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**STANDING COMMITTEE
ON AGRICULTURE
(1996-97)**

ELEVENTH LOK SABHA

MINISTRY OF AGRICULTURE

(DEPARTMENT OF AGRICULTURE AND COOPERATION)

DEMANDS FOR GRANTS (1997-98)

NINTH REPORT



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1997/Chaitra, 1919 (Saka)

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DEPARTMENT OF AGRICULTURE AND COOPERATION
DEMANDS FOR GRANTS (1997-98)

*Presented to Lok Sabha on 11th April, 1997
Laid in Rajya Sabha on 22nd April, 1997*



LOK SABHA SECRETARIAT
NEW DELHI

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COMPOSITION OF THE STANDING COMMITTEE ON
AGRICULTURE (1996-97)

Shri Santosh Kumar Gangwar — *Chairman*

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3. Shri Mange Ram — *Under Secretary*
4. Shri K.L. Arora — *Assistant Director*
5. Smt. Jyochnamayi Sinha — *Reporting Officer*

PREFACE

1. The Chairman, Standing Committee on Agriculture having been authorised by the Committee to submit the Report on their behalf, present this Ninth Report on Demands for Grants of the Ministry of Agriculture (Department of Agriculture & Cooperation) for the year 1997-98.

2. The Standing Committee on Agriculture is constituted on 2nd August, 1996. 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 & Cooperation) on 31st March, 1997. 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 they desired in connection with the examination of Demands for Grants of the Ministry for the year 1997-98 and for giving evidence before the Committee.

4. The Committee considered and adopted the Report at their sitting held on 10th April, 1997.

NEW DELHI;
10th April, 1997
22 Chaitra, 1919 (Saka)

SANTOSH KUMAR GANGWAR,
Chairman,
Standing Committee on Agriculture.

CHAPTER I

INTRODUCTORY

1.1 Agriculture sector is key to all strategies of Planned economic development in India. 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 plan. 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. Sustainable agriculture means successful management of resources to satisfy changing human needs, while maintaining or enhancing of quality of environment and conserving of natural resources.

1.2 The strategy for agriculture development in the 9th Plan aims at sustainable development of agriculture and increasing productivity of crops to meet the domestic requirements for foodgrains and other crops in full and generate adequate surpluses of its specific agricultural commodities for exports. The strategy focuses on development of rainfed areas and diversification of agriculture into higher income generating activities to raise farmer's income with particular focus on the North Eastern States and backward areas of the country. The major areas for concentration of efforts in the 9th Plan relate to:—

- (1) improving productivity and production of foodgrains and other agricultural commodities;
- (2) developing areas of untapped potential in the Eastern and North Eastern States as also Rainfed and Drought Prone Areas;
- (3) diversification of agriculture into higher value generating farming systems such as horticulture, fisheries etc.;
- (4) efficient delivery of inputs and service to farmers with special focus on Integrated Nutrients Management;

- (5) development of infrastructure for post harvest handling and exports;
- (6) revitalising and strengthening of Cooperatives for providing credit, inputs and extension support as also marketing and processing;
- (7) accelerating and developing the rainfed areas on watershed basis.

1.3 An outlay of Rs. 7,400 crores was made in the Eighth Plan for the Department of Agriculture & Cooperation for Central Sector and centrally sponsored schemes. In the 9th Plan an outlay of Rs. 16,926 crores has been proposed which involves an increase of 129% in the plan outlay from Rs. 7,400/- crores in the 8th plan. Although an increase of this magnitude is considered essential to accelerate the pace of Agriculture in the country to meet the growing requirements of agriculture for domestic use and exports as also for increasing incomes of the farming community. A paltry sum of Rs. 2,455 crores has been proposed for the financial year 1997-98.

1.4 The focus of development during the initial year of 9th Plan *i.e.* the Annual Plan 1997-98 would be on:—

- (i) Crop Oriented programmes
- (ii) Rainfed Farming
- (iii) Credit
- (iv) Cooperation
- (v) Extension
- (vi) Technology Mission on Oilseeds and Pulses
- (vii) Plant Protection
- (viii) Fertilizers
- (ix) Agricultural statistics
- (x) Agricultural implements and machinery
- (xi) Fisheries

CHAPTER II

AN OVERVIEW OF THE DEMANDS

2.1 The B.E. and R.E. for 1996-97 and B.E. for 1997-98 for Demand Nos. 1 & 2 is as under:—

	<u>1996-97</u>	<u>Budget</u>	<u>1996-97</u>	<u>Revised</u>	<u>1997-98</u>	<u>Budget</u>
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
Demand No. 1	963.98	2267.19	893.21	1720.10	959.90	2047.71
Demand No. 2	523.27	7.00	499.65	7.00	574.35	7.50
Total	1487.25	2274.19	1392.86	1727.10	1534.25	2055.21

2.2 The following are the details of Budget Estimates, Revised Estimates and Actuals from 1993-94 to 1997-98 in respect of Demand Nos. 1 and 2:—

Budget Estimates, Estimates and Actual from 1992-93 Onwards

Years	<u>Budget Estimates</u>		<u>Revised Estimates</u>		<u>Actual</u>	
	Plan	Non-Plan	Plan	Non-plan	Plan	Non-plan
1993-94	1330.00	713.39	1327.14	1354.63	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

2.3 The total Budget Estimates for 1996-97 given in Table-I above is much on the higher side as compared to Revised Estimates both on the Plan side and the Non-Plan side. Regarding the reasons for this shortfall in expenditure and the steps those are contemplated to ensure that the Budget Estimates for 1997-98 are fully utilized, the Ministry has stated that:

“Release of Plan funds to the State Governments/implementing agencies depends on available balances with them from out of previous years release, progress of the implementation of the

scheme, their utilization capacity, fulfillment of procedural requirements with regard to the schemes etc. The revised estimates are prepared taking into account all these factors and hence the reductions. As regards Non-Plan side, Revised estimates 1996-97 is Rs. 1727.10 crores against the B.E. 1996-97 of Rs. 2274.19 crores. The reduction is due to less provision under the Non-Plan scheme for "Concessional Sale of de-controlled Fertilizers" where the R.E. has been reduced to Rs. 1674 crores from B.E. 1996-97 of Rs. 2224 crores. Under this scheme, the claims are initially scrutinised by the State Govts. and payments are released on their verification. The reduced requirement in the R.E. is mainly attributable to the fact that by the time the scheme with revised rates of concession was announced (July 6, 1996), the Kharif operations were almost over.

During 1997-98 the Department proposes to further intensify the monitoring mechanism to oversee the implementation of the schemes with a view to remove bottlenecks for their speedy implementation. Through periodical interaction with the State Govts./implementing agencies, a stricter control is proposed to be exercised. Timely action on procedural aspects will also help in this regard."

2.4 An outlay of Rs. 16926 crores has been provided for the Central and Centrally sponsored schemes of the Department of Agriculture and Cooperation for the Ninth Five Year Plan period keeping in view the importance of the Agriculture.

