

31

STANDING COMMITTEE
ON AGRICULTURE
(1995-96)

TENTH LOK SABHA

MINISTRY OF AGRICULTURE
(DEPTT. OF AGRICULTURE & COOPERATION)

—DEMANDS FOR GRANTS (1995-96)

*[Action taken by the Government on the recommendations/
observations contained in the Nineteenth Report of the
Standing Committee on Agriculture]*

THIRTY-FIRST REPORT



सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

December, 1995/Agrahayana, 1917 (Saka)

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Committee on Agriculture]*

Presented to Lok Sabha on 20 December, 1995

Laid in Rajya Sabha on 20 December, 1995



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NEW DELHI

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CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
COMPOSITION OF SUB-COMMITTEE 'A'	(v)
INTRODUCTION	(vii)
CHAPTER I Report	1
CHAPTER II Recommendations/Observations which have been accepted by Government	9
CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies	18
CHAPTER IV Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee	22
CHAPTER V Recommendations/Observations in respect of which final replies of Government are still awaited	28

APPENDICES

- I. Minutes of the sitting of the Committee
held on 13.12.1995 29

- II. Analysis of Action Taken by Government on the
recommendations contained in the Nineteenth
Report of the Standing Committee on Agriculture
(Tenth Lok Sabha) 31

COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE
(1995-96)

Shri Nitish Kumar — *Chairman*

MEMBERS

Lok Sabha

2. Shri D. Pandian
3. Shri Birbal
4. Shri Nathuram Mirdha
5. Shri G. Ganga Reddy
6. Shri Ankushrao Raosaheb Tope
7. Shri Sarat Pattanayak
8. Shri Govindrao Nikam
9. Kumari Pushpa Devi Singh
10. Shri Channaiah Odeyar
11. Shri Tara Singh
12. Shri Anantrao Deshumkh
13. Shri Uttamrao Deorao Patil
14. Shri V. V. Nawale
15. Shri Rajvir Singh
16. Kumari Uma Bharati
17. Shri Rudrasen Chaudhary
18. Shri Ganga Ram Koli
19. Dr. Gunawant Rambhau Sarode
20. Dr. Parshuram Gangwar
21. Shri Rajendra Kumar Sharma
22. Smt. Krishnendra Kaur (Deepa)
23. Shri Ram Tahal Chaudhary
24. Shri Zainal Abedin
25. Shri B.N. Reddy
26. Shri Kamla Mishra Madhukar

27. Dr. R. K. G. Rajulu
28. Shri Upendra Nath Verma
29. Shri Shibu Soren

Rajya Sabha

30. Shri Govindrao Adik
31. Shri Satyanarayana Dronamraju
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33. Shri H. Hanumanthappa
34. Shri Anant Ram Jaiswal
35. Dr. Bapu Kaldate
- *36. Shri David Ledger
37. Shri Bhupinder Singh Mann
38. Shri N. Thangaraj Pandian
- **39. Shri S.K.T. Ramachandran
40. Shri K. N. Singh
41. Shri Maheshwar Singh
42. Dr. Ranveer Singh
43. Shri Shiv Charan Singh
44. Shri Som Pal

SECRETARIAT

1. Shri S.N. Mishra — *Additional Secretary*
2. Smt. Roli Srivastava — *Joint Secretary*
3. Shri P. D. T. Achary — *Director*
4. Shri S. Bal Shekar — *Under Secretary*

* Ceased to be member of the Committee consequent upon his retirement from Rajya Sabha w.e.f. 14.6.95.

** Ceased to be member of the Committee consequent upon his retirement from Rajya Sabha w.e.f. 24.7.95.

COMPOSITION OF SUB-COMMITTEE 'A'

1. Shri Som Pal — *Convenor*
2. Shri Zainal Abedin — *Alternate Convenor*
3. Shri Ramnarayan Goswami
4. Shri Bhupinder Singh Mann
5. Dr. Ranveer Singh
6. Smt. Krishnendra Kaur 'Deepa'
7. Shri Shiv Charan Singh
8. Shri Uttamrao Deorao Patil
9. Shri D. Pandian

INTRODUCTION

I, the Chairman of Standing Committee on Agriculture (1995-96) having been authorized by the Committee to submit Report on their behalf, present this 31st Report on Action Taken by Government on the recommendations/observations contained in the 19th Report of the Standing Committee on Agriculture 1995-96 (Tenth Lok Sabha) on the Demands for Grants (1995-96) of the Ministry of Agriculture (Deptt. of Agriculture & Cooperation).

2. The Nineteenth Report of the Standing Committee on Agriculture Demands for Grants (1995-96) of the Ministry of Agriculture (Deptt. of Agriculture & Cooperation) was present to Lok Sabha on 4th May, 1995. The Ministry of Agriculture (Deptt. of Agriculture & Cooperation) was requested to furnish action taken replies of the Government to all the recommendations contained in the report were received.

3. The Committee considered these action taken replies furnished by the Government in its sitting held on 13th December, 1995 and approved the draft comments and adopted the 31st Report.

4. An analysis of the Action Taken by the Government on the recommendations/observations contained in the 19th Report (Tenth Lok Sabha) of the Committee is given in Appendix II.

NEW DELHI;
13 December, 1995
22 Agrahayana, 1917 (Saka)

NITISH KUMAR,
Chairman,
Standing Committee on Agriculture.

CHAPTER I

REPORT

1.1 This Report of the Standing Committee on Agriculture (1995-96) deals with the action taken by the Government on the recommendations/observations contained in their Nineteenth Report (Tenth Lok Sabha) on the Demands for Grants (1995-96) of the Ministry of Agriculture (Department of Agriculture & Cooperation). The Nineteenth Report was presented to Lok Sabha on 4th May, 1995. It contained 17 recommendations/observations. Action taken notes have been received in respect of all the recommendations/observations. The Committee have categorised as under:—

- 1.2 (i) Recommendations/Observations which have been accepted by the Government:

Recommendation Serial Nos. 1, 6, 7, 9, 11, 13 & parts of 14, 16 & 17

Total 8

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of Government's reply :

Recommendation Serial Nos. 5, 10 & 15

Total 3

- (iii) Recommendations/Observations in respect of which final replies of Government have not been accepted by the Committee:

Recommendation Serial Nos. 2, 3, 4 & 8

Total 4

- (iv) Recommendations/Observations in respect of which replies of Government are awaited:

Recommendation Nos. 12 and part of 14.

