance charges in such a way as to make the scheme internally viable.

— The liability on account of claims under both the alternatives would be the responsibility of the implementing agency. The question of establishing a separate agency under the aegis of G.I.C. exclusively to handle this Scheme will also be examined. The idea is that the scheme should be self-sustaining on a long-term basis and fully available international re-insurance facilities, relieving the exchequer of the burden - except to the extent that a directed subsidy may operate to soften the terms in respect of sections of the farmers.

— To encourage the participation of non-loanee farmers (participation of non-loanee farmers would be voluntary), an appropriate reward/ disincentive system may be thought of.

— The upper-limit for the sum insured, the indemnity levels may remain the same in the beginning.

— Appropriate safeguards/mechanisms may be worked out to avoid misuse of the scheme particularly in respect of those crops which are of a multipicking nature.

5.8 Under the scheme of payment to GIC under Crop Insurance Schemes Rs. 21495 lakhs have been allocated for 1999-2000 as against RE of Rs. 4400 lakhs for 1998-99 which accounts to 388.52% increase.

5.9 When asked about the reasons for this steep increase in allocation for this year Ministry stated that during 1996-97 and 1997-98 an amount of Rs. 110.42 and Rs. 110.00 crore has been utilised for Crop Insurance. For 1998-99 an amount of Rs. 110.00 crore (Rs. 66.00 crore for ECIS and Rs. 44.00 crore for CCIS) which has been kept at RE will be fully utilised. Higher allocations for 1999-2000 has been proposed mainly on account of new scheme i.e. MCCIS which is proposed to be implemented from the ensuing Kharif season.

CHAPTER VI

TECHNOLOGY MISSION ON OILSEEDS, PULSES & MAIZE

The Technology Mission on Oilseeds was set up in 1986 to increase the production of oilseeds to reduce import and achieve self sufficiency in edible oils by adopting a mission mode approach to tackle all aspects of production, processing, input support and services, marketing, storage and credit. Pulses were brought within the purview of the Mission in 1990-91, Oil Palm in 1992-93 and Maize in 1995-96. Research and Development in Post Harvest Technology is an important component of Technology Mission. Activities of NOVOD Board set up in 1983 have also been brought under the purview of TMOP. The immediate objectives of the TMOP were to increase production of Oilseeds, Pulses & Maize and thereby cut down import of oilseeds and pulses and achieve self-sufficiency in these items.

6.2 Under the Technology Mission, the following programmes are included at present:

(i) Oilseeds Production Programme (OPP)

(ii) National Pulses Development Project (NPDP)

(iii) Oil Palm Development Programme (OPDP)

(iv) Accelerated Maize Development Programme (AMDP)

(v) Research and Development of Post Harvest Technology in Oilseeds & Pulses (PHT)

(vi) National Oilseeds & Vegetable Oils Development Board (NOVOD Board)

6.3 Scheme wise details of plan outlay and expenditure during the Ninth Plan period in respect of Technology Mission on oilseeds, Pulses & Maize

(Rs. in thousand)

S.No.	Name of the Scheme/ project/ programme	Outlay proposed by the Ministry for Ninth Plan	Ninth Plan approved outlay	1997-98			1998-99			%of shortfall (6+9) out of total (5+8)	1999-2000 B.E.
				App. outlay BE	Actual exp.	Short-fall	App. outlay (RE).	Actual exp. (Ant.)	short-fall		
1	2	3	4	5	6	7	8	9	10	11	12
1.	Oilseed Production Programme	6,00,00,00	5,85,00,00	94,59,00	1,09,69,00	—	1,02,30,00	1,02,30,00	—	107,66	109,10,00
2.	National Pulses Development Project (NPDP)	2,00,00,00	2,00,00,00	34,38,00	37,60,00	—	36,00,00	36,00,00	—	104.57	40,00,00
3.	Oil Palm Development Programme (OPDP)	1,40,00,00	1,00,00,00	25,00,00	6,83,00	18,17,00	6,01,00	4,00,00	2,01,00	34.37	12,00,00

1	2	3	4	5	6	7	8	9	10	11	12
4.	Accelerated Maize Development Programme (AMDP)	50,00,00	50,00,00	10,00,00	6,50,00	3,50,00	5,00,00	5,00,00	—	76,66	10,00,00
5.	Research & Develop-ment of Post Harvest Technology in Oilseeds & Pulses	50,00,00	50,00,00	10,00,00	3,94,00	6,06,00	4,00,00	4,00,00	—	56.71	8,00,00
6.	National Oilseeds & vegetable Oil Develop-ment Board (INOVOD Board)	30,00,00	25,00,00	5,30,00	3,47,00	1,83,00	3,50,00	3,50,00	—	79.20	5,00,00

6.4 The production of oilseeds and pulses in the country during the last three years is given below:

(in lakh tonnes)

	1996-97	1997-98	1998-99
1. Oilseeds	243.8	220.2	242.2 (estimated)
2. Pulses	142.5	130.7	147.8 (estimated)

6.5 The production of oilseeds has increased from 220 lakh tonnes in 1997-98 to an estimated 242 lakh tonnes during 1998-99. However, the production trends indicate that it may go up to 248 lakh tonnes. The production of pulses has increased from 142.5 lakh tonnes in 1996-97 to 148 lakh tonnes in 1998-99. The production in 1998-99 is expected to be the highest ever.

6.6 The import of oilseeds and pulses during the last four years is given below:

	1994-95	1995-96	1996-97	1997-98
1. Oilseeds	5.35	36.17	4.7	1.38 (Value Rs. in crores)
2. Pulses	5.54	4.91	6.54	6.59 (In lakh tonnes)

Accelerated Maize Development Programme

6.7 Maize is cultivated over an area of 6300 thousand hectares with a grain production of 11,000 thousand tonnes annually in India. About 80% of cultivated maize is Kharif rainfed. Maize is cultivated mainly for food, fodder, feed and industrial use. More than 3,500 value added products of daily application are derived from it.

6.8 "Accelerated Maize Development Programme (AMDP)" for development of Maize has been brought under the purview of the Technology Mission on Maize in 1995 with the aim and objective of

increasing its production and productivity from 1,000 thousand tonnes and 1.50 tonnes per hectare to 15,200 thousand tonnes and 2.40 tonnes per hectare respectively by the terminal year of 9th Plan.

6.9 The target and achievement during 1997-98, 1998-99 and targets for 1999-2000 are given below:

(in lakh tonnes)

Year	Targets	Production
1997-98	110.00	108.5
1998-99	120.00	96.1
1999-2000	130.00	—

National Pulses Development Project

6.10 The National Pulses Development Project was started with the main objectives i.e. to increase the area under Pulses by popularizing the cultivation of summer pulses in irrigated areas also raising the productivity per unit area through adoption of improved production technologies in rainfed areas. During the 8th Plan period an outlay of Rs. 189.60 crores was provided for the implementation of the programme and a target of 15.00 million tonnes for the production of pulses was fixed by the terminal year of the VIII Plan. However, due to the resource crunch and cuts imposed by the Ministry of Finance the actual allocation of funds for the implementation of the programme was Rs. 159.91 crores. The funds allocated both at the BE/RE stage together with the physical targets and achievements during the VIII Plan period are given below:

(Rs. in crores) (In million tonnes)

Year	BE	RE	AR	%age utilisation	Physical targets	Achievements	%age Achievement
1992-93	25.78	25.78	23.20	89.99	14.50	12.82	88.41
1993-94	27.98	27.98	25.19	97.71	15.50	13.31	85.87
1994-95	32.94	32.94	18.57	56.37	15.50	14.12	91.09
1995-96	34.38	34.38	33.34	96.97	15.50	12.30	79.35
1996-97	34.38	38.83	38.74	112.68	15.00	14.45	96.33

6.11 During the IX Plan period an amount of Rs. 200.00 crores had been provided for the implementation of the programme. The year wise allocation and utilisation of funds together with the physical targets and achievement during 1997-98, 1998-99, 1999-2000 in the implementation of the programme are given below:

Year	Allocation (Rs. in crores)	Expenditure	Target (In million tonnes)	Achievement
1997-98	34.38	37.60	15.00	13.57
1998-99	36.00	36.00	15.50	15.90
1999-2000	40.24	—	16.25	—

6.12 For development of pulses Rs. 4024 lakhs have been allocated for 1999-2000 as against RE of Rs. 3622 lakh for 1998-99. Stating the strategies adopted to utilise the amount and actual utilisation made during 1998-99 Ministry replied that during 1998-99 an amount of 3622 lakh has been released to different States and other Central agencies like ICAR, NSC, SFCI, KRIBHCO, AFC etc. This amount is utilised by States and other agencies indicated above for implementation of different components like Seed Production & Distribution, Distribution of Minikits, Block/Field demonstration, seed treatment, farmers' training, IPM demonstrations including pheromone traps demonstration, distribution of farm implements and distribution of sprinkler sets under Centrally Sponsored Scheme National Pulses Development Project (NPDP) for increasing the production of pulses in the country.

6.13 The Working Group on demand and supply projection of Agricultural Commodities for formulation of 9th Five Year Plan has estimated the requirement of pulses for 1996-97 at 153 lakh tonnes.

6.14 The estimated requirement of pulses for the year 2001-2002 is 172 lakh tonnes. The availability of pulses during 1997-98 was 135.7 lakh tonnes and during 1998-99 the likely availability may be 154 lakh tonnes. The expected production of pulses during 1999-2000 is likely to be 155 lakh tonnes.

6.15 The total area, yield and net per capita availability of pulses is as under:

Year	Area (in lakh)	Yield	Pulse availability (Gram per capita per day)
1995-96	222.83	552	30.1
1996-97	224.47	635	32.9
1997-98	228.47	572	37.8
1998-99	229.17	645	33.2

CHAPTER VII

FERTILISER

To support Crop Production to reach the level contemplated great stress has been laid in the 9th Plan on adequate and timely delivery of core inputs such as fertilizer. For obtaining the best response from fertilizer use, it is imperative that all the three nutrients i.e. Nitrogen (N), Phosphate (P) and Potash (K) are used in a balanced proportion which is termed to optimum NPK ratio. At the national level, a consumption ratio of 4:2:1 has been referred to as being optimum. This ratio is mainly for food crops and among food crops mainly for rice and wheat.

7.2 Under the Manures and Fertilizers Sector, the budget estimate is Rs. 2000 lakhs on the plan side and Rs. 450000 lakhs on non-plan side (total Rs. 452000 lakhs) for 1999-2000 as against the revised estimate of Rs. 659 lakhs on plan side and Rs. 379000 lakhs on non-plan side (total 379659 lakhs) for 1998-99. It amounts to 3 fold increase in plan allocation over the previous year.

Centrally Sponsored Scheme 'Balanced & Integrated Use of Fertilisers'

7.3 The Scheme on Balanced & Integrated use of Fertilisers was taken up during 1991-92 for ensuring soil test based application for NPK and micro-nutrients. The Scheme continued during 1992-93 and further during VIII Plan envisaging strengthening of analytical facilities for soils, popularising use of micronutrients and biofertilizers through demonstrations and also for setting up of compost units with a view to producing organic manure from city garbage. During VIII Plan, the approved outlay of the scheme was Rs. 26.00 crores, out of which Rs. 17.28 crores were released to the States. Against the target of 10 compost units during VIII Plan, actually 21 units were sanctioned, which indicate that States appreciate the importance of converting city waste into manure for keeping the city, environment clean and at the same time making good manure available to farmers.

7.4 The scheme is being continued during IX Plan with a total outlay of Rs. 46.11 crores. In the BE (1999-2000) Rs. 98 lakhs have been allocated for the scheme for (1999-2000) as against Rs. 159 lakhs allocated in Revised Estimate of 1998-99 which amounts to 483% increase over the previous year.

7.5 The details of achievement of physical targets in respect of the scheme is as follows:—

S. No.	Scheme/Project/ Programme	1997-98 Annual target	Actual Achievement	Shortfall	1998-99 Annual target	Actual Achievement	Shortfall	1999-2000 Annual Target
1	2	3	4	5	6	7	8	9
1.	Balanced and Integrated use of Fertilizers							
(a)	Compost Units	4	-	4	5	*	*	10
(b)	Strengthening of soil Testing Labs.	51	@	@	40	*	*	50
(c)	Training to Lab. staff	-	-	-	40	*	*	50

*Approval of Finance Ministry is awaited.
@ Information is awaited from States.

7.6 From the table it is seen that in the components 'Compost Units' the achievement was nil in 1997-98. In 1998-99 approval of Finance Ministry is awaited. In 'strengthening of soil testing labs', target was 51 in 1997-98. As regards achievement information is awaited from the States. In the component 'Training of lab staff' no achievement has been made. However there has been 60% utilisation of funds in 2 years. Explaining the situation Ministry in a written reply stated since the scheme was under revision for 9th Plan, therefore, approval during 1997-98 was generally confined to only such components which were proposed to be continued during 9th Plan. Therefore, expenditure was restricted to 355 lakhs against the budget provision of Rs. 500 lakhs during 1997-98. During 1998-99 the permission of continuing the scheme on the 8th Plan pattern was not available.

7.7 On a query of the Committee regarding no. of soil testing laboratories in the country and if they are able to fulfil the demands of farmers, the Ministry informed that there are 519 soil testing laboratories in the country including 127 mobile soil testing vans. These laboratories have a total analysing capacity of about 6.5 million soil samples. This is not considered adequate therefore the strengthening of soil testing programme has been made as an important component under the scheme of Balanced & Integrated use of fertilizers. Out of budget provision of Rs. 4611 lakhs under this scheme, about Rs. 2800 lakhs are earmarked for the strengthening of soil testing programme. Not only this Government has proposed to further increase the soil analysing capacity in the country for which additional amount of Rs. 6750 lakhs has been made available for the remaining part of the 9th Plan.

7.8 The scheme has since been approved October, 1998 which was finally approved by the Finance Ministry in February, 1999. In view of this, an expenditure of Rs. 159 lakh which was provided at RE stage is expected to be incurred under the scheme to strengthen 32 soil testing labs.