Sector-wise proposed allocation in the 9th Plan is given below:—

(Rs. in crores)		
1	2	3
1.	Agriculture Census	56.50
2.	Cooperation	2025.26
3.	Credit	2692.21
4.	Crop Oriented Programmes	1240.00
5.	Extension	421.00

1	2	3
6.	Fertilisers	846.75
7.	Fisheries	1200.00
8.	Horticulture	1890.00
9.	Agri. Implements & Machinery	327.00
10.	Plant Protection	453.90
11.	Planning	274.76
12.	Rainted Farming	1595.00
13.	Seeds	143.45
14.	NDM	14.00
15.	Deptt. of Econ. & stat. & planning	274.76
16.	TMOP	2054.75
17.	Soil & Water Conservation	1656.34
18.	Secretariat Economic Services	15.00
Total :		16925.92

2.5 The Sectorwise Annual allocation of the Eighth Plan outlay is given below:

DEPARTMENT OF AGRICULTURE AND COOPERATION
DIVISION WISE BUDGET ABSTRACT 1992-93 TO 1997-98

(Rs. in crores)

Sl. No.	Sector	VIII Plan Outlay	1992-93 Actual	1993-94 Actual	1994-95 Actual	1995-96 Actual	1996-97 Actuals	Total Col. 3 4+5+6+7+8	% of Col. 3 to Col. 9
1	2	3	4	5	6	7	8	9	10
1.	Extension	40.00	9.45	12.09	11.47	9.74	11.26	54.01	135%
2.	Agriculture Census	18.00	3.86	8.92	1.95	1.60	4.98	21.31	118%
3.	Economics and Statistics	90.00	12.94	15.52	17.20	17.93	22.35	85.94	95%
4.	Seeds	200.00	49.38	40.37	25.31	14.31	30.00	159.37	79%
5.	Fertilisers & Manures	80.00	301.21	96.04	9.14	10.22	14.90	431.51	539%
6.	Plant Protection	100.00	9.08	5.98	14.66	10.13	21.71	61.56	61%
7.	Machinery	63.00	7.11	10.72	4.47	8.75	20.00	51.05	81%

1	2	3	4	5	6	7	8	9	10
8.	Crops	1000.00	165.07	97.65	67.14	123.89	109.41	563.06	56%
9.	T.M.O.P.	950.00	108.25	140.10	141.42	161.11	166.98	717.86	75%
10.	Rainfed Farming System	1100.00	115.56	198.00	162.03	152.68	146.29	774.56	70%
11.	Horticulture	1000.00	58.51	106.20	165.80	164.74	227.75	723.00	72%
12.	Natural Disaster Management	9.00	0.17	0.21	0.37	1.00	1.65	3.40	37%
13.	Trade	—	—	—	1.00	—	2.30	3.30	—
14.	Sectt. Eco. Services	0.00	1.22	1.39	1.51	1.35	3.20	8.67	—
15.	Soil & Water Conservation	800.00	65.25	100.17	114.05	123.85	119.27	522.61	65%

1	2	3	4	5	6	7	8	9	10
16.	Fisheries	80.00	55.68	86.63	84.13	66.74	77.50	370.68	463%
17.	Credit	650.00	91.28	129.28	186.91	170.28	280.00	857.75	131%
18.	Cooperation	900.00	156.31	132.68	255.75	184.48	117.31	846.53	94%
Total :		6225.00	1210.35	1181.95	1264.31	1238.81	1376.86	6272.28	100.75

2.6 The total plan budget allocation for 1996-97 was about 1.69% of the total plan budget of the Central Government of Rs. 87,086 crores. In 1997-98 the total Plan & Non-Plan budget estimates in respect of Department of Agriculture & Cooperation at Rs. 3589.46 crores works out to 1.545 of the total Central Budget of Rs. 232481 crores.

2.7 The Committee in its 1st Report on Demands for Grants 1996-97 had recommended that "The Committee feel that the strategy of planned development would lose all its meaning, if the flow of funds to this vital and basic sector is throttled, as the growth of all other sectors of the economy is inextricably linked to the growth of the agricultural sector. The Committee, therefore, reiterate its demand that the Planning Commission and the Ministry of Finance should make higher allocations for the agriculture sector at the revised Estimate stage for 1996-97 and also during the ninth Plan period." In their reply the Ministry of Agriculture has quoted the reply of the Ministry of Finance which is as under:—

"the allocation for Agriculture Sector should be seen from the totality and not from the allocation to the Department of Agriculture & Cooperation alone."

2.8 With regard to the extent to which the total Demands for the years 1997-98 have been modified in the light of the above mentioned recommendation, the Ministry in their written reply has stated that:—

"The Plan Budget Estimates of Department of Agriculture and Cooperation for the year 1997-98 are Rs. 1519.25 crores as compared to an amount of Rs. 1471.00 crores (excluding State Plan) during the year 1996-97. It is an increase of 3.28%. In so far as agriculture sector is concerned. Plan Budget Estimate for the year 1997-98 is Rs. 2969.00 crores as against the corresponding figure of Rs. 2831.00 crores in 1996-97. It would be seen therefrom that Central Plan Outlay in the agriculture sector has shown an increase of 4.65%. However, the Department is conscious of the recommendations of the Standing Committee in this regard and is continuing to strive for higher allocations both with Planning Commission and Ministry of Finance."

2.9 When asked what was the total demand projected by the Ministry for Agriculture during 1997-98 and out of this what is the total demand accepted by the Planning Commission during discussions on the Plan Schemes and what is the total amount posed for grants at the budget stage, the Ministry has stated that:

"The Department of Agriculture & Cooperation had proposed an outlay of Rs. 2455.07 crores, comprising a External aided component

of Rs. 29.85 crores and net budgetary support of Rs. 2425.22 crores. In the meeting taken by the Member Secretary, Planning Commission on 11th January, 1997, the Member Secretary had recommended an allocation of Rs. 1700 crores as net budgetary support excluding the externally aided component. The outlay finally allocated by the Planning Commission for Department of Agriculture and Cooperation for 1997-98 is Rs. 1519.25 crores, (excluding state plan of Rs. 15 crores) comprising Rs. 1489.40 crores as net domestic budgetary support and Rs. 29.85 crores on external aid routed through the budget."

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 1.69 for 1996-97. Despite the Committee's recommendation in its 7th, 19th, 24th & 31st Reports for a proper higher allocation the Committee are very much perturbed to note that there is no improvement at all in this matter. Neither the Planning Commission nor the Ministry of Finance have paid due attention to this recommendation of the Committee. They note that the allocation proposals of the Department of Agriculture & Cooperation of Rs. 2590.75 crores for Central Sectors and Centrally Sponsored Schemes during 1995-96 have been slashed down to Rs. 1725 crores and further at the time of budget formulation this was reduced to Rs. 1471.25 crores. The Committee are constrained to observe that such a practice on the part of the Planning Commission as well as Ministry of Finance 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, 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.

CHAPTER III

PULSES

3.1 With a view to provide an impetus to production of Pulses, a National Pulses Development Project has been put in operation since 1986-87. The project is being implemented in 25 states and One Union Territory (A & N Islands) covering 224 districts. The main objective of this project was 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.