Total 2

1.3 The Committee will now deal with action taken by the Government on some of the Recommendations/Observations.

Recommendation Serial No. 2

1.4 The Committee observe that the total plan budget allocation of the Department of Agriculture and Cooperation has been decreasing year after year as a proportion of the total central plan budget for all the Ministries and Departments. While 2.6% of the total central plan budget allocation was in favour of the Department of Agriculture and Cooperation in 1991-92, the percentage has now declined to 1.9% for 1995-96. Despite the Committee's recommendation for a proper higher allocation, the Committee are pained to note that there is no appreciable improvement in the matter. They note that the plan allocation proposals of the Department of Agriculture and Cooperation for Rs. 1972 crores for Central Sector and Centrally sponsored schemes during 1995-96 have been slashed down to Rs. 1490 crores by the Planning Commission on the plea of overall resource constraints. The Committee are constrained to observe that such a practice on the part of the Planning Commission towards the agricultural sector which is the prime concern of more than two-thirds of the country's population would only turn out to be a self-defeating exercise, as the ambitious targets envisaged in the Eighth Plan cannot be achieved in the absence of the matching financial outlays every year. The Committee feel that the strategy of planned development would lose all its sanctity and would remain only on papers, if the life-line of funds to this vital and basic sector is throttled, as the growth of all other sectors is inextricably linked to the growth of the agricultural sector. The Committee wish to point out that there are other schemes providing for assistance and subsidy to entrepreneurs in high-tech. industries and deep-sea fishing etc. Where the Planning Commission could easily apply their scissors and they desire that at all costs the prime sector of national importance concerning the poor farmers should be spared of all the cuts due to financial crunch. The Committee, therefore, expect a reasonable and liberal approach to be adopted by the Planning Commission and the Ministry of Finance in making Allocations in favour of agriculture and allied activities in the present and future budgets.

The Government in their reply have stated as under:—

1.5 The matter regarding decrease of Plan Allocation to Agriculture since 1991-92 was referred to Planning Commission and they have furnished their comments as under:

The figures mentioned in the Report on pages 7 & 8 are in order/correct. The percentage figure (2.6%) given for the year 1991-92 pertains to Revised Estimates. Plan Allocation of the Department since the year 1991-92 both Budget Estimates and Revised Estimates may please be seen in the following statement.

allocation of Plan Outlay for the Department of Agriculture and Cooperation

(Rs. in crores)

	1991-92		1992-93		1993-94		1994-95		1995-96
	BE	RE	BE	RE	BE	RE	BE	RE	BE
	1014.35	1016.93	1050.00	1273.16	1330.00	1320.85	1405.00	1458.84	1490.00
% of total Central Outlay	2.36	2.53	2.17	2.56	2.08	2.15	2.00	2.14	1.89
% of total Central GBS	5.33	5.76	5.68	6.48	5.72	5.28	5.15	5.22	5.14

It is clear from the above statement that the Plan Budget of the Department of Agriculture & Cooperation a proportion of the total Central Plan Outlay (Budget Estimates) is constantly on the decline since 1991-92. From 2.36% in 1991-92, it has declined to 2.00% in 1994-95 and 1.89% in the year 1995-96.

The Committee has compared the Budget allocation of the Department as a proportion to the total Central Plan Outlay. However, the Plan Outlay of the Department consists of only Gross Budgetary Support (GBS), and it can also be examined in proportion to the total Gross Budgetary Support of all Central Ministries/Departments. Accordingly, the Plan Outlay of the Department as a proportion of the total Central Gross Budgetary Support (Budget Estimates) has remained constant above 5% of the total Central Gross Budgetary Support since 1991-92. The Plan Outlay of the Department was 5.33% of total Central Gross Budgetary Support in 1991-92 and the same was 5.15% and 5.14% during the year 1994-95 and 1995-96 respectively. It may also be seen that except for the year 1993-94, the Plan Allocation at the Revised Estimates stage was increased every year since 1991-92. Further, it may also be pointed out that despite severe resource constraint, the increase of about 6% has been allowed in the Budget Estimates of 1995-96 *vis-a-vis* Budget Estimates of 1994-95 of this Department.

1.6 The Committee note with concern that the plan outlay with respect to agriculture which constitutes one of the prime concerns of more than two third of the country's population has been decreasing over the years. Despite the Committee's recommendation in its 7th, 19th, 24th reports for a proper higher allocation the Committee are very much perturbed to note that there is no appreciable improvement in the matter. Neither the Planning Commission nor

the Ministry of Finance have paid due attention to this recommendation of the Committee.

Therefore, the Committee would like to reiterate its earlier recommendation and would like to recommend that the Government should increase the proportion of allocation agriculture so that the Prime Sector of national important concerning the poor farmers gets its due share.

From the details furnished in the reply of the Ministry, it is very much clear that the proportions of allocations in favour of agriculture out of the total central Gross Budgetary Support have been declining and as such the Ministry has only tried to divert the attention of the Committee by interpreting the allocations as a part of the total Central Gross Budgetary Support. The Committee desire that the Planning Commission, the Ministry of Finance and the Department of Agriculture and Cooperation should view the recommendation of the Committee in the correct perspective, keeping in view the growth in inflation the alarming rise in population and the low economic status of the farming community.

Recommendation Serial No. 3

1.7 The Committee, therefore, strongly recommend that provision should be made in the RE 1995-96 for Assistance to small and marginal farmers and the Scheme may not be supported by spill over amounts. This Scheme may be made a revolving Scheme with replenishment of funds instead of one time Scheme assisted with a special dispensation.

The Government in their reply have stated as under:

1.8 Based on the recommendations of the Joint Parliamentary Committee, a special scheme of Rs. 500 crores was approved by the Government during 1992-93 for creating agricultural infrastructure facilities specifically for the benefit of small and marginal farmers. The States were given flexibility of taking up the schemes on need based consideration with the overall general guidelines given by the Department of Agriculture & Cooperation. The Scheme was implemented during 1992-93 and 1993-94.

2. The continuation of the Scheme during 1994-95 and remaining period of Eighth Five Year Plan was discussed in the Planning Commission in its meeting held on 27th October, 1994 under the Chairmanship of Member Secretary, Planning Commission. This meeting was attended by Secretaries of Department of Economic Affairs, Department of Expenditure, Department of Agriculture & Cooperation and Ministry of Water Resources. In this meeting, it was decided that

given the resources constraint, it may not be possible to give overriding priority to a new programme over the Schemes already approved in the Eighth Plan in view of the fact that this was only a one time assistance.

In view of this, no budgetary provision was made for the Scheme during the year 1995-96. At the instance of the Standing Committee on Agriculture in its 19th Report on the Demand & Grants (1995-96), continuation of this Scheme again was referred to the Planning Commission for necessary budgetary provision in R.E. for the current year and also during the remaining period of the Eighth Five Year Plan.

3. Now, the Planning Commission has opined as under :

"The proposal of the Department and the recommendations of the Standing Committee on Agriculture have been reconsidered in the Planning Commission. It has not been possible to agree to the suggestion for continuation of a Scheme which was a one time grant announced by the Prime Minister and given to the States outside the Eighth Plan provisions of the Department of Agriculture & Cooperation for the development of infrastructure to assist the small and marginal farmers. In this regard it is suggested that you may consider posing the Scheme as a new Centrally Sponsored Scheme for the Ninth Plan on normal terms and conditions".