7.9 During the oral evidence, Secretary (Department of Agriculture & Cooperation) informed that "During the year 1999-2000, we are going to strengthen 200 soil testing laboratories in order to carry out NPK analysis and we are giving Rs. 5 lakh per laboratory for this purpose."

7.10 With regard to physical achievements during 1997-98, funds were released to State for strengthening of 51 soil testing laboratories and for setting up of four compost units as targeted. However, the funds were released towards the end of the financial year and, therefore, re-validation sanction was issued during current year (1998-99) and the work is in progress. Training being a new component, it will be organised during 1999-2000 onwards.

Soil Health Cards

7.11 It has been recommended by one of the key-note speakers Dr. M.S. Swaminathan in the Inter Parliamentary Union Conference on Strategy for Sustainable development of Agriculture held in December, 1998 in Rome that soil health cards for each farmer should introduced to help determine the nutritional deficiencies of soil on a continuous basis. When asked about the reaction of the Government to this suggestion Ministry stated the Government of India alongwith State Governments have been consciously creating soil testing facilities in the country with a view to assessing the fertility status of the soils. Presently, there are a total of 519 soil testing laboratories including 127 mobile vans with a total soil sample analyzing capacity of 6.5 million per annum. Government have taken steps to strengthen the soil testing programme in the country.

7.12 It is an ideal suggestion to be accepted and implemented by the Government to introduce soil health cards for all farmers of the country, to determine nutritional deficiencies of soils on continuous basis. The practical aspects and availability of funds where there are competing demands for other crucial areas in agriculture and elsewhere, it may not be possible to accept this suggestion for immediate implementation. However, the goal would be to reach more and more farmers by providing them with soil testing facilities in larger areas.

Scheme of Concession on Sale of de-controlled Phosphatic and Phosphatic and Potassic Fertilisers

7.13 The de-control of phosphatic and potassic fertilisers in August, 1992 resulted in steep hike in the prices of these fertilisers. To cushion the impact of this price hike, the Government of India introduced a Scheme of Concession on Sale of De-controlled Fertilisers to farmers w.e.f. Rabi 1992-93 season. The scheme of concession (subsidy) on decontrolled P&K fertilisers is presently applicable to Di-Ammonium Phosphate (DAP), Muriate of Potash (MoP), Single Super Phosphate (SSP) and 12 grades of complexes. Under the scheme presently in operation, Government of India indicates a maximum retail price (MRP) for these products except SSP. In the case of SSP the State Governments fix the MRP. The Government of India decides the rates of concession for these products for each season, keeping in view the cost of sales and the MRPs indicated by the Government. The concession/subsidy is released to the manufacturers and importers. Eighty per cent of the payment due in the sale of these fertilisers every month is paid to public limited companies on the basis of a certificate of sales signed by the authorised signatory of the company and verified by its statutory auditor. The remaining 20 per cent is paid to the manufacturer and the account settled after receipt of certificate from the State Government about the quantity and quality of the fertiliser sold. In the case of other companies, payment of concession/subsidy is made only after the State Government certifies the quantity and quality of the fertiliser sold.

7.14 Under the scheme of payment to Manufacturers/agencies for concessional sale of decontrolled fertilisers, the revised estimate for 1998-99 has been Rs. 379000 lakhs on non-plan side and there is a provision of Rs. 450000 lakhs for 1999-2000.

7.15 Funds allocated and utilised under this Scheme during the last three years is given below:—

(Rs. in crores)

Year	Budget Estimate	Revised Estimate	Actual Expenditure
1996-97	2224	1674	1671.77
1997-98	2000	2600	2596
1998-99	3000	3800	2792

National Project on Development and use of Bio-Fertilisers

7.16 The National Project on Development and use of Bio-Fertilisers was launched as a Central Sector Scheme during end of VI Five Year Plan *i.e.* March, 1963, as a subordinate office of Agriculture and Cooperation. Under this scheme, a National Centre was established at Ghaziabad with 6 Regional Centres at Hissar, Jabalpur, Bangalore, Bhubaneswar, Nagpur and Imphal. The main components of the scheme are:—

(i) Production and distribution of Bio-fertilisers.

(ii) To promote the use of Bio-Fertilisers through Trainings/Demonstrations and publicity.

(iii) Quality control, isolation and maintenance of strains and its supply to Bio-Fertiliser production units for multiplication.

(iv) To create Bio-fertiliser production facilities by providing Central assistance.

7.17 The scheme is approved for implementation during the IX Five Year Plan with an estimated expenditure of Rs. 19.30 crores. The total targets fixed for IX Plan are as under:—

(i) Organisation of Field demonstration and farmers fairs through:—

NBDC/RBDCs	-	350
KVKs	-	1225
NGOs/Vol. Organisation/KVKs	-	500

(ii) 70 orientation programmes

(iii) 210 Extension workers training

(iv) 150 Dealers Training through State Department of Agriculture

(v) 35 Refreshers Training courses

(vi) 1 National Seminar or Bio-fertilisers

(vii) 375 NT production and marketing of standard Bio-Fertilisers through NBDC/RBDCs.

(viii) Establishment of 30 BF Production units.

7.18 The revised estimates for this scheme for the year 1998-99 is Rs. 350 lakhs which comprises 250 lakhs as revenue expenditure, Rs. 50 lakhs as capital (land and building) and another Rs. 50 lakhs as grant-in-aid for setting up of bio-fertiliser production units. As against this, a provision of Rs. 660 lakhs have been made for 1999-2000 which comprises Rs. 309 lakhs under revenue head, Rs. 151 lakhs as proposed capital expenditure and Rs. 200 lakhs as grant-in-aid to set up bio-fertiliser production units.

CHAPTER VIII

HORTICULTURE

Horticulture Division

The horticulture development in the country continues to make steady progress in terms of increment in total production and export of the products. It is estimated that the total area covered was 12.27 million hectares and production of 144 million tonnes by the end of 1996-97, which includes 46.9 million tonnes fruit, 80.8 million tonnes vegetables, 2.78 million tonnes of spices, 9.75 million tonnes of coconut and 4.5 lakh tonnes of cashew.

8.2 The year-wise release of funds for central sector/centrally sponsored horticulture schemes during 8th Plan and thereafter has been as under:—

(Rs. in crores)

Year	Funds released
1992-93 (actual)	58.52
1993-94 (actual)	106.20
1994-95 (actual)	165.84
1995-96 (actual)	162.46
1996-97 (actual)	225.78
1997-98 (actual)	182.42
1998-99 (RE)	220.00
1999-2000 (BE)	260.00

8.3 During VIII Plan, Government of India had enhanced the allocation for horticulture sector to Rs. 1,000 crores from Rs. 27 crores in VII Plan. Final outlays actually provided were Rs. 782.45 crores out of which Rs. 718.77 crores were spent. The thrust on horticulture development to achieve accelerated growth is continued in the IX Plan with an approved allocation of Rs. 1200 crores.

8.4 DAC has a total allocation of Rs. 9153.82 crores for the IX Plan out of which Rs. 1200 crores are allocated to horticulture, which works out to 13.11%.

National Horticulture Board

8.5 During 8th Plan the total outlay for National Horticulture Board (NHB) was Rs. 106 crores only. The percentage of expenditure is only 68.27%. During 9th Plan the outlay proposed by Ministry was Rs. 401 crores. But the approved outlay is Rs. 140 crores, out of which Rs. 65.5 crores have been allocated during the first 3 years of 9th Plan.

8.6 In addition to this, Planning Commission is being requested by the Department to provide additional funds of Rs. 200 crores for newly announced backended scheme on cold storages. Rs. 20 crores would be mobilised through recoveries. The revised budget for 1998-99 was Rs. 20 crore, which will be fully utilised. During 1999-2000, National Horticulture Board proposes to implement following schemes with a total outlay of 2700 lakhs:—

(i) Development of Commercial Horticulture through production and Post Harvest Management.

(ii) Capital investment subsidy scheme for construction/ modernization/expansion of cold storage and storages for horticulture produce.

(iii) Technology development and transfer for promotion of horticulture.

(iv) Market information service for horticulture crops.

(v) Establishment of nutritional garden.

(vi) Horticulture promotion services.

(vii) Establishment and infrastructure facility.

Bee-Keeping

8.7 The best services available to mankind through honey bees is in term of pollination of a variety of cross pollinated crops, besides providing the sweat nectar of honey. In order to harness the bee power, a central sector scheme of "Development of Bee-Keeping for Improving Crop Productivity" was launched during the 8th Plan (w.e.f. 1994-95) with an outlay of Rs. 18.87 crores. The scheme envisaged the production and distribution of honey bee colonies, development of research, training of farmers/bee-keepers, development of infrastructure for handling and marketing of honey and honey bee products and organising promotional activities. The scheme was implemented during 1997-98 with an outlay of Rs. 2.5 crores. During 1998-99, the scheme has been continued and is proposed to be continued with an outlay of Rs. 200.00 lakhs during 1999-2000.

8.8 In the Plan scheme of Bee keeping—Production and Distribution of Honey bee colonies only 25% of the physical target has been achieved during first two years of IX Plan. When asked about the reasons for this shortfall and the remedial steps taken in this regard Ministry in a written reply stated that the IX Plan target for the distribution of 2,90,000 honey bee colonies is in accordance with the revised programme envisaged in the EFC memo for the IX Plan which is yet to be approved. The programme for 1997-98 and 1998-99 were, therefore, continued as per the existing pattern of the VIII Plan Scheme. It would also be relevant to mention that the targets for distribution of 35,300 colonies in 1997-98 and 82,500 colonies during 1998-99 were fixed and are likely to be achieved. Report is yet to be received from many of the State Designated Agencies.

8.9 The matter regarding the implementation of the Beekeeping scheme is being reviewed periodically by the Department at various forums including by the Beekeeping Development Board. Besides, an Expert Committee was constituted during 1998-99 on the recommendations of the Parliamentary Standing Committee on Agriculture which held detailed discussions with the implementing agencies to work out the strategy for improving the performance of the Beekeeping scheme. The Committee observed that the slow progress was mainly on account of lack of incentives to the State Designated Agencies (SDAs) for monitoring the programme besides lack of coordination between various research and development organisations.

Integrated Programme for Development of Cashewnut

8.10 India is the largest producer, consumer and exporter of cashewnut in the world. The production of cashewnut in the country during 1996-97 was estimated at 0.43 million tonnes. About 69,000 tonnes of cashewnut kernels, valued at Rs. 1285.5 crores were exported during 1996-97.

8.11 With a view to increasing production of cashewnut in the country a Centrally sponsored scheme of Integrated Programme for Development of Cashewnut was being implemented during 8th Plan.

8.12 The scheme covers Kerala, Karnataka, Goa, Maharashtra, Tamil Nadu, Andhra Pradesh, Orissa, West Bengal, Madhya Pradesh, Manipur and A&N Islands. During 8th Plan period, these programmes were implemented at a cost of Rs. 5.94 crores which also included Rs. 10.36 crores given for rehabilitation of damaged plantations in Andhra Pradesh. The scheme was continued on existing pattern during 1997-98 and 1998-99. The scheme is proposed to be continued during 1999-2000 with an outlay of Rs. 17.30 crores.

Coconut Development Board

8.13 In order to create permanent improvement in the production of coconut as well as to improve availability of planting material, Coconut Development Board is implementing various coconut development programmes. During the VIII Plan, these programmes were implemented with an amount of Rs. 123.53 crores. This included an amount of Rs. 51.925 crores provided to Andhra Pradesh for the rehabilitation of plantations of coconut damaged in cyclone. The programmes *inter-alia* include production and distribution of planting material, expansion of area under coconut integrated farming, coconut holdings, integrated control of leaf eating cater piller etc. The Coconut Development Board is also promoting development of infrastructure facilities for copra making, rotary and expeller units, improved copra dryers and production of handicrafts by utilizing various coconut palm parts. The programmes are proposed to be continued on existing pattern of assistance, during 1999-2000 with an allocation of Rs. 21 crores.

New Schemes

8.14 Following new schemes are proposed to be undertaken during 1999-2000. These schemes were envisaged to be taken up as part of the IX Plan:

(i) Integrated handling and marketing of fruits and vegetables.

(ii) Human resource development.

(iii) Infrastructure support for information flow for horticulture.

(iv) Tribal area development.

(v) Technology mission for the North-Eastern States.

(vi) Integrated Development of Potato & Onion.

CHAPTER IX

RAINFED FARMING SYSTEM

Out of total 142.22 m.ha. sown area only 53.00 m.ha. is irrigated and the rest 89.22 m.ha. is the rainfed area. As per the 9th Plan document, even after the irrigation potential is fully exploited, half of the cultivated land may remain dependent only on rainfall. Therefore, agricultural growth in future would have to depend on exploring and harnessing the growth potentials in rainfed areas. In order to meet this the strategy for the development of rainfed areas is through the adoption of watershed management approach:

9.2 The strategy for the development of rainfed areas is through the adoption of watershed management approach, which is primarily based on the twin concepts of integrated watershed management and sustainable farming system development. This is achieved through treating both arable and non-arable lands and natural drainage-lines in the rainfed areas for *in-situ* moisture conservation and promotion of diversified farming system approach. A major effort is being undertaken to improve the production technology for rainfed crops alongwith other agriculture and allied activities including agro-forestry, silvipasture, livestock management and pisciculture.

9.3 Based on the above strategy, the National Watershed Development Project for Rainfed Areas (NWDPRA) was launched during 1990-91 and implemented through VIII Plan period. The project continues during IX Plan.

9.4 Under National Watershed Development Programme for Rainfed Areas Rs. 22,850 lakhs have been allocated for 1999-2000 as against Rs. 22,500 lakhs in revised estimate for 1998-99.