3.2 The production target fixed and achievements under this scheme during the 8th Plan are as under:

(Million tones)

Year	Target	Achievement
1992-93	14.50	12.82
1993-94	15.50	13.31
1994-95	15.50	14.12
1995-96	15.50	13.19 (Prov.)
1996-97	15.00	15.00 (anti.)
1997-98	15.05	—

3.3 The total area, production and yield of pulses and per capita availability during the last three years are given as under:

Year	Area (lakh ha0	Production (lakh tonn- es)	Yield (kg/ha)	Per capita availability	
				Year	Grams/Day
1993-94	222.50	133.05	598	1994(P)	37.2
1994-95	230.28	140.38	610	1995(P)	38.1
1995-96	239.17	131.92	552	1996(P)	34.8

P-Provisional

3.4 For implementation of the scheme an outlay of Rs. 189.60 crores was provided for the 8th Plan period. The scheme is proposed to be continued during the 9th Five Year Plan for which an outlay of Rs. 400.00 crores has been proposed. The yearwise outlays and fund utilization are as under:

(Rs. in crores)

Year	Outlay (Central Share)	Funds released
1992-93	25.38	23.20
1993-94	28.00	25.08
1994-95	36.00	18.57
1995-96	34.38	33.34
1996-97	34.36	26.58 (upto Feb., 1997)
1997-98	34.38	—

3.5 The National Pulse 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. But as per the consolidated statement pertaining to the yearwise outlay and fund utilization under this project, there have been major shortfall since 1992-93. It has been further brought by the Economic Survey of India (1996-97) that Pulses production in the country has been stagnating around 8.14 million tonnes for the last 40 years. Per capita pulses has also come down from 69 grams in 1961 to about 39 grams in 1996.

3.6 Explaining to the reason for such low production of pulses and regarding the steps taken up to overcome such difficulties, the Ministry in its written reply has stated that the slow growth rate in pulses production is because of the fact that pulses are generally cultivated by the resource poor small & marginal farmers in less productive lands with inadequate use of inputs. In addition, pulses are more risky as these are more prone to damage by the floods and drought conditions and pest attacks. Besides, no major genetic

breakthrough has been made which would give more response to better management practices.

3.7 For increasing the production of pulses in the country Centrally Sponsored "National Pulses Development Project (NPDP)" is under implementation which provides for assistance to the farmers for the adoption of improve pulses production technology. Some of the major programme components for which emphasis is being given include the propagation of micro irrigation system, Integrated Pest Management Approach for the control of Insect pests and diseases and timely and adequate supply of quality seeds of pulses. Besides, field demonstrations are also being organised for the effective transfer of pulses production technology.

3.8 It is seen from the Detailed Demands that under Minor Head 112 for Development of Pulses, the subsidy on Certified Seeds of Pulses to NSC/SFCI has been reduced to Rs. 1.6 crores at RE stage for 1996-97. While it was Rs. 2.6 crores at the Budget Estimate stage. For Grants-in-aid of Production of Breeder Seeds, the Revised Estimate for 1996-97 is Rs. 1.5 crores whereas the Budget Estimate originally was at Rs. 2.5 crores. Regarding the adequacy for providing proper incentives to the farmers for cultivating pulses in lieu of other cash crops, the Ministry in its written reply has stated that the assistance is given to National Seeds Corporation (NSC)/State Farms Corporation of India Ltd. (SFCI) for production of breeder, multiplication of foundation and certified seeds depending upon their capacity to utilise and the actual production of seeds. BE was reduced from Rs. 2.60 crore to Rs. 1.60 crore for production of breeder & foundation seed and for production and distribution of certified seeds. For the production of breeder seeds and organisation of frontline demonstrations by Indian Council of Agricultural Research (ICAR) the RE was reduced to Rs. 1.50 crore from Rs. 2.50 crore because they needed less funds and these agencies had also unspent balances from the previous years' releases. Allocations were meant for NSC, SFCI and ICAR and not for the farmers and the reduced outlays at RE state is likely not to affect the production programme and the farmers.

3.9 It has been further observed that the major area under pulses is rainfed and they are grown on marginal and sub-marginal lands of rainfed areas and the farmers feel that improved package of practices becomes risky. Regarding the major steps taken by the Department to overcome these difficulties, the Department has replies that dependance

of pulses on rains make their cultivation more risky. To minimise the risk of crop failures due to drought situations, the sprinkler mode of irrigation is being promoted. For minimising the damage due to insect pests and diseases, the IPM approach of pest management is being propagated by organising the demonstrations on farmers fields. Besides, to make the pulses cultivation remunerative the minimum support price scheme is in operation for the major pulses like chick pea, pigeon pea, black gram and green gram.

CHAPTER IV

COMPREHENSIVE CROP INSURANCE SCHEME

4.1 The Comprehensive Crop Insurance Scheme (CCIS) introduced from 1.4.1986 is an area-based and credit linked scheme. It is voluntary in nature. In other words, States are free to opt for this scheme. It covers wheat, paddy, millets, oilseeds and pulses. The basic objectives of the Scheme are:

- (i) To provide a measure of financial support to farmers in the event of crop failure as a result of drought, flood etc.
- (ii) To restore the credit eligibility of farmers for the next crop season, after a crop failure.
- (iii) To support and stimulate production of cereals, pulses and oilseeds.

4.2 The sum insured is equal to the crop loan disbursed subject to maximum of Rs. 10,000/- per farmer. The premium payable is 2% (wheat, paddy and millets) and 1% (Oilseeds and pulses) of the sum insured. 50% of the premium payable by small and marginal farmers is shared equally between the Central and State Governments. Indemnity claims are shared between the Central and State Governments in all the ratio of 2:1. The scheme is being implemented by the General Insurance Corporation of India (GIC) on behalf of the Government of India and the State Governments. GIC only acts as an agent and has no direct stake in the scheme. A proposal to modify the existing Comprehensive Crop Insurance Scheme (CCIS) to make it viable and broad-based with rationalised rates of premia and larger coverage of crops and also to enlarge the coverage of the scope of risks, is presently under the consideration of the Government.

4.3 The budgetary allocation and expenditure for this scheme are as follows:

Year	(Rs. in crores)	
	BE	RE
1994-95	70.05	106.77
1995-96	36.40	36.40
1996-97	110.39	110.43
1997-98	109.75	

4.4 From 1985 onwards, 19 States and 4 Union Territories have implemented the scheme in one or more seasons. At present 15 States and 2 Union Territories are availing of the Crop Insurance facility.

4.5 Details of premium received and indemnity claims paid under the Comprehensive Crop Insurance Scheme (CCIS) during the 8th Five Plan as under:

(Rs. in lakhs)

Year	Premium received	Indemnity claims paid
1992-93	2291.68	5095.50
1993-94	2554.77	18825.29
1994-95	2970.90	5446.19
1995-96	3433.49	13199.92
1996-97	2507.72*	not available**

* This relates to Kharif 1996 season only (excluding Maharashtra State)

** Claims for the year 1996-97 shall be known after.

4.6 In the year 1996-97, the Standing Committee on Agriculture in their 1st Report had recommended to treat comprehensive Crop Insurance at par with the insurance cover given to the industrial sector and to make it really comprehensive. Regarding the steps being taken by the Department in this regard and modifications made in the comprehensive scheme, the Department in its written reply opined that in Crop Insurance determination of both the insurance cover and the losses become difficult because crops are not properties of fixed and known values. To assess the insurance liability and the losses which are mostly partial and variable with the stage of crop growth, is difficult. While in case of insurance in industrial sector, valuation of the existing properties in most of the cases are known and can be easily assessed. Therefore, present Comprehensive Crop Insurance Scheme (CCIS) can not be treated at par in terms of insurance cover in industrial sector.