1.9 The Committee note that the Planning Commission is not willing to continue the Scheme for development of infrastructure to assist the small and marginal farmers to enable them increase the consumption of phosphatic/potassic fertilisers, as the Planning Commission has considered this scheme to be one which is outside the Eighth Plan provision and it was meant to be only a one time assistance only. The Committee would like to urge upon the government to consider the consequences of discontinuing the scheme in view of the fact that the infrastructure already created after spending Rs. 365 crores become utterly useless and the consumption of potassic and phosphatic fertiliser would decrease affecting the production ultimately. Therefore the Committee feel that there is an urgent need for the continuation of this scheme and recommend that necessary budgetary provisions for the scheme at the Revised Estimate stage for the current year and also in the Budget Estimate for 1996-97, should be made to consolidate the gains from the infrastructure already created and to augment the infrastructure further. The Committee also desire that immediate advance action should be initiated to pose this scheme as a new Centrally Sponsored scheme for the Ninth Five Year Plan.

Recommendation Serial No. 4

1.10 The Committee further recommend that if there can be no mechanism of giving the benefit of the subsidy of Rs. 500 crores to the farmers instead of making payment to the manufacturers by the Department, the responsibility of making payment to the manufacturers may be given to the Ministry of Fertilisers and Chemicals and this amount may be utilised by the Ministry in other priority areas of development wherein schemes are lagging behind due to insufficiency of funds.

The Government in their reply have stated as under:—

1.11 The Scheme of Concession on Sale of Decontrolled Phosphatic and Potassic Fertilisers to farmers is being implemented by the Department since rabi 1992-93, in order to cushion the impact of rise in prices of these fertilisers, subsequent to their decontrol. As per the scheme, the manufacturers/importers carry out the sale of fertilisers to farmers through their distributive network at a reduced price and this reduction in price is equivalent to the concession announced by the Government in respect of the Phosphatic and Potassic fertilisers. Manufacturers/importers are entitled to reimbursement of the concession passed on to the farmer on behalf of the Government of India. Earlier, the scheme was being implemented through the State Government who would verify the quantity as well as ensure that it conforms to prescribed quality standards of fertiliser distributed to the farmers. Since 1994-95, reimbursement under the scheme is being made by the Department to the manufacturers/importers directly on the basis of quantity of phosphatic and potassic fertilisers distributed to farmers as verified and certified by the State Governments.

Nearly 10 crore farmers thus constitute the end beneficiaries of this scheme. This scheme is different from the Retention Price cum Subsidy Scheme administered by the Deptt. of Fertilisers and therefore the scheme may continue to be operated through the Deptt. of Agriculture and Cooperation.

1.12 The Committee note that the Scheme of concession on sale of De-controlled Phosphatic and Potassic Fertilisers is being implemented by the Department of Agriculture and Cooperation since 1992-93 whereby the manufacturers/importers sell the de-controlled fertilisers at a reduced price and the extent of reduction in price is equivalent to the concession announced by the Government from time to time. Since there are possibilities that the benefit may not reach the intended beneficiaries due to man polative high-pricing of a decontrolled item and also due to the inability of the consumer to

have any say in the price paid by him to ensure that the benefit has been passed on to him the Committee feel that the scheme could be better administered by the Department of Fertilisers to whom the fertilisers manufactures look for help for the development of their industry. Besides, the Department of Fertilisers have the necessary expertise to know the reasonableness of the price of even a decontrolled item. As they had been assessing the cost of production of the phosphatic and potassic fertilisers prior to the introduction of decontrol. Since the Government have stated that there is no mechanism available to directly pass on the benefit of subsidy to the farmers and the fertiliser industry does not look to the Department of Agriculture and Cooperation for any governmental help, the Committee reiterate their earlier recommendation that this scheme, in all fitness of things, should be administered by the Department of Fertilisers and the scarce resources available to the Department of Agriculture and Cooperation be utilised in other priority areas/schemes of the Department.

Recommendation Serial No. 8

1.13 One important aspect of the major components of the oilseed production programme is that of providing assistance to the farmers by way of subsidised purchase of breeder seed and production of foundation seed. However, the Ministry for reasons best known to them, have made a cut in the Grants-in-aid under the minor heads 'Development of oilseeds' and production of breeder and foundation seed crops.

The Committee feel that if these cuts in the Grants-in-aid for the minor heads, mentioned above, have been made by the Ministry with any specific reasons, it must be ensured that this does not effect the already achieved development in oilseeds i.e. in 1993-94 (21.84 million tonnes) and the achievements forecasted in 1994-95 (22.00 million tonnes). If in case the Ministry at these stage (Before presenting the RE) feel that the state may be unable to sustain the development achieved so far, or may be unable to improve upon the marginal increase achieved (1 million tonnes) during the period between 1993-94 and 1994-95, the Ministry must make adequate increase in Grants-in-aid under these minor head. This must also be done keeping in view the target fixed for the terminal year of the VIIIth Five Year Plan viz 23 million tonnes.

The Government in their reply have stated as under :—

1.14 The production of breeder and foundation seeds of oilseeds is one of the components under the Centrally Sponsored Scheme called

Oilseeds Production Programme. The reduction in the Budget Estimates of 1995-96 in respect of this component has been made in keeping with the past performance which has been below the targeted level. The implementing agencies also have some amount of unspent balances available with them from the previous years which require to be adjusted. BE 1995-96 at Rs. 9.20 crores against RE 1994-95 of Rs. 10.04 crores takes these factors into account.

2. The reasons for increasing the BE for R & D in PHT in oilseeds is that a project for mechanisation of bulk handling facilities at the three ports of Kakinada, Bedi and Kandla is under way. The work at Kakinada has already started and Rs. 1.85 crores is being released during 1995-96 against Rs. 1.90 crores released during 1994-95. The feasibility report from Bedi has been received and around Rs. 2.00 crores is likely to be released during 1995-96. In addition, the report from Kandla is expected shortly. This programme is in addition to R & D projects in post harvest technology being undertaken by CSIR and its institutes for improved oil processing technology and for its popularisation.

3. The BE 1995-96 of Rs. 4.00 crores against RE 1994-95 of Rs. 4.65 crores is in respect of grants-in-aid to NOVOD Board. The RE 1994-95 of Rs. 4.65 crores consisted of (i) provision for developmental activities and (ii) cost of establishment. The BE 1994-95 for development activities was Rs. 3.50 crores. For RE 1994-95 the provision was made for development activities at Rs. 3.85 crores and for meeting cost of establishment provision was made for Rs. 0.80 crores thus making a total of Rs. 4.65 crores. Against Budget Estimate of Rs. 4.00 crores during 1995-96 an amount of Rs. 4.80 crores has been proposed in Revised Estimate 1995-96 as grant-in-aid to NOVOD Board.

1.15 The Committee note that the production of breeder and foundation seeds of oil seeds is one of the components under the Centrally Sponsored Scheme called Oilseeds Production Programme. So far as the reasons for the reduction in the Budget Estimates of 1995-96 relating to this Scheme, the Ministry stated that the performance of 1994-95 was below the targeted level and the implementing agencies are having some unspent amount which is going to be adjusted during the year 1995-96.