9.5 The BE for the financial year 1997-98 under NWDPRA was Rs. 17,350 lakhs which was reduced to Rs. 15,500 lakhs at the RE stage out of which the releases to the states were Rs. 14,864 lakhs. The remainder amount could not be released to the States because of slow utilisation of funds by them. The physical target and achievement during the year are as follows:

1997-98	1998-99 Target	1999-2000 Target
0.37 m.ha.	0.50 m.ha.	0.50 m.ha.

9.6 During the year 1999-2000, a provision of Rs. 200 lakhs for the year 1999-2000 is because of the creation of a new sub-head "04 - Other Contractual Services" to undertake concurrent evaluation of the NWDPRA in the entire country as well as to conduct impact evaluation of selected Watersheds of the 8th Plan.

9.7 The budgetary support given to the above mentioned institutions during the last three years including the year 1998-99 the utilisation made by them and their physical targets and achievements the Ministry stated that in the 9th Plan under the restructured National Watershed Development Project for Rainfed Areas (NWDPRA) there will be an expanded role of Government Departments, NGOs and external agencies. The restructured NWDPRA will come into effect after the CCEA has approved the scheme for the 9th Plan. The Expenditure Finance Committee has already approved this Scheme in February, 1999. In the first two years of the 9th Plan, NWDPRA was being implemented under the 8th Plan guidelines under which there was no provision for support to NGOs; the programme was primarily implemented through Departments.

9.8 Watershed Development Programmes is being implemented by various Ministries *viz.* the Ministry of Water Resources, M/o Rural Development and M/o Agriculture when asked about the coordination among various Ministries on the implementation of programmes, the Ministry stated that NWDPRA is Centrally Sponsored Scheme of only Ministry of Agriculture which has a built in provision for coordination mechanism at the National, State and District level which includes representatives from all the concerned Departments.

9.9 The Finance Minister in the Budget 1999-2000 has stated that to unify the multiplicity of watershed development programmes within the framework of a single natural initiative a National Movement of

Watershed Development, a Watershed Development Fund will be established with NABARD to cover 100 priority districts in 3 years. Stating about the modalities of the proposal, Ministry has informed that the Planning Commission has asked the Ministry of Agriculture to work out the modalities of a common framework and identification of areas of convergence for effective execution and coordination of watershed development programmes/projects being implemented by different Ministries. Accordingly, it has been proposed to hold an inter-ministerial meeting under the joint chairpersonship of 2 concerned Additional Secretaries of Ministries of Agriculture and Rural Areas and Employment.

9.10 The creation of Watershed Development Fund is to be done by the Ministry of Finance in consultation with NABARD and its quantum is to be finalised by them. However, the Ministry of Agriculture has been in consultation with NABARD is to work out the modalities of assistance and credit linkages with the bankable components of the NWDPRA.

CHAPTER X

EXTENSION

Approved outlay for the IX Plan period for Extension Division is Rs. 8,000 lakhs which includes Externally Aided Projects—National Agricultural Technology Project (NATP) and UNDP National Food Security.

(Rs. in lakh)

Schemes	Ninth Plan App. Outlay	1997-98 App. Outlay	1997-98 Actual Expenditure	1998-99 App. Outlay	1998-99 Estimated Expenditure	1999-2000 Budget Estimate
NATP	7800	50	40	450	450	1800
UNDP	2400	—	—	—	—	400

National Agricultural Technology Project

10.2 The National Agricultural Technology Project aims at improving research and extension services. The research component of the project is being coordinated and implemented by the Indian Council of Agricultural Research (ICAR) whereas the extension component—Innovations in Technology Dissemination (ITD) is being implemented by the Department of Agriculture & Cooperation. Out of total cost of Rs. 861.30 crores, the ITD component accounts for Rs. 124.37 crores.

The salient features of ITD component are given below:—

— pilot testing new institutional arrangements for technology dissemination at the district level and below through establishment of District Agriculture Technology Management Agencies (ATMAs);

— moving towards integrated extension delivery adopting bottom-up planning procedures for setting the research-extension agendas;

— adopting bottom-up planning procedures for setting the research-extension agendas;

— making the technology dissemination farmer driven and farmer accountable;

— addressing gender concern in agriculture; and

— increasing use of information technology for effective dissemination.

UNDP National Food Security Project

10.3 The UNDP Food Security Project has been initiated with the objective of providing support for Food Security at various levels of farming community including empowering Women in agriculture. The main thrust areas of this programme are:

(a) intensification of agriculture;

(b) diversification of farming systems;

(c) environmental and gender sensitive technology transfer with a focus on rainfed and marginal lands;

(d) innovative community initiatives; and

(e) mainstreaming gender concerns in agriculture.

10.4 This is in the nature of Umbrella project. Under this project, sub-programme will be taken up for funding. Till now two sub-programmes have been signed by UNDP and DEA.

— Sub-programme on "Development and large scale adoption of Hybrid rice Technology" to be implemented by ICAR, Directorate of Rice Research, Hyderabad at an estimated cost of Rs. 10.84 crores. This Sub-programme is being implemented in rice growing areas of the country.

— Sub-programme on "Maize-based Cropping System for Food Security of India" to be implemented by TMOP&M Division of Department of Agriculture & Cooperation. This project has been signed for an amount of Rs. 3.46 crores. This Project will be implemented in 6 districts of 3 States i.e. District

Bullandshahar, Deoria, Baharich and Lalitpur in Uttar Pradesh; district Banswara in Rajasthan and district Begusarai in Bihar.

Training of Women in Agriculture

10.5 The Scheme of Training of Women in agriculture was launched during the VIII Plan on pilot basis in one District each of 7 States *viz.* Haryana, Himachal Pradesh, Punjab, U.P., Rajasthan, Maharashtra & Kerala with an estimated cost of Rs. 1.64 crores (approx. Rs. 6.9 lakhs/ district/state/year).

10.6 The Scheme was proposed to be extended to other Districts/ States during the IX Plan period. It was proposed to increase the geographical coverage of the Scheme to 19 States/UTs to cover 28 districts of the country including 7 North Eastern States with revised cost norms.

10.7 The EFC memo of the Scheme is still under the process of clearance. The expenditure during 1997-98 and 1998-99 therefore, had to be incurred as per the old cost norms in only 7 districts of the country. The new cost norms and increase of geographical coverage will be in operation for funding only after the necessary clearance of EFC.

CHAPTER XI

PLANT PROTECTION

Plant Protection involves protection of Indian Agriculture from the ingress of exotic pests and diseases, promotion of Integrated Pest Management for eco-friendly management of pests, implementation of Insecticides Act, 1968 for quality control and safe and judicious use of pesticides, training and extension activities in plant protection and locust control in scheduled desert areas. The following allocation has been made for various schemes of plant protection during 1998-99 & 1999-2000:

BE (1998-99)	RE (1998-99)	BE (1999-2000)
31.30	15.38	30.50

11.2 In the BE (1998-99), an allocation of Rs. 31.30 crore was made which was reduced to Rs. 15.38 crore in RE (1998-99). Explaining the reasons for reduction in BE (1998-99), the Ministry stated that the approved BE (1998-99) was Rs. 35.00 crore. At the RE stage however, the allocation was reduced by the Ministry of Finance by 50% *i.e.* to Rs. 17.50 crore. This was against the projected RE 1998-99 of Rs. 29.54 crore. During 1998-99, the entire fund provision of Rs. 502.00 lakh for 'capital' expenditure in RE 1998-99 is not only being utilised but expenditure to the tune of nearly Rs. 300.00 lakh has to be deferred for lack of funds.

11.3 Reduction in allocation on revenue side has been on account of non-creation of 770 posts which resulted also in non-setting up of RPTL at Shillong, 4 CIPMCs in North Eastern Region and 3 new Plant Quarantine & Fumigation Stations.

11.4 The reduction made in various schemes of Plant protection due to decrease in allocation at revised stage in 1998-99 is as follows:-

11.5 Statement showing Scheme-wise position of BE 1998-99 and RE 1998-99:

(Rs. in lakhs)

Sl.	Name of Scheme		B.E. 1998-99	RE 1998-99
1.	Implementation of Insecticides Act	Revenue	370	212
		Capital	200	88
		Total	570	300
2.	Promotion of Integrated Pest Management	Revenue	701	514
		Capital	200	124
		Total	901	638
3.	Expansion of Plant Quarantine Facilities in India	Revenue	596	410
		Capital	975	222
		Total	1571	632
4.	Locust Control & Research	Revenue	231	80
		Capital	75	63
		Toal	306	143
5.	Training in Plant Protection	Revenue	83	32
		Capital	69	5
		Total	152	37
	Grand Total	Revenue	1981	1248
		Capital	1519	502
		Total	3500	1750

CHAPTER XII

AGRICULTURAL IMPLEMENTS AND MACHINERY

Use of Modern Agricultural Implements and Machinery in the crop cultivation increases the productivity besides improving the quality of farm produce. To promote and popularise the use of modern agricultural machines/implements and human resource development the Ministry has proposed seven schemes for implementation during Ninth Plan. Of the seven schemes, 3 schemes have been continued from the 8th Five Year Plan. The following table gives the financial & physical performance of the scheme.

Agricultural Implements and Machinery Division Financial

(Rs. in thousand)

S.No.	Name of the Scheme	Outlay proposed by the Ministry for Ninth Plan	Ninth Plan approved outlay	1997-98			1998-99			% of Shortfall (6+9) out of (5+8)	1999-2000
				Budget Estimates	Actual Exp.	Short-fall	App. Outlay (RE)	Antici-pated Exp.	Shortfall		BE
1	2	3	4	5	6	7	8	9	10	11	12
1.	Promotion of Agril. Mechani-sation.	75,00,00	50,00,00	16,00,00	16,69,30	—	20,00,00	13,37,00	6,63,00	16,50	25,00,00
2.	Conduct of study and Formulation of Long-term Mechanisation Strategies for each Agro-climatic zone.	1,00,00	1,00,00	10,00	Nil	10,00	28,00	Nil	28,00	100	60,00
3.	Promotion/Popula-risation of Agriculural Equipment in the North-Eastern States.	10,00,00	10,00,00	10,00	Nil	10,00	1,60,00	Nil	1,60,00	100	4,00,00

1	2	3	4	5	6	7	8	9	10	11	12
4.	Strengthening of Agril. Deptt. of State Agri-cultural Universities.	—	—	40,00	—		Scheme droped				
5.	Introduction of specialised and New Developed Equipment	—	-	10,00	—		Scheme dropped				
6.	Development of prototypes of Industrial Designs of Agril. Implements	2,00,00	2,00,00	10,00	Nil	10,00	3,00	Nil	3,00	100	15,00
7.	Strengthening of FMTTI Budni, Hissar, Biswanath Chariali and Garladinne (Plan)	12,00,00	12,00,00	3,00,00	2,33,35	66,65	1,50,00	1,46,60	3,40	15.5	3,94,80
	Non Plan	—	—	2,62,00	2,96,77	—	3,39,00	3,34,97	—	Nil	3,59,00

1	2	3	4	5	6	7	8	9	10	11	12
8.	Setting of Farm Machinery Training & Testing Institute in Tamil Nadu	5,00,00	—	—	—	—	—	—	—	—	1,00,00
9.	Comprehensive Scheme for modernisation of agriculture through mechanisation.	150,00,00	—	—	—	—	—	—	—	—	60,00,00

Physical (in Nos.)

Sl. No.	Scheme/Project/ Programme	Unit	Ninth Plan target	1997-98			1998-99			1999-200	Total
				Annual target	Actual achievement	Shortfall	Annual target	Anticipated achievement	Shortfall	Annual Target	% of achievement during first 2 years of Ninth Plan
1	2	3	4	5	6	7	8	9	10	11	12
1.	Promotion of Agricultural Mechanisation	No. of tractors to be subsidised	16,666	5,333	5564	—	6667	4456 (according to RE 98-99)	2211 (BE Rs. 20 crore reduced to Rs. 13.37 crore at RE stage)	8333	60 (till Dec., 98)
2.	Strengthening of Farm Machinery Training and Testing institutes at Budni (MP), Hissar (Haryana) Garladinne (Andhra Pradesh) and Biswa-Nath Chariali (Assam)	1. No. of trainees to be trained	17,500	3250	3367	—	3250	2737 (till Dec., 98)	Likely to be achieved	3500	94 (till Dec., 98)
		2. No. of machines to be tested	340	65	60	5	65	41 (till Dec., 98)	Likely to be achieved	65	78 (till Dec., 98)

1	2	3	4	5	6	7	8	9	10	11	12
3.	Conduct of Study and Formulating Long-term mechanisation Strategies for each Agro-climatic Zone of the country	No. of studies to be conducted	15	Nil	—	—	Nil	—	—	5	—
4.	Promotion/Popularisation of Agricultural Equipment in the North-Eastern States	No. of Equipment to be subsidised	10,000 power driven	Nil	—	—	Nil	—	—	3000	—
			20,000 other equipment	Nil	—	—	Nil	—	—	6000	—
5.	Development of Prototypes of Industrial Designs of Agricultural Implements	No. of prototypes to be developed	16	2	Nil	2	2	Nil	2	4	Nil

12.6 The scheme of Promotion of Agricultural Mechanisation envisages the provision of subsidy at the 30% limited to Rs. 30,000 to the farmers individually or in groups etc. for the purchase of tractors upto 30 PTO HP and their matching implements. This scheme has been very popular with the farmers.

12.7 During the year 1998-99, the budgetary provision of Rs. 20 crore was made for the scheme which has been curtailed to Rs. 16.37 crore in the revised stage. An allocation of Rs. 25 crore has been made for 1999-2000. When asked action being taken by Department to impress upon the Planning Commission to release mere funds under the scheme the Ministry stated that during the discussions, held on the 6th January 1997, with the Planning Commission, for the Annual Plan 1997-98 and 9th Plan (1997-2002), pursuant to the observations of the then Hon'ble Agriculture Minister that the demand of farmers for the purchase of tractors under the Scheme 'Promotion of Agricultural Mechanization' has been growing and many of the deserving farmers have not been able to get benefit under the Scheme, it had been impressed upon the Planning Commission to allocate enhanced outlay of at least Rs. 200 crore per annum, under this Scheme, during the 9th Plan. However, due to the limited 9th Plan allocation to the Department of Agriculture & Cooperation, funds amounting to Rs. 75 crore, only have been allocated to this Scheme as the 9th Plan outlay as against that of Rs. 37.73 crore, during the 8th Plan.