4.7 To make the present scheme more comprehensive in terms of coverage of non-loanee farmers a proposal for the modification of the

present scheme is under the consideration of this department in consultation with Ministry of Finance.

4.8 The Budget Estimate for 1997-98 under the Minor Head 110 Crop Insurance is Rs. 109.75 crores on the Plan side while the Revised Estimate for 1996-97 is Rs. 110.43 crores. Under the Minor Head 446 'Crop Husbandry—other Grants', the Grants-in-aid for 1997-98 is proposed at Rs. 25 lakhs whereas no provision has been made under this head at revised Estimate stage for 1996-97. The reasons for not increasing the allocation for Crop Insurance Scheme for 1997-98 as stated by the Department of Agriculture and Cooperation in its written reply is as under:

“During 1996-97 total outlay for Crop Insurance was made at Rs. 110.43 crore including Rs. 4.00 lakh as grants-in-aid for making contribution to the State Crop Insurance Funds for new States opting for the scheme. Since no new State(s) opted for the scheme during 1996-97 no provision has been kept at the stage of Revised Estimates. For 1997-98 an amount of Rs. 25.00 lakh has been proposed for making contribution to the State Crop Insurance Funds as it is likely that few new States will come forward to opt for the Scheme.

For 1997-98 a Budget Provision of Rs. 110.00 crores has been made keeping in view the expenditure incurred during the previous year.”

CHAPTER V

NATURAL DISASTER MANAGEMENT

5.1 The NDM Division has only one Central Sector Scheme of Natural Disaster Management Programmes. This Scheme was approved in December 1993. The objective of the Scheme is to focus on disaster preparedness with an emphasis on mitigating measures. This include integration of relevant aspects of disaster prevention and mitigation in the national development planning process. The programme is also expected to increase the level of awareness of community about disasters they are likely to face and prepare them adequately to face the crisis situations. The activities under this Scheme include human resource development, research and consultancy services, documentation of various natural disasters, creation of faculties on natural disaster management at the national and state levels, to implement various programmes so as to achieve the goals and objectives of international Decade on Natural Disaster Reduction.

5.2 The 8th Plan approved outlay for Natural Disaster Management Programme was Rs. 9.00 crores. Total outlay during 1992-93, 1993-94, 1994-95, 1995-96 and 1996-97 is Rs. 6.40 crores. Out of Rs. 6.40 crores the total expenditure occurred during the 8th plan period is only Rs. 2.69 crores. It shows a major shortfall in the financial expenditure leaving an amount of Rs. 6.31 crores, unspent.

5.3 The Committee in its 1st Report on Demands for Grants (1997-98) had expressed its displeasure regarding the lethargic attitude and lack of will on the part of the governmental machinery, because the Government could not utilize the full amount allotted during the 8th Plan, while heavy loss of life and destruction of the agricultural lands as well as crops occurred in various parts of India.

5.4 In response to the Committee's observation the Ministry in the consolidated notes furnished to this Secretariat have stated that the Central Sector Scheme of Natural Disaster Management Programme is promotional programme for reducing the adverse impact of natural disasters. The activities of the above mentioned scheme are altogether different from the financing of expenditure on relief, rehabilitation and reconstruction measures in the wake of natural calamities, being provided for the Calamity Relief Fund in accordance with the recommendations of the Tenth Finance Commission. In view of the above mentioned differences, in activities, the Ministry have further stated that there is no need to make any modification in this Scheme.

CHAPTER VI

CROPS

6.1 Under crops division the following are the Central Sponsored Schemes:

- (i) Integrated Cereals Development Programme in Rice Based Cropping System Areas (ICDP-Rice)
- (ii) Rice, seed, minikit and 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.

6.2 The 8th Plan approved outlay for all the schemes under crop Division is Rs. 1000.00 crores. Total approved outlay from 1992-93 to 1995-96 is Rs. 896.23 crores. The actual expenditure during the 8th Five Year Plan is Rs. 523.99 crores only, leaving an amount of Rs. 372.24 crores. For the year 1997-98 an amount of Rs. 15925 crores has been proposed in Revised Estimates (1996-97).

6.3 In the Annual Report of the Department (1996-97) it has been stated that the country has achieved an all times record production of foodgrains of 191.10 million tonnes during 1994-95. Production of foodgrains, however, declined to 185.0 million tonnes during 1995-96. Foodgrains production target for the year 1996-97 has been fixed at 104.00 million tonnes during Kharif and 89.5 million tonnes during Rabi summer seasons.

6.4 All India Production and Area Pertaining to Rice, Wheat, Cotton, Jute, Sugarcane from 1990-91 onwards are as under:—

	Rice		Wheat		Coarse Cereals		Cotton		Jute		Sugarcane	
	Area	Production	Area	Production	Area	Production	Area	Production	Area	Production	Area	Production
1990-91	42.69	74.29	24.17	55.14	36.32	32.70	7.44	9.84	91.02	9.23	3.69	241.05
1991-92	42.65	74.68	23.26	55.69	33.42	25.99	7.66	9.71	1.11	10.29	3.84	254.00
1992-93	41.78	72.86	24.59	57.21	34.42	36.59	7.54	11.40	0.93	8.59	3.57	228.03
1993-94	42.54	80.30	25.15	59.84	32.84	30.82	7.32	10.74	0.89	8.43	3.42	229.66
1994-95	42.24	81.16	25.64	65.47	32.50	30.35	7.93	12.11	0.94	9.45	3.81	271.23
1995-96	42.52	80.00	NA	60.00	NA	36.50	NA	NA	NA	93.00	NA	267.05
1996-97	—	79.00	—	64.00	—	33.05	—	14.30	—	—	—	—

NA — Not available.

6.5 From the above mentioned table it has been observed that both areas and production Rice and Wheat which constitute the major foodgrains of India has been decreasing.

6.6 While about 91 percent areas of the country received excess to normal rainfall and by and large the sub division wise rainfall distribution during the monsoon seasons of 1995 over major parts of the country was very good and an amount of Rs. 896.23 crores was earmarked for the period of 1992-1997, the allocation remained unspent and the food grain production has come down from 191.10 million tonnes during 1994-95 to 185.00 in 1995-96 and 191.2 in 1996-97.

6.7 Further, it has been observed by the Committee that in Crop division there are major shortfall in terms of fund utilization so far as all the centrally sponsored schemes/programmes are concerned. For the year 1996-97, while the total outlay (Central Share) was approved as Rs. 143.00 crores the Revised Estimates was pegged at Rs. 109.79 crores on overall pruning of plan budget. The actual expenditure (release made to date) is of the order of about Rs. 96.00 crore. When a huge amount of money remained unspent the Government could achieve 79.63 million tonnes against the target of 81.00 million tonnes of Rice and 64.50 million tonnes of Wheat against the target of 65.00 million tonnes during the year 1996-97 which constitute the staple food for the vast millions of people.