1.16 The Committee are not satisfied with the reply furnished by the Government and recommend that the Department should strengthen its monitoring mechanism to ensure proper and timely implementation of the scheme and achievement of targets and more money should be provided to achieve the target of 22.00 million tonnes. The Committee find no justification in adjusting the unspent money of the last year in the current Budget Estimate and desire that special steps should be taken to gear up the implementation of the scheme.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation Serial No. 1

2.1 The Committee note that the Department of Agriculture and Cooperation while formulating their non-plan budget estimates for 1995-96, have kept in their mind the recommendation of the Committee that instead of increasing the non-plan allocation drastically at the Revised Estimate stage, it should be made at the original Budget Estimate stage itself.

However, looking to the quantum of actual non-plan expenditure incurred in 1993-94, the Committee feel that the present non-plan budget estimation is still on the lower side. The Committee would be very happy if the original budget is very realistic and if the non-plan expenditure is contained with suitable economy measures to keep it within the original budget estimate instead of seeking approvals for higher revised estimates through supplementary grants. The Committee feel that it is essential to make realistic budget estimates as the resources available are scarce and have to be meaningfully allocated to various vital sectors of development. The Committee, therefore, hope that the Department of Agriculture and Cooperation would keep the recommendation of the Committee while formulating future estimates from 1996-97 onwards.

Reply of the Government

2.2 The Committee have noted with satisfaction that the Department of Agriculture & Cooperation have kept in view the recommendations of the Committee while formulating Budget Estimates 1995-96. The Committee, however, feel that Non-Plan Budget Estimates 1995-96 (Rs. 546.31 crores) is still on the lower side looking to the quantum of actual Non-Plan expenditure during 1993-94 (Rs. 1235.48 crores) and have desired that the original budget must be formulated realistically in future from 1996-97 onwards and contained with suitable economy measures instead of enhancing it at the Revised Estimate stage. The observation of the Committee is with regard to formulation of budget for 1996-97 onwards and is noted for compliance.

Recommendation Serial No. 6

2.3 The Committee also feel that the Budget provision of Rs. 80.00 lakhs for the year 1995-96 for implementation of the 'Integrated Seed

Development Scheme' for not so easily accessible and remote areas of all states must be enhanced in view of large topographical areas and high illiteracy and poor economic condition of these regions. The Committee feel satisfied about the increased allocation for the Other Needs Schemes with launching of three new schemes. However, the Committee also feels that the Ministry develop a statewise implementation programme for the integrated seed development scheme for not so easily accessible and remote areas keeping in view the degree of variation of the topography of the State *vis-a-via* the allocation required for the same. This is to be done for the point of long term viability of the scheme. (2) The streamlined certified seed production of important identified vegetables crops scheme must include export oriented seeds also. Under the national programme for varietal developments, thrust must be on the provision of infrastructural facilities from the point of view of processing and storage for these very new schemes.

Reply of the Government

2.4 Under the newly proposed 'Integrated Seed Development Scheme' for no so easily accessible and remote areas of all States, the provision originally proposed was Rs. 7.20 crores for 1995-96. Against this, there is a budget provision of Rs. 80.00 lakhs during the current financial year 1995-96. This being the first year of the scheme, budget provision is kept only to the extent of Rs. 80.00 lakhs. This would be increased during the next year based on the progress of the scheme. State-wise details of the implementation programme are already available under the scheme. This has been done keeping in view the long-term viability of the scheme. Further action will be taken accordingly.

The scheme to streamline certified seed production of important identified vegetable crops includes export oriented seeds also.

'National Programme for Varietal Development' has already been conveyed to the State Governments. Guidelines for preparing proposal for getting assistance on farm development and quality control measures under the schemes have also been sent. Total outlay of the scheme is Rs. 19.50 crores. Budget Provision of the scheme for 1995-96 is Rs. 1.23 crores. Component-wise details are as under :—

(Rs. in lakhs)

S.No.	Component	1995-96
1.	Establishment of National Authority for PVP.	3.00

2.	Equipping identified centres for DUS/VCU Tests.	20.00
3.	Strengthening of data-base.	5.00
4.	Assistance to NGOs, Seed Corporations, Govt. farms and Cooperative Agencies for multiplication of various categories of Seeds.	40.00
5.	On-farm conservation of traditional cultivated and wild varieties	5.00
6.	Improvement of infrastructural facilities in quality control	40.00
7.	Training of staff and farmers	5.00
8.	Strengthening of staff in Seed Division	5.00
Total :		123.00

Thus, it would be noted that 'National Programme for Varietal Development' is an umbrella scheme and covers the assistance for overall development of seed farms, quality control measures, strengthening of data-base etc. The scheme has been approved by the competent authority and has provision for infrastructural facilities from the point of view of processing and storage for seed production organisations. Keeping in view the recommendations of the Committee, additional components can be considered during the IXth Plan period.

Recommendation Serial No. 7

2.5 Similar such schemes may be chalked out for Oilseeds also.

Reply of the Government

2.6 Both National Pulses Development Project & Oilseeds production programme, being operated in the country through Technology Mission Oilseeds and Pulses is having component of Central assistance for production and distribution of seed.

Recommendation Serial No. 9

2.7 Adequate increase in the BE under the head R & D activities must be made with stress on development of short term, high yielding and pest resistant varieties of various crops and pulses. All out effort

must be taken by the Ministry to implement the mixed/inter cropping throughout the country.

The Committee feel that by having discontinued the minimum price support scheme offered by the NAFED injustice has been done to the farmers undertaking pulse cultivation. The Committee recommend that the minimum price support must be reinstated to support the farmers. The Ministry must also come out with a strategy for timely purchase from the farmers and effective marketing to provide the farmers with sustainably handsome returns for pulse cropping.

Reply of the Government

2.8 Efforts are being made through dissemination of latest production technologies by organising general demonstration by the State Department of Agriculture and Frontline Demonstration by the Indian Council of Agricultural Research (ICAR) under National Pulses Development Project (NPDP) to increase the area and production. In addition, strategy for bringing more area under pulses also include introduction of short duration varieties in suitable crop sequence, mixed cropping and summer pulses under irrigated conditions.

NAFED has been designated as nodal agency at national level for implementing Price Support Scheme (PSS) for selected commodities under which farmers are assured of a predetermined minimum price for their produce announced by the Government of India. During 1994-95, NAFED continued to be the implementing agency for PSS in pulses. However, no procurement of pulses was made by NAFED under Price Support Scheme during this year as the prevailing prices of pulses in the different markets ruled much above the declared Support Prices. However, NAFED is geared up for undertaking procurement under Price Support Scheme as and when the prices rule below the declared support price.

The Research & Development in Post Harvest Technology in pulses is carried out through CSIR and its attached institutes although R & D work in this field is constantly encouraged by DAC (TMO & P). Limited projects have been undertaken by the Institutes. Improved dal mills of small and medium capacity have been developed and are popularised. A project for development of Dal Analogue from defatted soya flour and minor pulses has been undertaken and it is expected that this would enhance the availability in the domestic market and reduce dependence on import.