Conducting Study and formulating long term Mechanisation Strategies for each Agro Climatic Zone

12.8 This is a new Central Sector Scheme proposed for its implementation during 9th Five Year Plan. The implementation of the scheme lays emphasis on conducting an in-depth study for the collection/compilation of information/data at macro level in respect of each of the zones which is absolutely necessary for formulating an effective and all round agricultural mechanisation development in the respective agro-climatic zones of the country. The following 15 agro-climatic zones have been identified under the scheme:

(i) Western Himalayan Region

(ii) Eastern Himalayan Region

(iii) Lower Gangetic Plains Region

(iv) Middle Gangetic Plains Region

(v) Upper Gangetic Plains Region

(vi) Trans-Gangetic Plains Region

(vii) Eastern Plateau and Hills Region

(viii) Central Plateau and Hills Region

(ix) Western Plateau and Hills Region

(x) Southern Plateau and Hills Region

(xi) East Coast Plains and Hills Region

(xii) West Coast Plains and Ghats Region

(xiii) Gujarat Plains and Hills Region

(xiv) Western Dry Region

(xv) The Islands Region

12.9 When asked if any time frame has been prescribed under the scheme for making studies of each agro-climatic zone, the Ministry stated that a minimum time of 30 months is likely to be taken for the conduct of the study of each Agro-climatic zone of the country in view of the vast area and terrain to be covered, after the work is entrusted to the selected agency.

Establishment of Farm Machinery Training & Testing Institute with State of Tamil Nadu

12.10 A Central Sector Scheme 'Establishment of a Farm Machinery Training & Testing Institute in the States of Rajasthan & Tamil Nadu' had been approved during June, 1994, for its implementation during the 8th Five Year Plan with the plan outlay of Rs. 60,000 thousand. However, the scheme could not take off during the 8th Plan owing to the inordinate delay on the part of the State Governments in transferring the required land to the Central Government for the setting-up of the Institutes. In pursuance of the strong recommendations of the parliamentary Standing Committee on Agriculture (1998-99), it has been decided by the department to establish a Farm Machinery Training and Testing Institute in the State of Tamil Nadu with the plan outlay of Rs. 50,000 thousand. Giving details of the proposal the Ministry stated that the scheme is likely to be approved for its implementation during the current financial year itself. During 1999-2000, efforts shall be made to take possession of the required land in the State, for the establishment of the Institute. However, pending transfer of the land to the Central Government and the construction of buildings, etc. thereon, efforts shall be made to commence the training activities by way of hiring accommodation therefor, in consultation with the State Government. For the construction of boundary wall, buildings and also procurement for some basic training equipment for the Institute, it is proposed that a budgetary provision of Rs. 10,000 thousand may be made for the scheme during the year 1999-2000.

12.11 The Committee enquired about the fate of proposal for setting up FMTTI in Rajasthan, the Ministry informed that keeping in view that the setting up of a Farm Machinery Training & Testing Institute in a State, should be closely linked to the demand for the training and testing of Agriculture Machinery there, it has been decided by the Department to conduct a survey of the existing training/testing facilities provided by the Government/Non-Government Agencies, including the Trade and the Industry Sectors, and identify the gaps and additional requirements before formulating a programme for the establishment of Farm Machinery Training & Testing Institutes in the other States, including Rajasthan. The Indian Institute of Management, Ahmedabad, has been requested to conduct the said survey at the earliest.

CHAPTER XIII

AGRICULTURAL MARKETING AND QUALITY CONTROL

The Agricultural Marketing Infrastructure has not kept pace with the accelerated growth of production in the country. This has resulted in significant post harvest losses of agricultural produce. Till last year the subject of Agriculture & Marketing was under the M/o Rural Development from 1999 it has been transferred to M/o Agriculture. Under this sub major head, the Budget Estimate (1999-2000) is Rs. 1935 lakhs on Plan side and Rs. 1566 lakhs on non-plan side amounting to total allocation of Rs. 3501 lakhs (Revenue Section) and Rs. 50 lakhs in capital section.

13.2 Marketing and Production functions are complementary and supplementary to each other. Any programme for large scale production of Agricultural commodities will not be economically feasible unless it is closely tied in with marketing arrangements. All other organisations dealing with Agricultural Marketing like NAFED, NHB, NSC, CACP, Directorates of Cashewnut, Coconut etc. are in DAC. International marketing function and policy is being handled by DAC and for that internal marketing function also needed to be integrated with it. The schemes like Minimum Support Price and marketing intervention are being looked after by DAC. In the overall interest of a coordinated approach towards agricultural development, production and adequate marketing linkages to the farmers assumes considerable importance and, therefore, agencies responsible for production and marketing should work together under the same Department.

13.3 The schemes of Agricultural Marketing are basically implemented through Directorate of Marketing and Inspection. The following schemes are in operation under the Department:

(i) Research Grants

(ii) Agmark Grading & Quality Control

(iii) Market Survey & Investigation

(iv) National Institute of Agricultural Marketing.

13.4 Research, surveys and studies on different aspects of agricultural marketing have been one of the major activities of the Directorate of Marketing and Inspection. Studies are undertaken and technical guidance is rendered to State Governments in planning, designing and development of markets. 34 Studies for conducting research in the specified areas of agricultural marketing were sanctioned during the years 1994-95, 1995-96 and 1996-97. During 1996-97 and 1997-98, an amount of Rs. 4.268 lakhs has been sanctioned by the Ministry towards final and second installments of Research Grants for different research studies. An amount of Rs. 100 lakhs has been released for estimation of Marketable Surplus and Post-Harvest Losses in foodgrains to Marketing Boards etc. against the budget provision of Rs. 1 crores during the year 1996-97. The survey work is in progress in 100 districts of 25 States.

Marketing Survey & Investigation

13.5 In the scheme 'Market Survey & Investigation' against an expenditure of Rs. 220 lakhs in 1998-99, an allocation of only Rs. 73 lakhs has been made in BE (1999-2000). Explaining about the reasons for this drastic reduction Ministry stated that the scheme was to be completed in three years in 1998-99. The major part of the scheme has already been implemented. The budget estimate for 1999-2000 is to meet only the left over demands from the States.

Agmark Grading & Quality Control

13.6 In scheme Strengthening of Agmark Grading Facilities (SAGF) against BE (1997-98) of 75 lakh actual expenditure was 28 lakhs leaving a shortfall of 46.97 lakhs. In 1998-99 against the revised outlay of 40 lakhs, the anticipated expenditure is only 28 lakhs. The budget outlay for 1999-2000 has been kept at 100 lakhs. Explaining about the reasons for decreased expenditure during 1998-99 the Ministry in a written reply stated that the Expenditure towards printing of Agmark label is decreasing as the Directorate is shifting towards use of replica in lieu of AGMARK label.

13.7 During 1999-2000 the Department has the proposals to purchase machinery and equipment for modernising Agmark Laboratories with augmented budgetary provision.

New Schemes

13.8 Rs. 140 lakhs has been allocated for new schemes in BE (1999-2000) for Agricultural Marketing. The following 9 schemes as per the recommendation of the Working Group on Agricultural Marketing have been formulated by the Government to be undertaken during 1999-2000

(i) Development of Rural Periodic Markets

(ii) Grading & Packaging houses

(iii) Marketing Extension

(iv) Promotion of Agmark in Domestic Trade

(v) Marketing Information

(vi) Improvement of Services in wholesale Markets

(vii) Setting up of Apni Mandies

(viii) Strengthening Farm level infrastructure

(ix) Packaging Research & Development.

CHAPTER XIV

SOIL & WATER CONSERVATION

The land, water and the Biological Resources which support agriculture and animal husbandry and provide the essential requirements of food, drinking water and fuel are all under severe pressure. Protecting and reclaiming these and managing them more carefully is essential for sustaining life support system. Soil and Water Conservation measures are, therefore, essential pre-requisites to counter the problem of land deterioration and water depletion. The management of land resources taken up on watershed basis is the basic tenet of all schemes of soil and water conservation.

14.2 In view of the above, Soil and Water Conservation Programmes assume special importance and play a vital role not only in increasing production but also in reducing land degradation and maintaining ecological balance. The significance of this has been recognised by the Government and suitable programmes have been launched both at Central and State Sector to conserve soil and water for sustainable agricultural production.

14.3 The Centrally Sponsored Scheme namely: Soil Conservation in catchment of river valley projects and Flood prone areas is the major scheme under Soil & Water Conservation. Against RE (1998-99) of Rs. 129 crore, the BE (1999-2000) has been raised to Rs. 145.19 crore.

14.4 The physical targets & achievements for the scheme are:

	1997-98		1998-99		1999-2000
	T	A	T	A	T
RVP	1.51	1.78	1.95	2.00	1.75
FPA	0.81	0.91	0.97	1.00	0.75

14.5 Stating about the reasons for fixing lower targets for 1999-2000, when there is substantial increase in budgetary allocation Ministry in a written reply informed that even though the achievements are higher than targets, in terms of area coverage, the intensity of treatment has gone down due to steep increase in wage rates in the States. States have been demanding higher ceiling of treatment cost during 9th Plan. Keeping in view the increase in wage rates and persistent demand of State Governments, the ceiling of treatment cost is proposed to be revised from Rs. 3200/ per ha. in the 8th Plan to Rs. 6500 during 9th Plan. Expenditure Finance Committee has approved the revised cost norms in February 1999. The note for Cabinet Committee of Economic Affairs is under preparation. On the basis of proposed revised rates the working target for 1999-2000 has been proposed.

14.6 The Soil Conservation Research, Demonstration and Training Centre (SCRD&TC) at Chatra in Nepal was sanctioned in December, 1956 in pursuance of a decision taken at the third meeting of the Kosi Coordination Committee held in Sept., 1955. The mandate of the centre was to support development work in the field of Soil and Water Conservation in Kosi catchment for mutual benefit to Nepal and India. Land to establish the Centre was given by the Government of Nepal on long lease. After expiry of the lease agreement the Ministry of External Affairs on request of the Government of Nepal advised that the Centre be wind up. Accordingly, orders have been issued for closure of the centre.

14.7 Under the Reclamation of Alkali (USAR) soils during the first two years of the Ninth plan there is only 38% achievement. During 1997-98 there has been low financial performance as out of Rs. 768 lakhs, only Rs. 338 lakhs could be spent. When asked about the reasons for low physical and financial achievements Ministry in a written reply stated that during the year 1997-98, a target to reclaim 59,300 ha. was approved in the States of U.P., Punjab and Haryana. The major physical target was assigned to U.P. to reclaim 36,000 ha. during the year 1997-98. In U.P. there are Projects for reclamation of alkali soil supported by World Bank and European Economic Community, where the assistance given on the major component *viz.* soil amendment is 100%. Provision under the Centrally sponsored scheme provided only 50% assistance on the same, making it relatively unattractive to the farmers. Due to which the target could not be achieved.

CHAPTER XV

COOPERATION

The Cooperation Sector has been playing a significant role in the area of disbursing agricultural credit providing marketing support for farmers, distribution of agricultural inputs, imparting cooperative education and training.

15.2 The Cooperative occupy a place of pride in the economic scenario of the country. The basic objective of the Cooperation Division is to design long term and short term strategies for reducing economic imbalances between down-trodden rural people and rural rich as well as regional imbalances including rural and urban differences. The Cooperatives are helping the farmers for increasing the production and productivity and intuiting post harvest facility for augmenting their income. The Cooperation Division is implementing 13 ongoing Central Sector/Centrally Sponsored Schemes and has proposed five new schemes to be implemented during 9th Five Year Plan for promotion and development of cooperative as follows:-

Ongoing Schemes

(i) Assistance to NAFED for promoting business activities;

(ii) Integrated Cooperative Development Project in selected districts;

(iii) Assistance for cooperative marketing, Processing and Storage Programmes in cooperatively under-developed States and Union Territories;

(iv) Share capital participation in cooperative sugar mills;

(v) Assistance for growers' cooperative spinning mills;

(vi) Strengthening of cooperative education and training;

(vii) Assistance to National Cooperative Federations;

(viii) Development of Multi-State Cooperative Societies and Strengthening of Cooperation Division (Direction and Administration);

(ix) Assistance to Weaker Section Cooperatives;

(x) Assistance for Women Cooperatives;

(xi) Assistance to National Federation of Labour Cooperatives;

(xii) Development of Cooperative Rural Growth Centre including construction of storage godowns in Bihar (EEC Assisted);

(xiii) Coconut Development Project in Kerala (EEC Assisted).

Schemes proposed for Ninth Plan

(i) Janta Personal Accident Insurance Scheme for Labour Cooperatives;

(ii) Development of reservoir fisheries through cooperatives in selected States;

(iii) Development of Wool Processing Development and Industrial Cooperatives;

(iv) Annual Collection, compilation and dissemination of cooperative statistics;

(v) Strengthening of cooperative sector.

15.3 The Cooperative Sector has been allocated Rs. 918 crores for 9th Plan out of which Rs. 170 crores has been allocation in BE 1999-2000.

(Rs. in lakhs)

	1997-98		1998-99		1999-2000
9th Plan Approved Outlay	App. Alloca-tion	Actual Expen-diture	Approved Outlay	Anticipated Expenditure	BE
91,800	13,109	11,409	10,878	10,827	17,000

15.4 In order to facilitate all round development and economical viability of the Cooperatives and to ensure their working as autonomous, self-reliant and democratically managed institutions responsible to their members, the formulation of a National Co-operative Policy is under consideration of the Government. The proposed features of the policy as stated by the Ministry are as under:

(i) Revitalisation of the Cooperative structure particularly in agricultural credit sector.

(ii) Reduction of regional imbalances particularly providing support measures in the under-developed States and Cooperatively under-developed States.