6.8 As stated in the Economic Survey of India 1996-97 foodgrains account for about 63 per cent of country's agricultural output and hence even a marginal decline in foodgrains production has a 'ripple effect' on rest of the economy. Despite a near normal monsoon in 1995, the foodgrains output of 185 million tonnes in 1995-96 was lower by over 6 million tonnes compared to 1994-95 output of 191.5 million tonnes. This was mainly on account of decrease in production of wheat, Kharif rice, bajra and pulses. The most unexpected development was the late realisation in 1996 that the wheat harvest was just about 62.6 million tonnes, lower by about 3 million tonnes over the preceding year. The reasons for decline in production of rabi in foodgrain crops i.e. wheat and gram are mainly attributed to unfavourable weather conditions at the grain filling stage of the crop in February/March, 1996. This was a serious set back and its late realisation did cause some distortions in wheat availability. Wheat prices rose to

unprecedented heights by November, 1996, prompting the Government to release larger quantities from FCI's public stocks besides taking recourse to imports. Kharif 1996 foodgrains output is likely to be 103.2 million tonnes as against only 98.2 million tonnes in 1995. If Rabi crops prospects turn out to be normal, 1996-97 foodgrains output is likely to be 191.2 million tonnes which would be close to the record production of 191.5 million tonnes achieved in 1994-95. The annual growth rate in foodgrain production in recent past is given below:

Production of Foodgrains

(Million Tonnes)

Crop	1991-92	1992-93	1993-94	1994-95	1995-96		1996-97	
					Target	Final	Target	Likely
Rice	74.7	72.9	80.3	81.8	80.0	79.6	81.0	79.6
Wheat	55.7	57.2	59.8	65.8	60.0	62.6	65.0	64.5
Coarse Cereals	26.0	36.6	30.8	29.9	36.5	29.6	32.5	33.1
Pulses	12.0	12.8	13.3	14.0	15.5	13.2	15.0	14.0
Foodgrains	168.4	179.5	184.3	191.5	192.0	185.0	193.5	191.2

6.9 Per hectare yield rates of rice and wheat rose significantly during seventies and eighties. Consequently, both these foodgrains registered over 3 per cent annual growth in production between 1980-81 to 1995-96 which was significantly higher than the annual population growth of 2.14 per cent during eighties. The low annual growth of 1.2 per cent in production of pulses since 1980-81 did, however, cause annual growth of total foodgrains to fall to 2.86 per cent. However, looking at the first seven years of this decade (1990-91 to 1996-97), the annual rate of growth of foodgrains was only 1.7 per cent which is lower than the current population growth. If this trend continues it could become a matter of grave concern.

CHAPTER VII

FISHERIES

7.1 Fisheries Play an important role in the economy of India in augmenting food supply, generating employment, raising nutritional levels and earning foreign exchange. In order to increase production and productivity in fisheries, the fisheries Division of the Department of Agriculture and Cooperation has been undertaking various production oriented schemes, input supply programmes, infrastructure development schemes, etc. either directly or through the states/UTs.

The main objectives of fisheries development are:

- (i) Enhancing production and productivity of fishermen, fish farmers and fishing industry.
- (ii) Augmenting export of marine products through production support and thereby increasing foreign exchange earnings.
- (iii) Generating employment for the coastal and rural poor.
- (iv) Improving welfare of fishermen and their Socio-Economic condition; and
- (v) Increasing availability of protein-rich wish food for the masses.

7.2 The thrust areas in fisheries sector are expansion of agriculture in fresh and brackishwaters, development of coastal marine fisheries, construction of requisite infrastructure like fishery harbours and fish landing centres and welfare of fisherfolk.

7.3 The target of fish production for 1996-97 was 51.40 lakhs tonnes consisting of 28.57 lakh tonnes from marine sector and 22.83 lakh tonnes from inland section. The target for 1997-98 is 53.63 tonnes consisting of 29.43 lakhs tonnes from marine & 24.20 lakhs tonnes from inland sector.

Plan Schemes of Fisheries Division during 1996-97

7.4 There are 14 plan schemes for development of fisheries of which 6 are Central Sector Schemes, 7 Centrally Sponsored Schemes and 1 World Bank assisted Scheme. Out of 7 Centrally Sponsored

Schemes 6 are on-going; 1 pilot scheme, namely, Assistance for Resources Enhancement through Artificial Reefs and Mariculture alongwith Assistance to States for Enforcement of Marine Fishing Regulation Act is being implemented from 1993-94 onwards.

7.5 It was also proposed to launch the following three new Centrally Sponsored Schemes during the remaining period of the 8th Five Year Plan:

- (i) Fisheries Development of Floodplain Lakes,
- (ii) Integrated Fisheries Development of Reservoirs,
- (iii) Omnibus Scheme for Fisheries Development.

However, after discussion with the Planning Commission it has been decided to defer the introduction of these schemes to the 9th Plan in view of the resource constraint.

7.6 Eighth Plan Outlay for fisheries programmes of Department of Agriculture and Cooperation is Rs. 400.00 crores. Outlay for the Annual Plan 1992-93 was Rs. 60.00 crores against which an expenditure of Rs. 55.85 crore was made. The outlay for 1993-94 was Rs. 97 crores and the R.E. was Rs. 85.14 crore. The releases made during 1993-94 amounted to Rs. 86.77 crore. The outlay for 1994-95 was Rs. 95.00 crore against which Rs. 84.39 crores was released. The outlay for 1995-96 was Rs. 93.05 crore against which an expenditure of Rs. 70.03 crore was made. For the year 1996-97, the outlay B.E. was Rs. 86.55 crore and the R.E. was Rs. 77.50 crore. During the current year i.e. 1997-98, the B.E. is Rs. 103.25.

Central Institute of Coastal Engineering for Fishery (CICEF)

7.7 This institute, located at Bangalore, is engaged in techno-economic feasibility study for location of fishery harbours and brackish water farms. The budgetary outlay (BE) for 1996-97 was Rs. 20 lakhs for this scheme which has been reduced to Rs. 10 lakhs at the RE stage. The outlay and expenditure since 1994-95 are as follows:

	Approved Outlay	Expenditure	Shortfall
1994-95	0.20	0.08	0.12
1995-96	1.22	0.89	0.33
1996-97	0.20	0.10	0.10

7.8 This has been observed from the above table that there is major shortfall in achieving financial targets in Central Institute of Coastal Engineering for Fishery. The reasons for shortfall in achieving annual outlay targets during the 8th Plan as stated by the Government has been due to reduction in annual Plan outlays as various expansion plans of the Institute could not be executed because of delay in acquisition of land for the office site from Bangalore Development Authority. The Standing Committee on Agriculture in their 1st Report on Demands for Grants (1996-97) had also recommended that the Union Government should vigorously pursue this matter with the Government of Karnataka without further delay and should acquire the land within three months. In their Action Taken Reply the Ministry has stated that the matter is being vigorously purchased with the Bangalore Development Authority. BDA had offered a few sites which were found to be unsuitable to the CICEF's requirement. CICEF has also requested New Government Electric Factory (NGEF) to offer them suitable land and also intimate the terms & conditions of allotment including the cost, location of land etc. This matter has also been discussed with Hon'ble Minister for Fishery and Secretary (Fy.) Govt. of Karnataka and Secretary (Fy.) has assured that the request of CICEF will be favourably considered.