Recommendation Serial No. 11

2.9 The Committee recommend that the Government should devise a method so that this scheme is made to cover all the farmers in all parts of the country.

Reply of the Government

2.10 The Scheme is voluntary in nature and the States/UTs are free to opt in favour of it. The scheme has not been extended to non-loanee farmers so far, as the coverage will become very wide and in view of inadequate infrastructure, it would be difficult to monitor/supervise the implementation (preparation of insurance proposal, collection of premium and settlement of indemnity claims etc.) of the scheme. However, a revision of the present Comprehensive Crop Insurance Scheme is being considered to enlarge the coverage of crops and farmers.

Recommendation Serial No. 13 & Parts of 14

2.11 The Committee further note that only a crop loan upto a maximum of Rs. 10,000/-would be covered by the scheme and no final decision has been taken about extending its scope to other crops. The Committee desires that the modified scheme should extend to all kinds of agricultural crops instead of restricting it to only certain selective crops.

Reply of the Government

2.12 The sum insured has been limited to Rs. 10,000 with a view to have wider coverage of farmers and also to check the adverse premia to claim ratio. Coverage of more crops such as horticultural and other cash crops could not be made under the CCIS because of non-availability of adequate past yield data. Besides, for some of the crops it is difficult even to make an assessment about the yield because of their multi-picking nature.

However, the revision of Comprehensive Crop Insurance Scheme is being considered in order to make it viable by enlarging the coverage of crops and farmers. Limit of sum (risk) insured could not be raised because of adverse premia-claim ratio observed in the scheme. As stated above, coverage of crops is also restricted to certain categories only in view of inadequate statistical base for all types of crops. Government of India is looking into the possibility of modifying the present scheme so as to enlarge the coverage of crops and to increase the amount of sum insured.

Recommendation Serial No. 16

2.13 The Committee desire that the modified and really comprehensive insurance schemes should be formulated urgently and implemented within six months.

Reply of the Government

2.14 A modified proposal of the Comprehensive Crop Insurance Scheme (CCIS) so as to make it viable by increasing the premia rates and enlarging the coverage of crops, is under consideration of the Government and efforts will be made to finalise the scheme.

Recommendation Serial No. 17

2.15 After having gone through all the aspects of constraints being felt by the Ministry in executing the National Watershed Development Project for Rainfed Areas effectively, the Committee observe that due to lack of perspective Planning in formulating and implementing this Project, the very essence of top priority accorded by the Planning Commission to develop the rainfed area which is almost 2/3 of the total arable land in the country has been destroyed, the Committee fail to understand as to why States are not coming forward for a cent percent Centrally funded projects like NWDPR. This shows that the Central Ministry has not been serious enough in projecting the real objectives of the Project to State Governments for the benefit of the peasantry of rainfed areas of the country. The Committee in this connection, recommend to the Ministry of Agriculture that the National Watershed Development Project for Rainfed Areas must be accorded top priority as already done by the Planning Commission and accordingly ensure efficient and effective implementation by the States. A perspective plan for the same should be prepared and sent to concerned States. The Committee also suggest suitable and necessary funds as required by the States for execution of the above project must be ensured and provided without delay.

The Committee feels that an effective monitoring and supervision arrangement has to be made to ensure that the States make proper use of the funds allotted to them for Watershed management.

Reply of the Government

2.16 National Watershed Development Project for Rainfed Areas (NWDPR) was sanctioned in October, 1990. In all the participating

States/UTs, the pace of implementation was slow in the initial years due to preparatory time taken in putting the Project on the ground such as identification of the Project sites, preparation and sanction of the Project and making institutional arrangements for implementation of the project. It may be noted that the Project has a vast spread as it covers over 2500 micro-watersheds in 25 States and 2 Union Territories. It places heavy reliance on people's participation.

2. In some of the States like Bihar, Goa, West Bengal, Meghalaya, Nagaland and Dadra & Nagar Haveli, the slow progress was found mainly due to :

- (i) time taken in dissemination of information about project's concept and approach;
- (ii) delay in preparation of the projects and their approval by the State Level Sanctioning Committee;
- (iii) non-release of funds by the States/UTs to the implementing agencies *i.e.* Watershed Development Team.

These State/UT Governments were requested from various level *i.e.* Union Minister of Agriculture, Secretary (Agriculture and Cooperation), Additional Secretary (Agriculture and Cooperation) and Joint Secretary (Rainfed Farming Systems Division) to get the matter looked and take appropriate measures to speed up the implementation of the project.

3. As a result of the intensive efforts made by the Union Ministry of Agriculture, these States have made enough progress in sanctioning micro-watershed projects. It was targetted to cover an area of 28 lakh hectares with an allocation of Rs. 1100 crores during Eighth Plan. Thus, average per hectare cost of development works out to be Rs. 3928/-. Since a sum of Rs. 1338.64 crores is available for implementing the restructured NWDPR, keeping in view the per hectare average cost of Rs. 3928/- only, treated area should be around 34.08 lakh hectares. Of this, projects for 2543 micro-watersheds covering total area of 45.62 lakh hectares have already been taken up with an estimate cost of Rs. 1233.41 crores in 25 States and 2 Union Territories *i.e.* Andaman & Nicobar Islands and Dadra and Nagar Haveli. Thus, with allocated resources, the area coverage will be higher. There has been improvement in releasing the funds by the State/UT Governments to the implementing agencies *i.e.* Watershed Development Teams. A

perceptible improvement has been noticed in the utilisation of funds by the State/UT Governments as is evident from the following table:

Rs. in crores							
	Unspent Balance of VIIth Plan	1990-91	1991-92	1992-93	1993-94	1994-95	Total
Released by Govt. of India	8.20	71.37	159.00	115.20	197.85	161.18	712.00
Utilised by State/ UT.		39.43	68.33	129.42	137.29	197.07	571.54

4. A number of steps have been taken to streamline the implementation of the project which are given below:

- (i) In order to clarify the concept, approach and strategy of the project amongst various inter-connected departments and field functionaries, massive training efforts have been launched throughout the country. These training efforts have been launched in two phases. First phase involves training and orienting the district level Subject Matter Specialists from the concerned Departments. These two-day training programmes related to this phase have already been completed in all the participating States/UTs. The second phase of training programme consists of training Mitra Kisans and the field staff of these departments. This has also been completed in most of the States/Union Territories.
- (ii) The qualitative improvement in planning and implementation of NWDPRAs has been further improved by intensive monitoring and inclusion of problem areas.
- (iii) In order that no time is lost for identification, survey and projectisation during 9th plan period and full 5 year period of 9th Plan remains available for the project implementation, State/UT Governments have been requested to complete this process during the remaining period of the 8th plan itself.
- (iv) A Committee has been constituted for the preparation of 25 years perspective plan for the development of rainfed areas under the Chairmanship of Member (Agriculture),

Planning Commission. In pursuance of the decision arrived at the first meeting of the Committee constituted by the Planning Commission for the preparation of 25 years perspective Plan for the development of rainfed areas, Planning Commission has constituted five groups which would facilitate the working of the Committee. Second meeting of the Committee was held on 8th August, 1995 in which the five groups presented their view points on various aspects. The Chairman requested all the five groups to submit a detailed report indicating their views so that they could be consolidated and presented at the next meeting, date for which will be fixed by the Planning Commission.