(iii) Strengthening of Cooperative education and training and human resource development.

(iv) Greater participation of members in the management of Cooperatives and to develop the concept of user members.

(v) To amend/remove the provisions in Cooperative laws providing for restrictive regulatory regime.

(vi) To evolve a system of integrated Cooperative structure entrusting the federations predominantly the role of promotion, guidance, information system etc. towards their affiliate members.

(vii) To ensure the functioning of Cooperatives based on basic Cooperative values and Principles.

Assistance to NAFED

15.5 This Scheme for assisting National Agriculture Cooperative Marketing Federation of India Ltd. (NAFED) is continuing since 5th Five Year Plan. The main objective of the scheme is to strengthen the financial position of NAFED for increasing its business activities in marketing of agricultural produce through statfeds PCMs etc. for providing better price to growers and also to enable the NAFED to undertake price support operations, market interventions, commercial purchases, so as to play an effective role in providing market support both internally as well as for promotion of exports. During the 8th Five Year Plan an outlay of Rs. 19.50 crores was approved by

DOAC against which an amount of Rs. 38.04 crores was released. For 9th Five Year Plan an outlay of Rs. 20.00 crores is proposed for assisting NAFED. For 1997-98, an outlay of Rs. 5.00 crores was kept and the same was released. A business target of Rs. 810.94 crores is proposed by NAFED for 1998-99 and business programme of Rs. 850.38 crores for 1999-2000. A provision of Rs. 500.00 lakhs is proposed for assisting NAFED during 1999-2000.

Assistance to Women Cooperatives

15.6 This scheme was introduced during 1993-94 by the Cooperation Division. The main objective of the scheme is to bring about improvement in socio-economic states of women by providing special protection to them in the form of assured work through home based economic activities to be done by the rural and urban women. Under the scheme an amount of Rs. 1 lakh is provided to each women's society in the form of loan of Rs. 80,000 and subsidy of Rs. 20,000 through the State Governments. During the year 1997-98 there was a budget provision of Rs. 140.00 lakh which was sanctioned to 140 societies through State Governments. For the year 1998-99, there is a budget provision of Rs. 100 lakh, which is sanctioned to 100 societies through State Governments.

Share Capital Participation in Cooperative Spinning Mills (Growers)

15.7 Centrally sponsored Plan Scheme for share capital participation in Cooperative spinning mills (Growers) was introduced during 1974-75 continued in 6th & 7th Plan and 8th Plan and is being continued in 9th Plan also, with an approved outlay of Rs. 67.00 crores. The NCDC's assistance under the scheme is in the form of loan assistance to different State Governments for share capital participation in the establishment of new expansion and modernisation of cooperative spinning mills while the term loan for the programme will have to be raised from All India Financing Institutions. The implementation of the scheme has been reviewed and proposal for enlarging the scheme has been cleared by the Government which covers providing of term loan assistance in addition to investment loan assistance for equity participation for new mills. Under the revised scheme assistance would be provided for (a) Share capital participation in new growers cooperation spinning mills, and (b) Term loan assistance for (i) Modernisation/Diversification of existing cooperative spinning mills, (ii) Expansion of existing mills upto the capacity of 50,000 spindles &

(iii) Modernization of existing/setting up of modern ginning and pressing units by growers mills.

15.8 Under the scheme 'Share Capital participation in Cooperative Spinning Mills' no expenditure was incurred in 1997-98 and 1998-99. No allocation has been made in BE (1999-2000). As regards physical achievement the performance is dismal. In the background note it has been stated that there was no demand from State Government for spinning mills.

15.9 When asked about the reasons that there has been no demand from State Governments/Spinning mills for new mills and if the Ministry propose to review the whole scheme. As there has been no financial spending in the scheme during the last 2 years. The Ministry in a written reply has stated that in view of adequate capacity having already been created, setting up of new mills other than 100% Export Oriented Unit (EOU) is not being encouraged by the term lending financial institutions. However, NCDC is ensuring consolidation of gains achieved so far by extending financial assistance for modernisation, expansion and diversification of existing spinning mills. A study is being undertaken to evaluate the impact of the scheme. The study team comprising representatives from Ministry of Textiles, Agriculture and NCDC has so far reviewed the Cooperative Spinning Mills in Tamil Nadu. A few more States are likely to be covered soon.

15.10 An expert group has recommended financial and administrative restructuring of National Co-operative Development Corporation (NCDC) to widen its activities and strengthen its financial base.

15.11 The principal recommendations of the Expert Group are as follows:—

(i) Re-loaning of the principal repayable by NCDC to the Central Government and the process may continue for at least 3 years.

(ii) Assistance from the Central Government in a few account heads in place of existing numerous heads and sub-heads.

(iii) Exemption from payment of income-tax may be restored as given earlier from 1984-85 to 1988-89.

(iv) Annual interest instalment payable by the Corporation to the Central Government to be re-deployed as grant in NCD Fund for next 5 years until total grant of Rs. 500 crores is provided.

(v) Interest rate on Central Government loans may be reduced from 12% to 8.5%.

(vi) NCDC may be allowed to borrow funds from the banks as per their requirement upto a limit of Rs. 100 crores per annum.

(vii) NCDC may explore the possibility of mobilising funds from the World Bank/ECB and raising deposits from the cooperative sector.

(viii) The proposed National Cooperative Bank should have proper linkages with the NCDC for raising sufficient resources at competitive rates from the cooperative sector.

Price Support/Market Intervention Activities through Cooperative Societies

15.12 NAFED has been designated as the Central Nodal Agency to undertake Price Support Operation in pulses and oilseeds. Purchases under this scheme are made by NAFED as and when the price fall below the support price and losses, if any, are fully reimbursed by the Central Government. Whereas purchases of commodities like onion, potato, ginger, garlic, isabgol, apple, pineapple, grapes, kinoo, malta, orange, galgal, black pepper, red chillies, chicory, castorseed, mushroom, clove are made by NAFED as the Central Nodal agency under Market Intervention Scheme and the State designated agencies on behalf of State Government.

15.13 The losses incurred on purchase under the scheme are shared between Central/State Government on 50:50 basis. In addition, Market Intervention Scheme has been implemented in Punjab, Tamil Nadu, Andhra Pradesh, Madhya Pradesh, Haryana and Rajasthan. NAFED is having its own onion storage facilities with a capacity of 2700 MTs at Lasalgaon and Pimpalgaon in Nasik District (Maharashtra) and a capacity of 300 MTs at Chennai in Tamil Nadu. Out of three crops of onion i.e. Kharif, late Kharif and Rabi, only Rabi crop which has good shelf life is storable for a long period, Rabi crop of onion is, therefore, stored in these storage for meeting the domestic and export requirements.

Other Perishable Crops :

15.14 For storage of grapes, citrus and other fruits, NAFED is having Cold Storage facilities at Pimpalgaon (Nasik) and Maujgarh—Punjab) for a qty. of 60 MTs.

15.15 When asked as to whether the storage facilities available with them are sufficient enough to store all the commodities and the steps taken in this regard, the Ministry has stated that "NAFED has cold storage capacity of 2500 MTs in Delhi which is utilised for storage of its own commodities as also to extend facilities to others. NAFED has been procuring and handling potatoes in various States depending upon its domestic as well as export requirements. The quantum of procurement vary from year to year. It also procures potato under Market Intervention Scheme (MIS) of the Government in various States, the quantum of which vary from year to year. NAFED, therefore, stores potatoes purchased in commercial as well as under Market Intervention Scheme in various cold storage owned by cooperatives, trade etc. on rental basis. As indicated above NAFED has its own storage capacity of 2700 MTs for storage of onion in Nasik

15.16 District and about 300 MTs storage capacity in Chennai. This storage capacity is generally sufficient for storage of Rabi onion to be utilised during the lean season. The storage capacity as and when required at other places is hired from time to time.

15.17 NAFED is taking steps to develop infrastructure facilities including setting up of additional modern warehousing facilities for storage of onion in different States for developing export of onions. To begin with, NAFED has a plan to set up modern storage facilities in Gujarat, Karnataka, Andhra Pradesh, Bihar etc.

CHAPTER XVI

AGRICULTURAL CREDIT

In order to strengthen the Cooperative Credit Institutions for meeting the credit requirement of the farmers, Central Assistance is released to the State Governments under various Centrally Sponsored and Central Sector Plan schemes.

Agricultural Credit Stabilization Fund Scheme

16.2 The Scheme provides assistance to meet the gap in Stabilisation funds at the State Cooperative Banks level. The Stabilisation funds are used to help farmers by way of conversion of short-term loans to medium-term loans, when they are affected by natural calamities. An outlay of Rs. 3,00,000 thousands has been provided for the IX Plan. For the year 1997-98, A sum of Rs. 60,000 thousands was provided which was reduced to Rs. 40,000 thousands at RE stage and the same was utilised in full. The shortfall in the expenditure with reference to Budget Estimates 1997-98 was due to ineligibility of the banks to get assistance as there was no gap in the Agricultural Credit Stabilisation Fund at SCB level and sufficient funds were available. For the year 1998-99 an amount of Rs. 50,000 thousands has been provided and the same will be utilised. For the next financial year an outlay of Rs. 70,000 thousands has been earmarked.

16.3 Under the Agricultural Credit Stabilisation Fund Scheme, in which funds are used to help farmers by way of conversion of short term loan to medium term loans, Rs. 700 lakhs have been earmarked for 1999-2000 as against the provision of Rs. 500 lakhs during 1998-99. During 1997-98, there was a short fall in expenditure. When asked that what steps have been taken now to utilise the funds fully Ministry in a written reply has stated that under the scheme of Agricultural Credit Stabilisation Fund a sum of Rs. 600 lakhs was provided under Budget Estimates (1997-98). This allocation was reduced to Rs. 400 lakhs at the Revised Estimates (RE) stage in view of the financial constraints. The whole amount provided under the RE (1997-98) was utilised. Therefore the shortfall in expenditure was due to reduction of funds at the RE stage. For the year 1998-99, the allocation has further been increased to Rs. 500 lakhs and the whole amount has been utilised during 1998-99. The utilisation of funds is constantly increasing.

Assistance to Cooperative Credit Institutions in the Cooperatively Under-Developed States and Special Areas (Non-Over Due Cover Schemes)

16.4 Under the scheme, assistance is provided to weak District Central Cooperative Banks (DCCBs) to enable them to utilise the credit limits sanctioned by NABARD. The borrowing of DCCBs from NABARD have to be covered by non-over due outstanding of PACs with DCCBs. The assistance under the scheme is provided for bridging the deficit in non-overdue cover of DCCBs. Ninth Plan outlay for the scheme has been kept at Rs. 5,10,000 thousands. For the year 1997-98, an outlay of Rs. 13,00,000 thousands was provided in the BE and same was fully invested. A sum of Rs. 15,00,000 thousands has been provided for the year 1998-99 which has now been reduced to Rs. 13,00,000 thousands at RE stage and the same is likely to be invested in the current financial year. The shortfall to the investment *vis-a-vis* BE 1997-98 was due to default in payment by most of the banks. Therefore, assistance was denied to them on this account. For the year 1999-2000, a sum of Rs. 15,00,000 thousands has been earmarked.

16.5 To provide agricultural credit to the farmers in the country, there is a network of rural financial institutions CBs, RRBs and CCS. The following measures have been proposed to be taken to increase flow of credit to the agricultural sector:—

(i) CBs have been asked to increase the flow of credit to agriculture.

(ii) To strengthen the financial capability of NABARD, its capital base has been raised.

(iii) Weak RRBs have been recapitalised.

(iv) Banks have been advised to set up specialised agricultural branches to deal with high-tech agricultural advances.

(v) Banks have been advised to extend cash credit facilities for meeting composite credit requirements of farmers.

(vi) A proposal for revamping of cooperative credit structure has been initiated.

(vii) The State Governments have been advised to constitute Standing Committee to assess the requirements of agricultural credit for the Rabi and Kharif season.

(viii) Steps have also been initiated to amend Multi-State Cooperative Societies Act, with a view to restoring autonomy in CCS.

(ix) The Cooperative Bank of India has been registered so as to enable CCS to impart greater internal mobility to its resources.

(x) NABARD has been asked to formulate a scheme for introduction by banking institutions of Agricultural Credit Cards for farmers to facilitate, convenient drawls of credit requirements.

16.6 There is emphasis on need for increased flow of credit from banking sector to agriculture to give impetus to agricultural growth. Stating the percentage of flow of banking credit to agriculture sector out of the total flow of credit during 1997-98 & 1998-99 to all the sectors Ministry informed that as per the available information on priority sector advances with the RBI, the percentage of advances (outstanding) to agriculture sector *vis-a-vis* other sectors by Public Sector Banks during the years 1996, 1997 and 1998 are given as under:-

Year	Percentage of advances to agricultural sector	Percentage of advances to other sector
March, 1996	14.29	85.71
March, 1997	16.35	83.65
March, 1998	15.72	84.28

16.7 A Kisan Credit Card Scheme aimed at providing adequate and timely support from the banking system to the farmers for their cultivation needs including purchase of inputs in a flexible and cost effective manner, has been launched. Informing about the response of farmers in this regard, Ministry in a written reply has stated that as the scheme has been launched recently, it will take some more time to assess the response of farmers in purchasing Credit-cards. 7 State Cooperative banks, 46 District Central Cooperative Banks and 53 Regional Rural Banks have introduced the scheme so far in their area of operation besides 29 Scheduled Commercial Banks. So far 6,17,682 Kisan Credit Cards have been issued and disbursed Rs. 146157.31 lakhs by public sector banks.