Integrated Fisheries Project, Kochi

7.9 This ongoing Central Sector Scheme is engaged in processing, popularising and test-marketing of unconventional varieties of fish. The financial outlay and expenditure during 8th Plan period are as follows:

	(Rs. in crores)		
	Approved Outlay	Expenditure	Shortfall
1992-93	2.60	1.13	1.47
1993-94	23.00	23.52	+(0.52)
1994-95	5.94	2.56	3.38
1995-96	5.78	2.11	3.67
1996-97	5.64	4.75	0.89
1997-98	6.64		

7.10 The Physical target and achievement during five years of Eighth Plan (from 1992-93 to 1996-97) are as follows:

S. No.	Name of the Scheme/ Project/Progress	Unit	Eighth Plan Approved Target	1992-93		1993-94			
				Target	Achievement	Target	Achievement		
1	2	3	4	5	6	7	8	9	10
1.	Integrated Fisheries Project	(a) Fish to be processed (Tonnes)	2800	300	240	—	350	220	—
		(b) Fish to be Mktd. (Tonnes)	1000	200	109	—	200	121	—

Target	1994-95			1995-96			1996-97			Total Achievement during VIIIth Plan 1992-97
	Achievement	Shortfall	Target	Achievement	Shortfall	Target	Achievement	Shortfall	Target	
11	12	13	14	15	16	17	18	19	20	
400	304		1000	227		400	103		1094	
200	184		550	147		264	55		616	

7.11 This has been observed from the above mentioned tables that there are major shortfall both in physical and financial target and achievement. Regarding the reasons for shortfall in achieving physical targets, the Department in its Consolidated Notes has stated that the shortfall has been largely due to delay in acquisition and operation of 2 vessels acquired from Bharti Shipyard Ltd. In replacement of 2 Japanese vessels which were destroyed in an accident. Pertaining to the remedial measures the Department in its Consolidated Notes on Demands for Grants has stated that the repair work on one of the vessel is going on and the vessel is likely to be operational shortly. The other vessel would, however, be ready only in the next financial year.

CHAPTER VIII

HORTICULTURE

8.1 The horticultural crops are providing a better alternative for diversification of Indian agriculture in view of higher returns available from them. Realising the importance and the role horticultural crops have to play, plan allocation in the Eighth Five Year Plan was raised to Rs. 10,00,00,00 thousand as against Rs. 2400.00 thousands in the Seventh Plan Scheme-wise details such as the Eighth Plan outlays, releases made during 1992-93, 1993-94, 1994-95 and 1995-96 and outlay for 1996-97 is as under:

S.No.	Name of the scheme VIII Plan	1992-93		1993-94		1994-95		1995-96		1996-97		Total Expend. During 1992-93 to 1996-97 As % of Ith Plan Outlay.						
		Approved Outlay	Actual Expend	Approved Outlay	Actual Expend	Approved Outlay	Actual Expend	Approved Outlay	Actual Expend	Approved Outlay	Actual Expend	Ant. Exp. (RE)	During 1992-93 To 1996-97	18	19			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1.	NBB	20000.00	1000.00	650.00	150.00	2200.00	1800.00	400.00	400.00	4000.00	0.00	9300.00	3000.00	1300.00	4100.00	1000.00	10650.00	53.25
2.	CDB	7926.00	900.00	900.00	100.00	1640.00	1506.00	334.00	2032.00	1982.00	50.00	2000.00	2000.00	0.00	2000.00	6070.00	12358.00	155.92
3.	Spices	12500.00	1200.00	939.92	260.08	1800.00	1443.96	356.14	2873.00	2769.37	108.63	2700.00	2663.41	36.59	3250.00	2700.00	10516.56	84.13
4.	Cashew	4785.00	300.00	276.20	23.80	900.00	701.26	198.74	1023.00	968.75	59.25	1200.00	928.71	271.29	1500.00	2536.00	5410.92	113.08
5.	Fruits																0.00	
6.	Vegetable Seeds	11018.00	925.00	823.72	101.28	2150.00	2018.14	131.86	2746.00	2102.27	643.73	2500.00	1892.62	607.38	2169.00	1979.00	8815.75	80.01
7.	Floriculture																0.00	
8.	M & AP																0.00	
9.	Mushroom	1568.00	15.00	13.05	1.95	200.00	175.25	24.75	291.00	279.27	11.73	200.00	208	-8.00	200.00	400.00	1075.57	68.60

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
10. Betavine			200.00	20.00	18.72	1.28	35.00	48.47	-13.47	42.00	41.81	0.19	40.00	26.61	13.39	40.00	31.00	166.61	83.31
11. R&T			250.00	10.00	1.00	9.00	30.00	100.40	-70.40	35.00	29.49	5.51	40.00	43.05	-3.05	40.00	30.00	203.94	81.58
12. COCOA			300.00	60.00	53.86	6.14	70.00	69.92	0.08	68.00	64.81	3.19	60.00	39.04	20.96	60.00	48.00	275.63	91.88
13. Arcanut			500.00	50.00	50.00	0.00	75.00	109.65	-34.65	120.00	120.00	0.00	100.00	98.47	1.53	100.00	76.00	454.12	30.82
14. Plastics			25000.00	2000.00	2025.00	-25.00	2700.00	2847.25	52.65	4500.00	4125.27	373.73	5800.00	5066.54	733.46	5000.00	6836.00	20701.16	82.80
15. BEE Keeping			1887.00			0.00			0.00	200.00	96.03	103.97	760.00	280.00	480.00	650.00	130.00	506.03	25.82
16. Export Exp. Prog.			4500.00			0.00	1000.00		1000.00	460.00	0.00	46.00	500.00	0.00	500.00	0.00	0.00	0.00	0.00
17. Forig. Aided Proj.			7305.00	10.00	0.45	9.55			0.00		0.00	0.00	1000.00	0.00	100.00	46.00	0.00	0.45	0.01
18. ERD			1450.00			0.00			0.00			0.00			0.00	0.00			
19. SFAC						0.00			0.00			0.00	200.00	0.00	200.00	0.00			
20. Int. Supp. to Hort.			811.00			0.00		0.00			0.00				0.00				0.00
Total			100000.00	6490.00	5851.92	638.08	1300.00	10620.30	2379.70	18400.00	16580.07	1819.93	21400.00	16246.45	5153.55	19155.00	21836.00	71134.74	71.13

8.2 Eighth Plan outlay for horticulture was 1000.00 crores. Outlay for the Annual Plan 1992-93 was Rs. 64.90 crores against which an expenditure of Rs. 58.51 was made. The outlay for 1993-94 was Rs. 130.00 crores and the actual expenditure was 106.20 crores. The outlay for 1994-95 was Rs. 184.00 crores against which Rs. 166.72 crores was released. The outlay for 1995-96 was Rs. 214.00 crores against which Rs. 166.05 crores was spent. Against Rs. 191.55, Rs. 247.71 crores has been spent during 1996-97.