- (v) National Regional and State Level Reviews are being conducted alongwith field visits to review the progress of the project and explain the concept, approach and strategy of NWDPRRA to the field functionaries. The State/UT Governments have also started such type of reviews by their own officers at various levels. National Watershed Development Policy and Implementation Committee constituted under the Chairmanship of Union Secretary (Agri. and Cooperation) provides overall policy framework and direction for development of rainfed areas on watershed basis and monitors the project by reviewing its progress.

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLY

Recommendation on Serial No. 5

3.1 The Committee observes that even though the financial position of the National Seeds Corporation and SFCI has shown to be improving after they underwent organisational and financial restructuring under the NSP-III, still the reduction in depletion of loss and further recording of profits during 1992-93 to 1993-94 have not been satisfactory. The Committee feel that implementation of the steps under the Agreed Action Plan is not being taken seriously by the Ministry. The Ministry must plan out a systematic monitoring of the implementation of the steps under the Agreed Action Plan. Further, the Committee feel that in future no private consultant services must be availed for restructuring any NSP or SFCI. Any physical or financial restructuring must be undertaken directly by the Ministry or by any other authorised Department after making prior additional allocation with regard to the expenditure to be met for the process of restructuring, the Committee Strongly recommends that the BE for 1995-96 under this head must be increased to keep it at par (+11% inflation) with the revised estimates of 1994-95.

Reply of the Government

3.2 National Seeds Corporation and State Farms Corporation of India are the beneficiary organisations under World Bank assisted project National Seeds Project Phase-III (NSP-III). As per the stipulation of the project, the management study of these Corporations were carried out and the diagnostic reports and Action Plans for the Corporations were prepared. Some of the actions taken by these Corporations on the Action Plan are as under:—

National Seeds Corporation

- (a) The Corporation reorganised its structure by reducing 17 regional offices to 10, 85 area offices to 52 and 52 processing units to 33.

- (b) The Corporation has repaid GOI loan amounting to Rs. 16.99 crores.
- (c) Reduction in excess manpower through introduction of Voluntary Retirement Scheme (VRS) for the regular employees and Voluntary Separation Scheme (VSS) for the employees working on daily wages and consolidated wage basis. It is significant to note that the Corporation has given retirement to as many as 448 officers and staff working on regular basis under VRS and 138 workers working on daily wages/ consolidated wages under VSS. Thus, the Corporation has made a net saving of Rs. 2.98 crores per year on salary and wages.
- (d) The Corporation (NSC) has reduced condemnation of seeds from 45708 qncls. in 1990-91 to 6749 qncls in 1993-94.
- (e) The Corporation introduced the cost reduction measures in transportation/seed treatment and packing material.
- (f) The Corporation has de-hired the storage godowns and on this account they have an actual saving of Rs. 12 lakhs per annum.

State Farms Corporation of India

- (a) The Corporation consolidated its cropping programme.
- (b) The Corporation reviewed its product mix from time to time and introduced crops like Hybrid Cotton, Bajra and vegetable crops in product mix.
- (c) The Corporation diversified its activities in the field of fish culture, duckree, sheep and goat rearing.
- (d) The Corporation introduced the internal audit system.

The Project Monitoring Unit of Agriculture Ministry closely monitors the progress of implementation of Action Plan by various Corporations including NSC and SFCI through an apex Committee i.e. Project Monitoring Committee under the Chairmanship of Secretary (A&C). The Committee periodically holds its meeting and review the agency-wise progress of implementation. As a result of close monitoring of progress of the project both by this Department and World Bank, most of the outstanding issues contained in the Action Plan have been resolved.

NSP-III is a World Bank aided project and as per the stipulations of the project, the Consultants are appointed for undertaking management study of the Seed Corporations. Physical and financial restructuring of the Corporations is directly undertaken by the Ministry for which purpose a Project Management Unit has been set up which after processing the recommendations of the Consultants, submit the same to Project Funding Committee which is chaired by Secretary (A&C) and have members from Planning Commission, Department of Economic Affairs and Internal Finance Division of the Ministry.

NSP-III Project which was earlier scheduled to be terminated by June, 1995 has now been extended for one more year *i.e.* upto June, 1996. The total Outlay of the Project is Rs. 185.57 crores against which upto 1994-95, Rs. 156.70 crores have been released. A provision of Rs. 11.70 crores has been kept in the Budget 1995-96 for the Project.

Recommendation Serial No. 10

3.3 The Committee further recommends that all the pulse crops must be covered under the crop insurance scheme which must be made to cover all risks of crop failure.

Reply of the Government

3.4 The present Comprehensive Crop Insurance Scheme already covers pulses against all kinds of natural risks such as drought, flood, cyclone etc. except war and nuclear risks.

Recommendation Serial No. 15

3.5 The Committee also feel that the insurance companies should be given a free hand to undertake all comprehensive insurance coverage activities with some directional norms and guidelines issued from the Union Government. The governmental assistance by way of sharing the premia with the farmers can be secured from the Union Government and State Governments by the insurance companies. The Committee do not approve the concept of making good the losses suffered by the General Insurance Corporation of India (GIC) by the Government against claims under the scheme, as in the nature of things, the insurance business has in it the in-built risk and the insurance companies have to accept the fact about the business.

Reply of the Government

3.6 The Comprehensive Crop Insurance Scheme (CCIS) is not a scheme taken up by the General Insurance Corporation of India (GIC)

as a viable and workable scheme in the normal course of its business. They are implementing it for the Government, as only a nominal flat rate of premium is being charged and risk coverage is only partial. If the scheme is to be introduced on commercial basis with in built risk coverage, the actuarial premia rates will need to be charged which may be difficult for the farmers to pay in certain cases as the actuarial rates are very high in case of some crops. Therefore, it may not be a viable business proposition for the private/public companies like GIC and its subsidiaries to implement the scheme in the present form at their own risk and without the support of the Central Government and State Government.