CHAPTER XVII

RECOMMENDATIONS/OBSERVATIONS

Recommendation No. 1

Inadequate Ninth Plan outlay and annual plan outlays

17.1 The Committee note that the Ninth Five Year Plan target in respect of agriculture is to achieve a growth rate of 4.5% per annum in agricultural output and also to achieve a production of 234 million tonnes of foodgrains by 2001-02. During the Eighth Five Year Plan, the agricultural sector registered an average annual growth rate of about 3.9% and the target of 210 million tonnes of foodgrains production was not achieved. At best the country could produce about 199.3 million tonnes only in 1996-97. The foodgrains target set for the Ninth Plan shows that India has to increase the production at least by 35 million tonnes during the Ninth Plan Period from the level of around 199 million tonnes in 1996-97. In order to meet this ambitious target, the Committee have been informed that the Department of Agriculture and Cooperation had placed a demand of Rs. 18,253 crores for their plan shemes in the Ninth Plan Period. However, only an allocation of Rs. 9,153.82 crores was made available to them by the Planning Commission and the Ministry of Finance for the entire Ninth Plan. For the annual plan of 1999-2000, the Department of Agriculture and Cooperation had projected an outlay of Rs. 3000 crores for all their plan schemes. But the Planning Commission had accepted a budgetary allocation of Rs. 1,941 crores only, excluding an outlay of Rs. 15 crores under the State Plan Scheme for the control of shifting cultivation for North-Eastern States. The Committee are at a loss to know as to how the ambitious targets of the Ninth Plan could be achieved if the allocations in favour of the agricultural sector continue to remain at very low levels. The Committee have been time and again recommending that there should be substantial increase in allocation of plan funds in favour of the agricultural sector, as this crucial sector of the Indian economy provides employment to around 65% of the total work force and contributes 27% of the total Gross Domestic Product (GDP). The Committee, in this connection, wish to point out the observation of

the Planning Commission in their Ninth Plan Document about investment in agriculture wherein it has been stated that the public investment in agricuture has shown a downward trend from the year 1994-95 onwards and the decelerating trends in public investment is a matter of great concern, given the complementarity nature of public and private investment. It is very disappointing to note that the Planning Commission themselves have chosen to ignore their own observation when it came to the question of actual allocation of plan funds in favour of the agricultural sector. The Committee find that the annual plan allocation of Rs. 1,956 crores for the year 1999-2000 is much the same as it was for the previous year 1998-99. By and large, in the last five years, the percentage of share of agriculture out of the total Central plan outlay remains static around 1.8%. In fact, if the Government is very serious in aiming at doubling the food production in the coming ten years to make India hunger free, the allocation of funds should have been much more than what it has been given this year. The Committee, therefore, recommend that the Planning Commission and the Ministry of Finance should take a realistic view about the quantum of plan funds required in favour of the Department of Agriculture and Cooperation and accordingly allocate plan funds at least at the revised estimates stage as per the projections made by the Department of Agriculture and Cooperation.

Recommendation No. 2

Need to Restore the Supremacy of Parliament in Financial matters

17.2 The Committee note that there is a growing tendency on the part of the Executive to cut down altogether all the allocations for the plan schemes and also to reduce allocations drastically to the Plan schemes at the revised estimates stage, although the Parliament has made available these funds to all those schemes in exercise of the constitutional powers granted to them in the Constitution of India for sanctioning expenditure and its appropriation. The Committee have come across several instances where the entire allocations for various new plan schemes of the Ninth Plan have been reduced to zero at the revised estimates stage by the Planning Commission and the Ministry of Finance and these schemes have become chronic non-starters, although we are in the third year of the Ninth Five Year Plan. The fact of these reductions come to the notice of the Parliament only through the Detailed Demands for

Grants laid before the Parliament at the fag end of a financial year, a stage at which the Parliament has to helplessly acquiesce itself into a state of acceptance of this matter, as no restoration of the originally sanctioned amounts at this stage can help due to the sheer lapse of time of almost eleven months of a financial year already during which these should have been utilised. The Committee feel that such reductions by the Planning Commission, which is only an adjunct of the main Executive without any constitutional sanction for its existence, amounts to exercise of powers, that can only be exercised by the passing of several Cut Motions for which the Parliament alone is empowered under the existing constitutional scheme of things. The Committee are aware that the expenditure budget is only an 'Estimate' and as such it has an inherent flexibility in it for 'reasonable' reductions or increases due to various factors. But such variations can be done only by the Parliament and by no other body under the existing provisions of the Constitution. The Committee feel that, ideally, once the Parliament passed a budget estimate for a purpose, sincere attempts should be made by the Executive to spend the funds for that purpose and procedural formalities to be adopted for issuing administrative sanctions for those schemes should not be abused to stall the very implementation of the schemes. But the Committee find that the present system of accord of approval consisting of the various stages of sanctions by Expenditure Finance Committee, Standing Finance Committee, Cabinet Committee on Economic Affairs etc. etc. has only led to strangulating delays in the process of implementation of schemes which have the seal of approval of popular will for them from the Parliament. The Committee cannot accept a position whereby the unending rigmaroles of procedural drills prescribed by the bureaucracy for accord of mere administrative approvals are sought to be used to put a spoke on the wheels of progress that should turn on the path delineated by the Parliament. The Committee are of the strong view that such practices are a negation of the basic principles of parliamentary democracy whereby extra-constitutional bodies, procedural devices and practices seek to undermine the supremacy of the Parliament over the Executive. They, therefore, recommend that the whole procedure prescribed for according post-budget approval for plan schemes should be thoroughly overhauled in the light of the observations of the Committee made above so that the supremacy of the Parliament is re-established and the will of the people prevails. It must be remembered that every estimate in a budget raises a hope in the minds of the people for their

legitimate development and, therefore, any disadvantageous variation in it would only lead to misleading the public, particularly the poorer sections of the society and as such would amount to committing a fraud on those innocent people.

The Committee observe that performance in respect of many ongoing schemes is not satisfactory as a result the allocation of funds are scaled down by the Planning Commission at revised estimate stage. The Committee recommend that the Ministry should monitor the progress of all the schemes on a monthly basis and review them with reference to allocation of funds vis-a-vis progress of work done under the scheme. This will enable the Department to know before han which schemes are lagging behind the schedule and take suitable remedial steps to improve the performance of the schemes.

Recommendation No. 3

Need to Improve the Expenditure of Funds

17.3 The Committee note that the Ministry of Agriculture (Department of Agriculture & Cooperation) does not have a track record of full utilisation of the funds allocated to it for the implementation of various plan schemes in the past, as may be evident from the following data:-

(Rupees in crores)

Year	BE	Actuals
1992-93	1049.75	1214.88
1993-94	1330.00	1183.50
1994-95	1419.00	1279.43
1995-96	1505.00	1246.42
1996-97	1487.25	1378.61
1997-98	1431.00	1222.41
1998-99	1956.00	1378.41

The Committee feel that unless the Ministry improves the utilisation of funds to the fullest extent possible, they cannot demonstrate their ability to absorb funds, while seeking higher allocations from the Planning Commission. As the trend of expenditure is one of the determining factors for fund allocation and is also a performance indicator, every effort should be made to impress upon the State Governments also to improve the utilisation of funds by according the due priority to the irrigation sector. Since large investments are made by the Union Government in various States, the monitoring mechanism should be strengthened and the number of periodical reviews in a year should also increase. The Committee desire that the details of such reviews taken by the Ministry, the level at which they were taken, the outcome of the reviews should be indicated briefly in a tabular form and this information should be included in the Annual Report and in the Performance Budget Document to enable proper parliamentary scrutiny.

Recommendation No. 4

Poor Utilisation of Plan Funds

17.4 The Committee note that the Department of Agriculture and Cooperation could utilise only Rs. 1,222.41 crores against the plan budgetary allocation of Rs. 1,431 crores during the year 1997-98, while they have brought down their plan estimates from Rs. 1,956 crores to Rs. 1,378.41 crores at the revised estimates stage for the year 1998-99. The reduction is of the order of Rs. 577.59 crores which amounts to 29.53% of the original estimates. During the Eighth Plan Period also, the Department could utilise only Rs. 6,296 crores out of an allocation of Rs. 6,800 crores. The Committe have been informed that the decrease in allocation at the revised estimates stage in the year 1998-99 was mainly attributable to the non-clearance of the new schemes which were proposed for the Ninth Plan. Some of the important new schemes that suffered in the process are: (i) The Technology Mission on Cotton; (ii) The Experimental Crop Insurance Scheme; (iii) The On-farm Water Management Scheme in Eastern States for Increasing Production. Even in respect of some ongoing schemes, namely, The National Watershed Development Project, Fruit and Vegetables, Medicinal and Aeromatic Plant Sector, Integrated Spices Sector, reductions were made at the revised estimates stage, because of the factors like balance available with the State

Governments from the previous year, capacity of the implementing agencies to utilise funds, fulfillment of procedural requirements, actual need or the scheme etc. The Committee find that the Department furnished the same set of reasons even during the last year to justify the reduction made at the revised estimates stage. The Committee find that most of the reasons spelt out relate to the performance by the State Governments and these have been advanced in the past few years as reasons for under-utilisation of funds. The Committee, therefore, recommend that the Department of Agriculture and Cooperation should analyse the causes behind the factors mentioned above that lead to under-utilisation of funds and find out proper remedial measures and administrative reforms in order to ensure proper utilisation of funds and to hold the States accountable for the proper and timely utilisation of funds. The Committee are afraid that if some serious emergent work for introducing reforms in the manner in which the centrally sponsored schemes and programmes are administered by the States is not undertaken now on the basis of the experience gained earlier, all planned efforts to improve the pitiable lot of the poor farmers will come to a nought. It is high time that systemic changes are introduced in the existing governmental machinery both at the Centre and in the States for the purpose of implementing the Central Schemes so that the country is taken on the planned path of development.

Recommendation No. 5

Formulation of National Agriculture Policy

17.5 The Committee have been bearing in the past two years that a National Agriculture Policy is on the anvil and will be announced soon. During the scrutiny of the Demands for Grants for the year 1999-2000, the Committee have been informed that the Draft National Policy on Agriculture is in the final stage of drafting. The views of the Ministries and Departments concerned and the Planning Commission on the Draft Policy have been already obtained and incorporated. The Draft is currently being vetted to give greater emphasis on the contemporary issues. The Committee have been given to understand that the Draft after finalisation would be placed before the Cabinet for its approval and thereafter the Policy will be announced. The Government have stated that it is difficult to give a precise date by when the Policy is likely to be announced by the Government. The Committee are very much concerned about the delay in the finalisation of the National Policy on Agriculture which has been hanging fire for a very long time. In the absence of a proper Policy, only *ad-hoc* measures are being taken without any proper sense of direction. In view of the need to cater to the food requirements of the evergrowing population and to achieve sustainable development by a proper management of the land and water resources, the National policy on Agriculture is urgently required. In this connection, the Committee recommend that the Government should also take into account the Final Document that was passed by the Inter-Parliamentary Conference at Rome on 2 December, 1998 on "ATTAINING THE WORLD FOOD SUMMIT'S OBJECTIVES THROUGH A SUSTAINABLE DEVELOPMENT STRATEGY," while finalising the National Policy on Agriculture. The Committee desire that the Policy should be hammered out by fixing a definite time-limit for its finalisation.

Recommendation No. 6

Allocation of 10% of the Plan Funds for the North East

17.6 The Committee have recommended last year that the Department of Agricuture and Cooperation should draw up more programmes/schemes exclusively for the North East to the value of 10% of their total plan allocation in view of the commitment made by the then Honourable Prime Minister to this effect in November, 1996. Even in the Budget Speech last year, the present Finance Minister had mentioned about the creation of a non-lapseable Central Resources Pool for deposit of funds from all the Ministries where the plan expenditure on the North Eastern Region is less than 10% of the total plan allocation of the Ministry. The difference between 10% of the plan allocation and the actual expenditue incurred on the North Eastern Region will be transferred to the Central Resources Pool which will be used for funding specific programmes for the economic upliftment of the North Eastern States. In spite of these assurances, the Committee find that the Department of Agriculture and Cooperation was able to ensure the release of funds only to the extent of 5.58% in 1997-98 and to the extent of 5.03% in 1998-99. For the year 1999-2000, the State-wise allocation of funds has not been done so far. The Committee, therefore, recommend that at least in the year 1999-2000, the Department of Agriculture and Cooperation should make concerted efforts to earmark at least 10% of the plan funds in favour of schemes meant for the North East. The Committee also desire that all the schemes for the North Eastern States should be hundred per cent centrally funded with no stipulation for any contribution from the State Governments to the schemes, as these States are facing special problems and are already facing resource crunch.

Recommendation No. 7

Proposal for Central Agriculture Service

17.7 The Committee find that there is no organised service of Agricultural scientists in the Department of Agriculture & Cooperation. With the result the technical and scientific officers in the Department have been appointed to the isolated posts and they have no opportunity to rise in their career. The Committee note that the Fifth Pay Commission in their report had recommended constitution of a central Agriculture Service comprising of all Group 'A' posts in the Department and its attached and subordinate offices requiring at least a degree in Agriculture as the minimum qualification. The Committee recommend that suitable steps be taken for the constitution of a Central Agriculture Service in the Department as recommended by the 5th Pay Commission so that the Agricultural Scientists have better promotional opportunities and this will attract talented experts to the technical/scientific posts in the Department.

Recommendation No. 8

Non-Availability of Quality Seeds

17.8 The Committee have been recommending that the Government should formulate a scheme whereby plots are identified in each village and taken on rent by Governmental and Non-governmental Seed Growing Agencies to undertake production of location specific quality seeds on these plots for onward supply to the farmers locally. The Committe are disappointed to find that no such scheme has been conceived by the Government and as such no provision has been made in the Demands for Grants for such a scheme. In reply to the recommendation of the Committee to this effect made last year, the Government had taken the plea that this scheme is not necessary, as a number of central schemes envisage the seed village components in them and the private sector is also taking up production of considerable quantity of quality seeds. But the reality of the situation is that the farmers do not get quality seeds in time from the governmental agencies implementing those central schemes mentioned above and the quality of seeds supplied by the private sector is also not realiable. Keeping in view this ground reality, the Committee recommend that the Government should look at this proposal once again in the light of the ground realities and take a positive action in the matter at least by making a beginning on an experimental basis in some chosen blocks of the country.