8.3 As against the VII Plan outlay of Rs. 1000 crores, the total allocation made by the Planning Commission during the last five years was Rs. 784.45 crores. Against this the actual expenditure occurred was Rs. 711.34 crores only, leaving an amount of Rs. 73.11 crores unspent.

8.4 With regard to the reasons for less utilization the Ministry in the written replies has stated that the low utilisation of the funds was partly because of non-implementation of the schemes of export enhancement programme, foreign aided project, Human Resource Development and Infrastructure support to horticulture, and partly because of the non-performance of a few major States namely Uttar Pradesh, Bihar and West Bengal.

Integrated Development of Tropical, Arid and Temperature Zone Fruits

8.5 The Central Sector Scheme on Integrated Development of Tropical, Arid and Temperate Zone Fruits was launched during Eighth Five Year Plan with an outlay of Rs. 74,4000 thousand. The expenditure under the scheme during 1995-96 was Rs. 14,50,63 thousand and the outlay approved for 1995-96 is Rs. 17,64,73 thousand.

8.6 The programmes envisaged under this scheme include: (a) establishment of big nurseries under public sector; (b) establishment of small district level nurseries under private sector; (c) setting up of tissue culture units under public and private sectors (d) training of farmers; (e) establishment of oil extraction plants; (f) area expansion; (g) improving productivity and (h) demonstration plots.

8.7 Between 1992 and 1996, 30 big nurseries, 249 small nurseries, 11 tissue culture units were established, 970 demonstration plots were laid out and area of 25,074 ha. under area expansion and 38,449 ha. under rejuvenation respectively was covered. For publicity, Rs. 40,000 thousand was utilised during this period. (As per the Table given below).

HORTICULTURE

Sl. No.	Name of the Scheme/ project/progress	Unit	Eighth Plan Approved Target	1992-93		1993-94			
				Target	Achieve- ment	Target	Achieve- ment		
1	2	3	4	5	6	7	8	9	10
Integrated Development of Tropical, Arid and Temperature Zone fruits									
1.	By nurseries	Nos	69			0	12	8	4
2.	Small Nurseries	Nos	499	250	75	175	117	71	46
3.	Tissue culture unit (Private)	Nos	17			0	17	11	6
4.	Tissue culture, (Pub.)	Nos.	16			0	16	8	8
5.	Area expansion	Ha.	49395.5				5400	2657	2743
6.	Rejuvenation/ Improving Production	Ha.	87172			0	31000	14635	16365
7.	Demonstration	Nos.	1301				1301	387	914
8.	Training	Nos.	12250				4000	1300	2700
9.	Publicity	Rs. in lakh	146.51				49.9	3.14	46.76
10.	Olive Oil Extracts plant	Nos	6				2		2

Target	1994-95		1995-96		Total of Col. (6+9+12-15)	Achievements *(1992-93 to 1995-96) as large of Eighth Plan Targets	Remarks	Targets for 96-97	
	Achievement	Shortfall	Target	Achievement					
11	12	13	14	15	16	17	18	19	20
24	5	19	24	17	7	30	43.47	Target has been scaled down considering	20
77	42	35	79	61	17	249	50	the achievement as well as request	150
—	—	0	—	—	0	11	64.70	from State Govt.	6
—	—	0	—	—	0	8	50	Suitable proposal not received	3
9875	9090	785	9875	13327	-3452	25074	50.75	Low achievement due to delay of	14500
31000	12227	18773	31000	11587	19413	38449	44.10	Administrative Sanction and subsequent release of funds by State Govt.	21680
—	371	-371	—	212	-212	970	74.55	—	—
4000	1999	2001	4000	4313	-313	7612	62.13	—	1250
49.9	37.32	12.58	49.9	4.03	45.87	44.49	30.36	—	Rs. 24.00 lakhs
2		2	2		2	0	0		

*Achievements for 96-97 would be available after completion of Financial year.

8.8 It has been observed from the above mentioned statement pertaining to the physical target and achievement during the period 1992-96 the achievement obtained is very less. Pertaining to the reasons for such less achievement, the Ministry in its consolidate Note has stated that the target has been scaled down considering the achievement as well as request from State Government. Further, the scheme was sanctioned in late 1993 and the components of big and small nurseries under the scheme involved land acquisition and infrastructure development, which are time consuming.

8.9 In the Horticulture & Vegetable Sector the following is the extract from the Expenditure Budget 1997-98:

	1996-97 Budget			1996-97 Revised			1997-98 BE			
	Plan	N. Plan	Total	Plan	N. Plan	Total	Plan	N. Plan	Total	
22. Horticulture and	3601	112.07	—	112.07	189.11	—	189.11	149.84	—	149.84
Vegetable Crops	3602	0.71	—	0.71	0.46	—	0.46	1.06	—	1.06
	2401	77.71	0.63	78.40	37.18	0.63	37.81	48.10	0.67	48.77

8.10 This programme aims to increase the production and productivity of horticultural crops by making available adequate quality planting material and input kits, organising demonstration on agro-techniques developing infrastructure for Post harvest technology marketing and educating farmers on efficacy of improved technology. The budget provision includes promotion of use of plastics including drip irrigation for increasing production/productivity of horticulture crops through adoption of modern technologies.

8.11 The VIIIth Plan target for use of Plastics in Agriculture for Drip Installation was 139185 ha. whereas the achievement was 78151 ha. i.e. 56% approximately. As regards drip demonstration, the target was 12000 ha. and achievement is 1311 ha. i.e. 11% approximately.

8.12 When asked the reasons for such low achievement, the Ministry in its written reply has stated that the actual targets for drip installation for the VIII Plan as per allocation was 1,07802 hectares against which 78,155 hectare have been covered upto 1995-96. To this will be added the achievement of 1996-97. Although actual achievement of the current year would be available only after completion of the financial year, the Deptt. envisages coverage of at least 27,950 hectares

during the year. The total achievement under this component is, therefore expected to be, 1,06,103 hectare (subject to availability of additional funds) which would be about 98% of the actual targets (107,802 ha). Shortfall in achievement has been mainly due to restriction on the area eligible for subsidy per beneficiary during 1994-95.

8.13 Regarding the drip demonstration, the actual plan targets are 9953 ha, against which the total achievement expected by the end of the plan (1996-97) will be 3265 ha. amounting to 33% of the plan target.

8.14 The drip demonstration is mainly meant for institutional farms of State/Central/NGO/Societies and envisages 25% contribution from the beneficiaries. Since most of these institutions could not provide their share, implementation of this component remained low.

8.15 Regarding the reasons for an increase in demand of Rs. 77.04 crores under 3601 in the Revised Estimates over the Budget estimates for 1996-97 and the reasons for a high Budget estimate of Rs. 149.84 crores in the 1997-98 over 1996-97, the Ministry in the written reply has stated that:

(a) The above increase will now be Rs. 87.98 crores under Major Head 3601 which has mainly because of the following increases:

- (1) Rs. 40.70 crores and Rs. 10.36 crores as a special assistance for the rehabilitation of coconut and cashewnut plantations damaged in recent cyclone in Andhra Pradesh respectively.
- (2) Rs. 33.57 crores for meeting the increased demand from States for assistance for drip installations.
- (3) Increased requirement of Rs. 1.97 crores under the scheme of development of Mushroom to meet the revised cost of the infrastructure facilities to be created by the State Governments.
- (4) Increased requirement of Rs. 1.02 crores under the scheme of floriculture for new units in two States and increase in cost of infrastructure.