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation Serial No. 2

4.1 The Committee observe that the total plan budget allocation of the Department of Agriculture and Co-operation has been decreasing year after year as a proportion of the total central plan budget for all the Ministries and Departments. While 2.6% of the total central plan budget allocation was in favour of the Department of Agriculture and Cooperation in 1991-92, the percentage has now declined to 1.9% for 1995-96. Despite the Committee's recommendation for a proper higher allocation, the Committee are pained to note that there is no appreciable improvement in the matter. They note that the plan allocation proposals of the Department of Agriculture and Cooperation for Rs. 1972 crores for Central Sector and Centrally sponsored schemes during 1995-96 have been slashed down to Rs. 1490 crores by the Planning Commission on the plea of overall resource constraints. The Committee are constrained to observe that such a practice on the part of the Planning Commission towards the agricultural sector which is the prime concern of more than two-thirds of the country's population would only turn out to be a self defeating exercise, as the ambitious targets envisaged in the Eighth Plan cannot be achieved in the absence of the matching financial outlays every year. The Committee feel that the strategy of planned development would lose all its sanctity and would remain only on papers, if the life-line of funds to this vital and basic sector is throttled, as the growth of all other sectors is inextricably linked to the growth of the agricultural sector. The Committee wish to point out that there are other schemes providing for assistance and subsidy to entrepreneurs in high-tech industries and deep-sea fishing etc. where the Planning Commission could easily apply their scissors and they desire that at all costs the prime sector of national importance concerning the poor farmers should be spared of all the cuts due to financial crunch. The Committee, therefore, expect a reasonable and liberal approach to be adopted by the Planning Commission and the Ministry of Finance in making Allocations in favour of agriculture and allied activities in the present and future budgets.

Reply of the Government

4.2 The matter regarding decrease of Plan Allocation to Agriculture since 1991-92 was referred to Planning Commission and they have furnished their comments as under :

The figures mentioned in the Report on pages 7 & 8 are in order/correct. The percentage figure (2.6%) given for the year 1991-92 pertains to Revised Estimates. Plan Allocation of the Department since the year 1991-92 both Budget Estimates and Revised Estimates may please be seen in the following statement.

ALLOCATION OF PLAN OUTLAY FOR THE DEPARTMENT OF AGRICULTURE AND COOPERATION

(Rs. in crores)

	1991-92		1992-93		1993-94		1994-95		1995-96
	BE	RE	BE	RE	BE	RE	BE	RE	BE
	1014.35	1016.93	1050.00	1273.16	1330.00	1320.05	1405.00	1458.84	1490.00
% of total									
CENTRAL	2.36	2.53	2.17	2.56	2.08	2.15	2.00	2.14	1.89
OUTLAY									
% of total									
CENTRAL	5.33	5.76	5.68	6.48	5.72	5.28	5.15	5.22	5.14
GBS									

It is clear from the above statement that the Plan Budget of the Department of Agriculture & Cooperation as proportion of the total Central Plan Outlay (Budget Estimates) is constantly on the decline since 1991-92. From 2.36% in 1991-92, it has declined to 2.00% in 1994-95 and 1.89% in the year 1995-96.

The Committee has compared the Budget allocation of the Department as a proportion to the total Central Plan Outlay. However, the Plan Outlay of the Department consists of only Gross Budgetary Support (GBS), and it can also be examined in proportion to the total Gross Budgetary Support of all Central Ministries/Departments. Accordingly, the Plan Outlay of the Department as a proportion of the total Central Gross Budgetary Support (Budget Estimates) has remained constant above 5% of the total Central Gross Budgetary Support since

1991-92. The Plan Outlay of the Department was 5.33% of total Central Gross Budgetary Support in 1991-92 and the same was 5.15% and 5.14% during the year 1994-95 and 1995-96 respectively. It may also be seen that except for the year 1993-94, the Plan Allocation at the Revised Estimates stage was increased every year since 1991-92. Further, it may also be pointed out that despite severe resource constraint, the increase of about 6% has been allowed in the Budget Estimates of 1995-96 *vis-a-vis* Budget Estimates of 1994-95 of this Department.

Recommendation Serial No. 3

4.3 The Committee therefore strongly recommend that provision should be made in the RE 1995-96 for Assistance to small and marginal farmers and the Scheme may not be supported by spill over amounts. This Scheme may be made a revolving Scheme with replenishment of funds instead of one time Scheme assisted with a special dispensation.

Reply of the Government

4.4 Based on the recommendations of the Joint Parliamentary Committee, a special scheme of Rs. 500 crores was approved by the Government during 1992-93 for creating agricultural infrastructure facilities specifically for the benefit of small and marginal farmers. The States were given flexibility of taking up the schemes on need based consideration with the overall general guidelines given by the Department of Agriculture & Cooperation. The Scheme was implemented during 1992-93 and 1993-94.

2. The continuation of the Scheme during 1994-95 and remaining period of Eighth Five Year Plan was discussed in the Planning Commission in its meeting held on 27th October, 1994 under the Chairmanship of Member Secretary, Planning Commission. This meeting was attended by Secretaries of Department of Economic Affairs, Department of Expenditure, Department of Agriculture & Cooperation and Ministry of Water Resources. In this meeting, it was decided that given the resources constraint, it may not be possible to give overriding priority to a new programme over the Schemes already approved in the Eighth Plan in view of the fact that this was only a one time assistance.

In view of this, no budgetary provision was made for the Scheme during the year 1995-96. At the instance of the Standing Committee on Agriculture in its 19th Report on the Demand & Grants (1995-96), continuation of this Scheme again was referred to the Planning Commission for necessary budgetary provision in R.E. for the current year and also during the remaining period of the Eighth Five Year Plan.

3. Now, the Planning Commission has opined as Under :

“The proposal of the Department and the recommendations of the Standing Committee on Agriculture have been reconsidered in the Planning Commission. It has not been possible to agree to the suggestion for continuation of a Scheme which was a one time grant announced by the Prime Minister and given to the States outside the Eighth Plan provisions of the Department of Agriculture & Cooperation for the development of infrastructure to assist the small and marginal farmers. In this regard it is suggested that you may consider posing the Scheme as a new centrally Sponsored Scheme for the Ninth Plan on normal terms and conditions”.

Recommendation Serial No. 4

4.5 The Committee further recommend that if there can be no mechanism of giving the benefit of the subsidy of Rs. 500 crores to the farmers instead of making payment to the manufacturers by the Department, the responsibility of making payment to the manufacturers may be given to the Ministry of Fertilisers and Chemicals and this amount may be utilised by the Ministry in other priority areas of development wherein schemes are lagging behind due to insufficiency of funds.

Reply of the Government

4.6 The Scheme of Concession on Sale of De-controlled Phosphatic and Potassic Fertilisers to Farmers is being implemented by the Department since rabi 1992-93, in order to cushion the impact of rise in prices of these fertilisers, subsequent to their decontrol. As per the scheme, the manufacturers/importers carry out the sale of fertilisers to farmers through their distributive network at a reduced price and this reduction in price is equivalent to the concession announced by the Govt. in respect of the Phosphatic and Potassic fertilisers. Manufacturers/importers are entitled to reimbursement of the concession passed on to the farmer on behalf of the Govt. of India. Earlier, the scheme was being implemented through the State Govts. who would verify the quantity as well as ensure that it conforms to prescribed quality standards of fertilisers distributed to the farmers. Since 1994-95, reimbursement under the scheme is being made by the Department to the manufacturers/importers directly on the basis of quantity of phosphatic and potassic fertilisers distributed to farmers as verified and certified by the State Govts.

Nearly 10 crore farmers thus constitute the end beneficiaries of this scheme. This scheme is different from the Retention Price cum

Subsidy Scheme administered by the Deptt. of Fertilisers and therefore the scheme may continue to be operated through the Deptt. of Agri. & Cooperation.