Recommendation No. 9

Establishment of Seed Bank

17.9 The Committee note that a new scheme has been formulated in the Ninth Five Year Plan for the establishment of Seed Bank with the objective of maintenance of breeder, foundation and certified seeds of different crops to ensure timely availability of seeds to the farmers. The Committee are disappointed to find that the budgetary allocation of Rs. 400 lakhs made in 1998-99 has now been reduced to Rs. 175 lakhs in the revised estimates stage due to the delay in finalisation and approval of this scheme. The Committee recommend that steps should be taken to accord expeditious clearance for this scheme and it should be ensured that the scheme is positively implemented in the first quarter of the year 1999-2000.

Recommendation No. 10

Setting-up of National Seed Training Centre

17.10 The Committee find that the scheme for setting up of National Seed Training Centre at Varanasi had been pending for a very long time. Every year the Government have been making provisions in the Demands for Grants for this purpose but no significant progress could be made in the setting up of the Centre. During 1998-99, against a provision of Rs. 274 lakhs for this purpose, the revised estimate made is only Rs. 75 lakhs, as the CPWD, which is the construction agency, had considerable unutilised balance of the previous years for this project. It is pertinent to note that the scheme for setting up of this Centre had been there in the Eighth Plan also and budgetary provisions were made for this project duing the Eighth Plan period. The Committee find that during 1996, the Government of India acquired 10 hectares of land at Varansi and handed it over to the CPWD for commencing the construction work. The Committee note that even after three years after the handing over of the land, the construction work has not picked up the desired pace so far. There appears to be no time-frame fixed for the

completion of the project. The Committee wish to impress upon the Government that there is need to expedite the construction work in view of the training needs of the officers in the areas of seed, science and technology, quality control, storage etc. The Committee, therefore, recommend that the construction work should be completed within this financial year positively. The Committee disapprove the delay on the part of CPWD and desire the Ministry to take up this matter with CPWD officers at senior level to persuade and to ensure the completion of building in a definite time frame. The Committee are of the view that in case the CPWD is not able to get the project completed in time, there should be some provision penalising them and work be given to some other agency.

Recommendation No. 11

Pilot Scheme for Seed Crop Insurance

17.11 The Committee note that the Government earmarked Rs. 100 lakhs for making payment to the General Insurance Corporation for the pilot Scheme for Seed Crop Insurance during 1998-99. However, this provision was reduced to Rs. 50 lakhs at the revised estimates stage, as the scheme is yet to be finalised and approved. The Committee note that this is a very important programme to be taken up on a pilot basis in the States of Maharashtra, Andhra Pradesh, Uttar Pradesh, Karnataka etc. Under this scheme, the General Insurance Corporation will compensate the registered seed growers for the difference between the raw seed procurement price and the price of grain/salvage value of the crop, in cases where the seeds are rejected by the certification agencies on account of damage by floods, rains, hailstorms, disease-outbreak, hot or cold winds, which may have affected the grain development. The Committee are of the opinion that unless protection is given to the seed growers through the scheme of Seed Crop Insurance, it will be very difficult to encourage the private seed growers to take up seed production. The Committee consider that this scheme is one of the surest methods by which the seed production can be encouraged all over the country. The Committee, therefore, recommend that the necessary clearance for this new scheme of the Ninth Plan should be accorded immediately within three months of presentation of this Report and the Committee desire that the scheme should be launched immediately thereafter.

Recommendation No. 12

Poor Performance of the State Farms Corporation of India (SFCI)

17.12 The Committee are concerned to note that the State Farms Corporation of India, which is a Public Undertaking under the Department of Agriculture and Cooperation, has been making losses continuously in the past. The Committee note that the target fixed for area under seed production in various farms of the Corporation has been declining over the years and there has been shortfall in achievement of even the reduced targets. Against the production of target of 3.75 lakh quintals in 1997-98, the Corporation could produce only 1.73 lakh quintals of seeds. The Committee understand that the Government propose to engage a Consultant to suggest measures for revitalising and re-organising the Corporation. The Committee recommend that urgent measures should be taken for the immediate revitalising of the Corporation by fixing a definite time-frame.

Recommendation No. 13

Integrated Cereal Development Programme—Rice

17.13 The Committee note that under the Integrated Cereal Development Programme—Rice (ICDP—Rice), the Government could not achieve the physical targets, although the entire allocation was spent. Under this scheme, against a target distribution of 13.89 lakh quintals seeds, the actual achievement was only 11.73 lakh quintals, in the year 1997-98. In 1998-99 against a target of 13.95 quintals only 6.47 lakh quintals could be distributed upto January, 1999. The Committee have been informed that the Government has decided to drop this activity from the scheme content. The Committee are disappointed at this decision of the Government and they wish to point out that distribution of seeds is a very important activity and, therefore, they recommend that this activity should not be dropped from the scheme. The Committee further observe that against the distribution of 96,885 units of farm implements, the actual achievement was only 33,531 units in 1997-98. In respect of distribution of power tillers, actual achivement is 1,571 against a target of 4,340 during that period. The Committe find that during 1998-99 also, the trend of shortfall in physical achievements continued in respect of these activities. It is important to note that rice registered

a growth rate of 0.69% during 1997-98, while there was negative growth rate in 1998-99 which comes to -0.09%. The Committee also find that under the Central Sector Schemé for Rice Seed Mini-kit Demonstration, the physical and financial achievements have been quite unsatisfactory during 1997-98 and 1998-99. The reason for the shortfall is stated to be the non-availability of location specific varieties. The Committee fail to understand as to how the Government would succeed in motivating the farmers for adoption of improved production technology and use of improved inputs, if the physical achievements under the schemes remain quite low. The Committee recommend that immediate steps should be taken to analyse the reasons for the poor performance of the schemes and appropriate remedial measures should be taken to tone up the implementation of the scheme. The Committee also recommend that there should be periodical review meetings at the Joint Secretary level or Secretary level between the States and the Central Ministry so that there is proper coordination and the targets are achieved.

Recommendation No. 14

Integrated Cereal Development Programme-Wheat

17.14 The Committee are concerned to note that under the ICDP—Wheat, the anticipated expenditure for the year is only Rs. 1602 lakhs against Rs. 2500 allocated in BE (1998-99). The reasons as intimated to the Committee are unspent balances with the States, late sanctions by the States and not providing matching share to get the central share and non-implementation of some of the components by the States. Under this scheme an enhanced outlay of Rs. 32 crores has now been proposed for 1999-2000. The Committee fail to understand how the States will be able to utilise the enhanced amount unless some remedial steps are taken to remove the shortcomings that came in the way of implementation of programme during 1998-99. Since the Planning Commission has fixed an ambitious target of 218 MT of foodgrain production for 1999-2000, the Committee are of the firm view that to achieve the target drastic steps are to be taken to gear up the State Machinery.

Recommendation No. 15

Delay in Launching of Technology Mission on Cotton

17.15 The Committee are distressed to find that Technology Mission on Cotton announced by the Finance Minister in the budget speech of 1997-98, has not yet been approved for final release of funds. There were large scale suicides by farmers who suffered massive losses due to failure of cotton crop in the recent past. It was in this background that the Technology Mission on Cotton was announced to be undertaken on Mission-Mode for improving cotton production. The Committee therefore recommend that the Technology Mission on Cotton should be implemented positively during this year to fulfil the commitment made to the nation by Finance Minister in his budget speech.

Recommendation No. 16

Crop Insurance

17.16 The Committee have been time and again recommending in the last few years that the Modified Comprehensive Crop Insurance Scheme (MCCIS) covering all the farmers and all the crops should be launched at the earliest. The Government have been giving assurances that the Modified Scheme would be implemented soon. The Committee have been informed that the details of the new scheme are being finalised. The Committee note that in the Demands for Grants for the year 1999-2000, only a token provision of Rs. 5 lakhs has been kept for this Modified Scheme. The Committee have been informed that after the approval of the new Modified Scheme by the Government, the necessary budget provision will be enhanced, by re-appropriation of funds from the already existing Comprehensive Crop Insurance Scheme. The Government hope to introduce the new scheme from the ensuing Kharif season. The Committee are unhappy that the Modified Comprehensive Crop Insurance Scheme has not taken a shape in the last few years despite continued assurances from the Government. The Committee recommend that the Department should accord top-most priority for the finalisation of the Modified Scheme and launch it for implementation as promised in the ensuing Kharif season positively without seeking more time any further as in the past.

Recommendation No. 17

National Pulses Development Project

17.17 The Committee note that the National Pulses Development Project is being implemented in 295 districts in the country as a centrally sponsored scheme in order to increase the production and productivity of pulses. The estimated requirement of pulses by the end of the Ninth Plan period is 172 lakh tonnes, while the expected production of pulses during 1999-2000 is around 155 lakh tonnes. In order to meet the demand for pulses, the country has been importing every year around 6.5 lakh tonnes of pulses. The import of pulses has been increasing as may be seen from the fact that the country imported 5.54 lakh tonnes of pulses in 1994-95, while the imports have now risen to 6.59 lakh tonnes in 1997-98. The per capita availability of pulses has declined from 38.1 gms. per person per day in 1995 to 33.2 gms. per person per day in 1998. The Committee find that under the National Pulses Development Project, the physical targets could not be achieved fully, although all the funds allocated have been fully utilised. In the year 1997-98, against a target of 150 lakh tonnes of pulses, the actual production was only 131 lakh tonnes. In the year 1998-99, the country could produce only 148 lakh tonnes of pulses against a target of 155 lakh tonnes. The Committee find that an Expert Committee under the Chairmanship of the Director General of ICAR has been constituted to review the scheme of National Pulses Development Project and to prepare a plan of action for increasing the production of pulses. The Expert Committee has not submitted its Report so far. The Committee recommend that the finalisation of the Report of the Expert Committee should be got expedited and the recommendations of the Committee should be implemented without any loss of time so that the country can put a stop to the continued import of pulses and make available this important source of protein to the ever-increasing population of this country.

Recommendation No. 18

Oil Seeds

17.18 The Committee find that during 1998-99, the estimated production of oilseeds is 248 lakh tonnes against a production of 220.2 lakh tonnes in 1997-98. However, it is still less than the requirement of 300 lakh tonnes of the country, as precious foreign exchange is being spent for import of oilseeds.

The Committee are constrained to note that in oil palm which is the highest yielder of edible oil, there has been huge shortfall in achievement of financial and physical targets. An area of 7097 hectares was covered under oil palm cultivation in 1997-98 against the target of 17,600 hectares. The farmers are not taking up cultivation of palm oil due to lack of motivation as it is a new crop and there is lack of processing units for palm oilseeds and other reasons. The Committee further find that under the project "Demonstration of new technologies" the two demonstration units proposed to be set up for palm oil extraction could not come up due to non-approval of the scheme by Expenditure Finance Committee.

The Committee recommend that suitable steps be taken to make the palm oil seed cultivation remunerative to motivate the farmers to take up the new crop. The project on Demonstration of new technologies should also be implemented so that the farmers are trained in oil palm cultivation, thereby making the country self sufficient in oilseed cultivation. Attention should be paid to assist the setting up of Palm Oil processing units in large numbers, as the crop after the harvest has to be processed within a short time-limit.

Recommendation No. 19

Balanced and Integrated use of Fertilizers

17.19 The Committee note that against an allocation of Rs. 559 lakhs for the plan scheme—balanced and Integrated use of Fertilizers—during 1998-99, the expenditure incurred is Rs. 159 lakhs. The Committee have been informed that the scheme required fresh approval of Ministry of Finance during the Ninth Plan, although it has been a continuing programme ever since the Eighth Plan. The Ministry of Finance gave its approval for the scheme only in the month of February, 1999. The Committee find that the Ministry of Finance has taken almost two years to accord its approval even for a continuing programme that was in implementation in the Eighth Plan period. The Committee do not understand as to why such a long time should be taken on a continuing scheme especially when it had been already approved in the Eighth Plan itself. The Committee also condemn the practice of according approvals only at the fag end of the financial year which leaves almost no time at all at the disposal of the implementing agencies in whose favour the funds are released at the last minute. It is due to the lack of seriousness on the part of the Government that even approved programmes could not be put on rail in time. The Committee feel that the procedure of release of funds for the programmes that are sought to be continued from the previous Five Year Plan requires a thorough modification and the Committee recommend that the Government should hereafter dispense with the routine formalities of seeking fresh approval for the already continuing plan schemes and straightway allocate funds to the schemes right from the very beginning of the first annual plan. Unless such policy decisions are taken in respect of the procedures for approval of plan schemes, the Committee feel that no development work will be possible and all efforts to develop this county will be lost in the observation of the never-ending bureaucratic rigmaroles.

Recommendation No. 20

National Project on Development of Bio-Fertilizers

17.20 The Committee note that under the National Project on Development and Use of Bio-Fertilizers, the Government could utilise only Rs. 331 lakhs out of the budgetary allocation of Rs. 660 lakhs for the year 1997-98. Under the scheme, 30 Bio-fertilizers production Units have to be established all over the country during the ninth Plan Period. Against a target of setting up 10 such Units in 1997-98, the actual achievement was only 4 Units. Even during the year 1998-99, the actual achievement is 3 Units against a much lowered target of 5 Units. under this scheme, the Government used to provide Rs. 20 lakhs as one time grant for the establishment of the Bio-fertilizers production Units with an annual production capacity of 150 million tonnes. The eligibility for availing the grant was restricted only to the governmental agencies. The Committee have been informed that the receipt of proposals from the Government Departments has now slowed down and the elimination of the private agencies from the criteria for availing the assistance has also resulted in the non-utilisation of funds. The Committee feel that there is need to provide liberal assistance under the scheme to any agency which comes forward to set up a Bio-fertilizers Production Unit. The Committee strongly recommend that the grants may also be provided to private enterpreneurs and also to NGOs and Cooperative Societies, as the need of the hour is to popularise the use of Bio-fertilizers to achieve sustainable development.