Recommendation Serial No. 8

4.7 One important aspect of the major components of the oilseed production programme is that of providing assistance to the farmers by way of subsidised purchase of breeder seed and production of foundation seed. However, the Ministry for reasons best known to them, have made a cut in the Grants-in-aid under the minor heads 'Development of oilseeds' and production of breeder and foundation seed crops.

The Committee feel that if these cuts in the Grant-in-aid for the minor heads, mentioned above, have been made by the Ministry with any specific reasons, it must be ensured that this does not effect the already achieved development in oilseeds i.e. in 1993-94 (21.84 million tonnes) and the achievements forecasted in 1994-95 (22.00 million tonnes). If in case the Ministry at these stage (Before presenting the RE) feel that the State may be unable to sustain the development achieved so far, or may be unable to improve upon the marginal increase achieved (1 million tonnes) during the period between 1993-94 and 1994-95, the Ministry must make adequate increase in Grants-in-aid under these minor heads. This must also be done keeping in view the target fixed for the terminal year of the VIII Five Year Plan viz. 23 million tonnes.

Reply of the Government

4.8 The production of breeder and foundation seeds of oilseeds is one of the components under the Centrally Sponsored Scheme called oilseeds production programme. The reduction in the Budget Estimates of 1995-96 in respect of this component has been made in keeping with the past performance which has been below the targetted level. The implementing agencies also have some amount of unspent balances available with them from the previous years which require to be adjusted. BE 1995-96 at Rs. 9.20 crores as against RE 1994-95 of Rs. 10.04 crores takes these factors into account.

2. The reasons for increasing the BE for R & D in PHT in oilseeds is that a project for mechanisation of bulk handling facilities at the three ports of Kakinada, Bedi and Kandla is under way. The work at Kakinada has already started and Rs. 1.85 crores is being released during 1995-96 against Rs. 1.90 crores released during 1994-95. The feasibility report from Bedi has been received and around Rs. 2.00 crores is likely to be released during 1995-96. In addition, the report

from Kandla is expected shortly. This programme is in addition to R & D projects in post harvest technology being undertaken by CSIR and its institutes for improved oil processing technology and for its popularisation.

3. The BE 1995-96 of Rs. 4.00 crores against RE 1994-95 of Rs. 4.65 crores is in respect of grant-in-aid to NOVOD Board. The RE 1994-95 of Rs. 4.65 crores consisted of (i) provision for developmental activities and (ii) cost of establishment. The BE 1994-95 for development activities was Rs. 3.50 crores. For RE 1994-95 the provision was made for development activities at Rs. 3.85 crores and for meeting cost of establishment provision was made for Rs. 0.80 crores thus making a total of Rs. 4.65 crores. Against Budget Estimate of Rs. 4.00 crores during 1995-96, an amount of Rs. 4.80 crores has been proposed in Revised Estimate 1995-96 as grant-in-aid to NOVOD Board.

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

Recommendation Serial No. 12 & Parts of Sl. No. 14

5.1 The Committee also note that this scheme has been envisaged only as an indemnity measure towards the institutional loans secured by the farmers and it does not cover comprehensively all other risks due to natural calamities and other causes.

The Committee recommend that the scheme should be modified to cover comprehensively all kinds of risks due to natural calamities etc., and should cover the entire risk instead of merely acting as an indemnity towards the institutional loans secured by farmers for their seasonal crops and that too upto a paltry sum of Rs. 10,000/- only.

Reply of the Government

5.2. Though the Scheme is an indemnity measure towards the institutional loan secured by the farmer, the Objective of the present scheme is to provide financial support in the event of crop failure due to drought, flood, cyclone etc. and to restore the credit eligibility of farmers for the next season. However, Government is looking into the possibility of enlarging the scope of coverage of risks by making a revision in the existing scheme.

Government of India is looking into the possibility of modifying the present scheme so as to enlarge the coverage of crops and to increase the amount of sum insured.

NEW DELHI;
13 December, 1995

22 Agrahayana 1917 (Saka)

NITISH KUMAR,
Chairman,
Standing Committee on Agriculture.

APPENDIX I

MINUTES OF THE NINETY THIRD SITTING OF THE
STANDING COMMITTEE ON AGRICULTURE HELD
ON WEDNESDAY, THE 13TH DECEMBER, 1995
AT 1500 HRS. IN COMMITTEE ROOM 'C',
PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Committee sat from 1500 hrs. to 1540 hrs.

PRESENT

Shri Nitish Kumar — *Chairman*

MEMBERS

Lok Sabha

2. Shri D. Pandian
3. Shri Birbal
4. Shri Nathuram Mirdha
5. Shri Govindrao Nikam
6. Shri Tara Singh
7. Shri Uttamrao Deorao Patil
8. Shri Rajvir Singh
9. Shri Rudrasen Chaudhary
10. Dr. Parshuram Gangwar
11. Shri Rajendra Kumar Sharma
12. Shri Ram Tahal Chaudhary
13. Shri B.N. Reddy
14. Shri Kamla Mishra Madhukar
15. Dr. R.K.G. Rajulu
16. Shri Upendra Nath Verma

Rajya Sabha

17. Shri H. Hanumanthappa
18. Shri Shiv Charan Singh
19. Shri Som Pal

SECRETARIAT

1. Shri P.D.T. Achary — *Director*
2. Shri S. Bal Shekar — *Under Secretary*

At the outset, Chairman (AC) welcomed the Members to the sitting of the Committee and requested them to take up the adoption of the Draft Action Taken Reports on the Demands for Grants for 1995-96 in respect of Department of Agriculture & Cooperation and Ministry of Food Processing Industries and Draft Report on Krishi Vigyan Kendra.

2. The Draft Reports were considered one by one and unanimously adopted without any change.

3. The Members of the Committee, thereafter, authorised the Chairman to present the Action Taken Reports on Demands for Grants 1995-96 in respect of Ministry of Agriculture (Department of Agriculture & Cooperation) and Ministry of Food Processing Industries and Draft on Krishi Vigyan Kendra to the House on a date convenient to him.

The meeting then adjourned.

APPENDIX II

(Vide Introduction of the Report)

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE NINETEENTH REPORT OF STANDING COMMITTEE ON AGRICULTURE (10TH LOK SABHA)

I.	Total number of Recommendations	17
II.	Recommendations/Observations which have been accepted by Government: (Serial Nos. 1, 6, 7, 9, 11, 13 clubbed with parts of Sl. Nos. 14, and 17)	
		Total 8
	Percentage	47.05%
III.	Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies: (Sl. Nos. 5, 10 and 15)	
		Total 3
	Percentage	17.64%
IV.	Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee: (Sl. Nos. 2, 3, 4, 8)	
		Total 4
	Percentage	23.52%
V.	Recommendations/Observations in respect of which final replies of Government are still awaited: (Sl. No. 12 clubbed with Parts of Serial No. 14)	
		Total 12
	Percentage	11.76%