Recommendation No. 21

Soil Health Cards

17.21 The Committee find that the number of Soil Testing Laboratories in the country is too small to cover the entire length and breadth of the country. There are at present only 514 Soil Testing Laboratories in the country including 133 Mobile Soil Testing Vans. In view of the non-availability of Soil Teting Laboratories in the vicinity of the farms, the Indian farmers always tend to use various kinds of fertilizers without knowing what the soil requires. The criteria for application of fertilizer to soils appears to be the availability of any fertilizer on the spot and also its price—the cheaper its price, the more its use. Instead of the ideal N, P and K ratio of 4:2:1, the ratio that obtained at the end of the Eighth Plan Period worked out to 10:2.9:1. The Committee feel that the nitrogenous fertilizers are used abundantly in view of the fact that these are under the Price Control System with a heavy subsidy for keeping the farm gate prices low. The indiscriminate use of whatever fertilizer that is available has led to a situation which has affected soil health irreversably at many places and no heed is being paid to adopt a sustainable strategy of development in this regard. The Committee feel that the right strategy for sustainable development of agriculture is to introduce a system of Soil Health Card for each farmer which would be periodically updated with the remarks about the nutrients that are in excess and advise about the ideal quantum of other nutrients that are deficient in their soil and also the plants that can be grown on that particular soil during the season. Unless this system of Soil Health Card is introduced all over the country as a mass movement, on the lines of the Children Immunization Programme, there can be no way of bringing in the practice of the judicious, balanced and efficient use of varous fertilizers which would form the basis of sustainable development in agricultue. The Committee feel that this is the first essential step that should be adopted all over the country. They feel that a separate centrally funded scheme should be prepared in this regard and taken up for implementation on an emergent basis throughout the country. This effort should also be matched by promoting the setting up of Soil Testing Laboratories in every village of the country in the private sector on the lines of the Laboratories that are available everywhere to test samples of human blood, urine etc.

Recommendation No. 22

Formation of Cashew Development Board

17.22 The Committee note that India is the largest producer, consumer and exporter of cashewnut in the world. The production of cashewnut in the country during 1996-97 was 0.43 million tonnes. During the same year, about 69000 tonnes of cashewnut kernels valued at Rs. 1,285 crores were exported. In the promotion of cashew all over the country, the Cashew Directorate established in 1966 plays a very active role integrating various requirements of the developmental measures at once place. In view of the importance of this crop to the national economy, the Committee feel that there is a need for a unified agency in the form of a Cashew Development Board set up on the lines of other similar commercial crops like coffee, tea, rubber and Cardamam which have attained a significant growth due to the formation of specific Commodity Boards for those crops. The Committee, therefore, recommend that the Government should initiate steps for the formation of a Cashew Development Board so that the production and productivity of cashew are enhanced significantly to earn precious foreign exchange.

Recommendation No. 23

Development of Coconut in Goa

17.23 During the study tour of the Committee to Goa, the Committee have found that coconut is an important crop in Goa occupying 15% of the total cropped area which is about 25,000 hectares. However, the average productivity of coconut in the State is only 4800 nuts per hectare which is far below the national average. The Committee have been informed that the main reason for low productivity is the presence of senile and old unproductive trees in large areas, which warrants the immediate rejuvenation of the gardens on scientific lines. Non-availability of quality planting material is one of the constraints in the matter of development of coconut in the State. In view of the specific problems of Goa, the Committee recommend that a special package for development of coconut in Goa on the lines of the Development terms obtaining in respect of cashew development should be prepared and implemented in the State as a special case. The Committee find that a project for coconut development has already been submitted by the State Government to the Planning Commission and to the Coconut Development Board for clearance. The Committee recommend that immediate clearance should be granted for this project proposal so that it is taken up for implementation early in the Ninth Five Year Plan.

Recommendation No. 25

Cashew Plantations in Goa

17.24 During the study tour of the Committee to Goa, the Committee have found that in Goa about 41,000 hectares of cashew plantations are in the hands of the private sector and 10,000 hectares are in the forestry sector. While 58% of the trees are senile in the private sector, 100% of the tees in the forest sector are senile whereby production and productivity of cashew in Goa have become very poor. The Committee have been informed that replanting of the trees in the forest areas could not be undertaken as cutting of the senile trees is not permissible under the Forest (Conservation) Act, 1980. The Committee, therefore, recommend that special exemption may be granted in favour of the State of Goa to enable them to cut down the unproductive senile cashew trees and to replant them with new high yielding clones. Suitable compensatory affoestation measures, if need be, may be prescribed in this regard. If no exemption is possible under the present legislation, the matter of amendment of the legislation should be taken up by the Union Ministry of Agriculture with the Union Ministry of Environment and Forests so that such replantation becomes possible in the interest of promoting productivity of this highly export-oriented crop.

Recommendation No. 25

National Watershed Development Project for Rainfed Area (NWDPRA)

17.25 The Committee note that about 63% of the cultivated land in the country falls under the rainfed areas and as such Watershed Management is an important factor for improving agricultural production. While the total irrigated area is 53 million hectares in the country, the total rainfed area is 89.82 million hectares. A holistic approach to bring about the development of integrated farming system on a watershed basis is the main objective of the National Watershed Development Project for Rainfed Area (NWDPRA). The Committee have been informed that during the Ninth Plan, a restructured NWDPRA programme with an expanded role of Government Departments, NGOs and external agencies has been proposed and it will come into effect after the scheme for the Ninth Plan is approved by the Cabinet Committee on Economic Affairs (CCEA). The approval of Expenditure Finance Committee for the restructured scheme could come forth only in February, 1999. In view of the late finalisation of the programme in the Ninth Plan, the NWDPRA was being implemented according to the Eighth Plan guidelines in the first two years of the Ninth Plan. Despite the programme being implemented under the old guidelines, the Committee are disappointed to find that there had been heavy shortfall in expenditure in the year 1997-98. Against a budget estimate of Rs. 173.5 crores, the actual expenditure was only Rs. 148.64 crores. The Committee are not satisfied with the progress of the scheme and they expect the Government to take up the restructured Ninth Plan programme in right earnest at least from the third year of the Ninth Plan Period and try to utiise the entire allocation in full. The Committee further recommend that it should be ensured that the State Governments release the funds to the field units in time so that the physical targets are achieved in full. In order to boost up the implementation of the programme, there has to be a regular review conducted in respect of each State and corrective measures should be taken as a result of the review.

Recommendation No. 26

Training of Women in Agriculture

17.26 The Committee are happy to note that under the scheme of Training of women in Agriculture which is presently in operation in seven States, the achievements have been remarkably good. The scheme is playing a vital role in empowering women farmers through capacity building, training and skill upgradation and thereby facilitating the process of transfer of technology. The Committee has been informed that EFC memo of the scheme to cover more States is still under consideration, hence, only Rs. 1400 lakhs have been allocated to cover the existing Seven States only. The Committee, therefore, recommend that the scheme should be extended to all the States and UTs, and immediate clearance should be given to the scheme alongwith enhanced budgetary provision at the revised estimate stage for the purpose, as the technology transferred to women farmers has the greatest potential to ensure technology adoption in full.

Recommendation No. 27

Setting up of Farm Machinery Training and Testing Institutes in the Country

17.27 The Committee have been informed that the Government has decided to conduct a survey of the existing training/testing facilities for agricultural machinery available in a State under various sectors in order to identify the gaps and additional requirements for training and testing facilities in various States. Thereafter, depending upon the need and demand for the training and testing facilities for agricultural machinery, decisions will be taken for establishment of Farm Machinery Training and Testing Institutes in various States. The Indian Institute of Management, Ahmedabad has been requested to conduct the said survey. The Committee find that no time-limit has been prescribed for the completion of the survey by the Indian Institute of Management in this regard and, therefore, they recommend that a reasonable time-frame should be fixed for the completion of the survey by the Institute so that further action for providing training and testing facilities of Farm Machinery in various States could be initiated early.

Recommendation No. 28

Agricultural Implements

17.28 The Committee are happy to note that a new central sector scheme "Conducting study and formulating long term mechanisation strategies for each agro climatic zone" has been sanctioned for implementation during 9th Plan. Fifteen agro climatic zones have been identified under the scheme for which mechanisation strategy will be formulated. The Committee find that a minimum of 30 months is likely to be taken for completing the study for each agro climatic zone, after the work is entrusted to a selected agency. At this pace of work, the scheme will take some 4-5 years for implementation. The Committee recommend that the works under the scheme be expedited and a suitable time frame be fixed for the completion of the scheme and mechanisation strategies be put into operation.

Recommendation No. 29

Restructuring of National Cooperative Development Corporation

17.29 The Committee have been informed that an Expert Group has recommended financial and administrative restructuring of the National Cooperative Development Corporation (NCDC) to widen its activities and strengthen its financial base. One of the recommendations of the Group is that the exemption from payment of income tax which was earlier made available to NCDC from 1984-85 to 1988-89 may now be restored to help promote the cooperative movement. The Committee note that so far no final decision has been taken by the Ministry of Finance in regard to this matter. The Committee recommend that the Ministry of Agriculture should take up this matter more vigorously with the Ministry of Finance for getting this benefit so that the financial base of NCDC is strengthened. It is further noted that the Expert Group has also recommended the redeployment of annual interest instalment payable by the Corporation to the Central Government as grant into the NCD fund in the next five years till the total grant reaches an amount of Rs. 500 crores. It appears from the material furnished to the Committee that no action has been taken so far on this particular recommendation. The Committee recommend that this recommendation should be immediately accepted by the Government.

Recommendation No. 30

Delay in Implementation of New Schemes of the Ninth Plan in the Cooperative Sector

17.30 The Committee note that some of the new schemes of the Ninth Plan, namely, Development of Reservoir Fisheries through Cooperatives in Selected States, Development of Wool Processing and Industrial Cooperatives, have not been taken up during 1998-99 and as such no expenditure was incurred. The Committee have been informed that the Expenditure Finance Committee is yet to approve the schemes. The Committee feel that the new schemes, which relate to the poor persons employed in the rural areas, should not be delayed due to the need for observance of routine procedural formalities. Since two years of the Ninth Plan Period are already over without anything being done in favour of the weaker sections

of the society, the Committee recommend that the new schemes should be got approved and be operationalised in the first quarter of 1999-2000.

Recommendation No. 31

Agricultural Credit

17.31 The Committee note that the Finance Minister in his budget speech has stressed for increased flow of credit to the agriculture sector. The Committee are however constrained to note that the percentage of advances to agriculture sector has declined for 16.35% during 1997 to 15.72% in 1998. These are much below the RBI stipulation that a minimum of 18% of the total bank advances should be given to agriculture sector. The Committee desire the Government to analyse the reasons for the decline in the proportion of flow of credit to agriculture sector and take suitable remedial steps to increase the flow of credit to at least the stipulated extent to this vital sector. The Committee are concerned to know that on one hand the banks are not able to meet the RBI stipulation of 18% of total bank advances to agricultural sector, on the other hand the farmers are taking loans from private money lenders on high interest in the absence of institutional loan. This only shows that farmers are not having easy access to bank as the branches of the banks in rural areas are very less. They are also not familiar with the procedural formalities in taking loan from banks. The Committee, therefore, strongly recommend that more bank branches be opened in rural areas and procedure be simplified so that more and more farmers are able to avail the bank loands and are saved from the clutches of private money lenders which had been one of the major causes of large scale suicides by farmers in andhra Pradesh, Maharashtra and other parts of the country in the recent past.

NEW DELHI;
7 April, 1999
17 *Chaitra*, 1921 *(Saka)*

KINJARAPU YERRANNAIDU,
Chairman
Standing Committee on Agriculture.

APPENDIX

MINUTES OF THE TWENTYNINTH SITTING OF THE STANDING COMMITTEE ON AGRICULTURE HELD ON WEDNESDAY THE 7TH APRIL 1999 FROM 1100 HRS TO 1350 HRS IN COMMITTEE ROOM 'D' PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1100 hrs. to 1350 hrs.

PRESENT

Shri Kinjarapu Yerrannaidu — *Chairman*

MEMBERS

Lok Sabha

2. Shri Ramchandra Bainda
3. Dr. Ramkrishna Kusmaria
4. Shri Baliram Kashyap
5. Shri M. Master Mathan
6. Shri Virendra Verma
7. Shri Ramkrishna Baba Patil
8. Shri Maganti Venkateswara Rao
9. Shri Uttamrao Deorao Patil
10. Kum. Vimla Verma
11. Shri Chitubhai Devjibhai Gamit
12. Smt. Usha Meena
13. Shri Mahaboob Zahedi
14. Shri Mitrasen Yadav
15. Shri Anup Lal Yadav
16. Shri Chadha Suresh Reddy

Rajya Sabha

17. Maulana Habibur Rahman Nomani
18. Shri Ramji Lal

19. Shri Devi Prasad Singh
20. Shri Ramnarayan Goswami
21. Shri Aimaddudin Ahmad Khan
22. Dr. Ramnendra Kumar Yadav (Ravi)
23. Shri Sangh Priya Gautam

SECRETARY

1. Shri Joginder Singh	—	*Joint Secretary*
2. Shri S. Bal Shekar	—	*Deputy Secretary*
3. Smt. Anita Jain	—	*Under Secretary*
4. Shri K.L. Arora	—	*Assistant Director*

At the outset, Chairman (AC) welcomed the Members. Thereafter, the Committee took up for consideration the draft reports on Demands for Grants (1999-2000) of the following Ministries/Departments one by one for consideration.

(i) Ministry of Food Processing Industries-22nd Report.

(ii) Ministry of Agriculture, (Department of Agricultural Research and Education) 19th Report.

(iii) Ministry of Agriculture (Department of Agriculture and Cooperation) 18th Report.

2. The Committee considerd the draft reports and adopted the 22nd, 19th and 18th Reports with minor additions and modifications.

3. The Committee, then authorised the Chairman to Present the above mentioned three reports on Demands for Grants (1999-2000) to the House on a date and time convenient to him.

The Committee then adjourned to meet again on 8th April, 1999 at 1100 hrs.