CHAPTER IX

SEEDS

9.1 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. The following Plan schemes are under implementation in the seeds division.

- (i) Creation of infrastructural facilities under N.S.C. III.
- (ii) Quality Control Arrangements on seeds including NSTC.
- (iii) Transport subsidy on seeds.
- (iv) Strengthening of seed division.
- (v) Integrated Seed Development Programme (1995-96)
- (vi) National Programme for Varietal Development (1995-96)
- (vii) Streamlining Certified Seed Production of Important Identified Vegetable Crops (1995-96)

9.2 Plan outlay and Expenditure for the above mentioned schemes/programmes since 1992-93 are as follows:—

Sl. No.	Name of the Scheme/Project/Programme	(Rs. in Thousands)																				
		1992-93			1993-94			1994-95			1995-96			1996-97			Total Short-fall during 8th Plan	Total Expend against Outlay	Percentage of Expend. against Outlay			
		Approved Outlay	Actual Expend.	Short-fall	Approved Outlay	Actual Expend.	Short-fall	Approved Outlay	Actual Expend.	Short-fall	Approved Outlay	Actual Expend.	Short-fall	Approved Outlay	Actual Expend.	Short-fall						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21		
		Eighth Plan Approved Outlay																				
1.	Creation of Infrastructural facilities under NSP-III	193000	488100	465400	2700	400000	399300	700	350000	249600	100400	117000	116800	200	250000	250000	52000	1501100	428900	77.80%		
2.	Quality control Arrangements on Seeds	35000	8900	3300	5600	3200	200	3000	1600	300	1300	1200	200	1000	1200	1200	—	5200	29000	14.80%		
3.	Transport Subsidy on Seeds	30000	3000	3000	—	60000	3700	2300	6000	3300	2700	3000	2700	300	3000	3000	—	15700	14000	52.30%		

CONTINUING SCHEMES

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
4. Strengthening of Seed Division	5000	1000	100	900	(-)	1000	1000	(-)	1000	1000	200	800	500	500	200	200	200	200	1000	4000	20.00%
5. Integrated Seed Development Programme	-	-	-	-	-	-	-	-	-	-	-	-	8000	7900	(-)	100	23200	23200	-	31100	-
6. National Prog for Varietal Development	-	-	-	-	-	-	-	-	-	-	-	-	12300	12000	(-)	300	17300	17300	-	29300	-
7. To Streamline certified Seed production of Important Identities Veg. Crops	-	-	-	-	-	-	-	-	-	-	-	-	2500	2700	(+)	200	5100	5100	-	7800	-
8. Proposal for National Budg Provision in regards to Crash drought Prog 1987-88	-	-	-	-	-	-	-	-	-	-	-	-	12500	12500	-	-	-	-	-	12500	-
Total.	2000000	504000	491800	-	410200	-	410200	403200	7000	358600	253400	105200	157000	155300	1700	300000	3000000	-	1603700	3963000	80.20%

9.3 The Government has decreased the allocation for Central Schemes on seeds during the Ninth Plan to Rs. 142.95 crores whereas it was Rs. 200 crores during the Eighth Plan. For the year 1997-98, the BE is Rs. 1.4 crores under Minor Head 103 whereas it was Rs. 26.56 crores for 1996-97. With regards to the justification for increase agricultural production with such a low allocation on Plan scheme on seeds which constitute the foundation for agricultural production, the Ministry in a written note has stated that:

“During the eighth Plan period, Seed Division of Department of Agriculture and Cooperation was handling one externally aided (World Bank Aided) project NSP-III. The total outlay of the project was about Rs. 193.00 crores for entire Eighth Plan period. The project has been closed on 30th June, 1996 and there is no likelihood of any externally aided project in the Seed Division during the Ninth Plan period. In view of this, the budget allocation for Central Scheme on Seeds during the Ninth Plan period has been reduced to Rs. 142.95 crores. Similarly, during 1996-97, the Budget Estimates of Seed Division was Rs. 26.56 crores out of which the budget allocation of National Seed Project-III was Rs. 25 crores. As during the year 1997-98 no externally aided funds were available under NSP-III, the Budget estimates of Seed Division has been reduced to Rs. 1.4 crores.”

9.4 Further, the Government has reduced the grant-in-aid to National Seeds Corporation etc. Sizeably from Rs. 24.90 crores in 1996-97 to 0.49 crores in 1997-98 (Minor Head 103). The Cropping systems programme on the other hand has received an increased allocation from 32.43 crores in RE 1996-97 to Rs. 78.74 crores in 1997-98 i.e. more than 100% increase. The National Seeds Corporation, State Farms Corporation of India (SFCI) and State Seeds Corporation (SSC) are units which provide timely adequate certified/quality seeds of suitable varieties to farmers whereas the allocation for cropping systems is to bring a substantial increase in production and productivity of rice, wheat and coarse cereals in identified states through use of certified seeds and better agricultural technology. When asked how the Department is proposing to increase productivity by cutting the allocation to agencies who are assigned the task of providing adequate certified/quality seeds and regarding the steps taken by the

Government in some specific identified states where there is no breakthrough in any new variety to increase the production level substantially, the Ministry in its written reply has stated that:

“Under the World Bank aided NSP-III, substantial assistance have been provided to NSC, SFCI and eleven State Seeds Corporations for organisation and financial restructuring so that these Corporations could become self-reliant and commercially viable. Under NSP-III, the financial and organisational restructuring the many seed Corporations have been completed and these Corporations have started earning profits. Thus, there is no immediate need for further providing assistance to these Corporations. The World Bank Project NSP-III have also been completed on 30.6.1996. Accordingly, no budget provision has been made in the allocation of Seed Division for providing assistance to these Corporations during the Ninth Plan period.”

9.5 It has been further observed that the outlay for seeds in 1997-98 has come down in comparison to 1996-97 while there is scarcity in availability of quality seeds for farmers in the opening market. When asked how the country will proceed towards liberalisation where there will be less amount of investment on seeds for better production, the representatives of the Ministry of Agriculture during the course of oral evidence has stated that:—

“In respect of seeds the outlay in 1997-98 has come down when compared to 1996-97. We must strengthen farms in some of the places in order that we can produce more and more of the quality seeds. The certification agency must be strengthened. The quality certification process has been built up as a result of strengthening of the various National Seeds Corporations. Therefore, it is a question of getting a large number of programmes, for which additional processing capacities have been created.

If you look at the question of seeds distribution, almost 56 lakh quintals of certified seeds have been distributed out of 70 lakh quintals. We can give the year-wise details of the high order of growth during the Eighth Plan. It would be possible to undertake a large programme for certified seeds production. Therefore, I think, in terms of the correlation between investments to be made out of the Plan and the quantity of seeds to be produced, in the past we had the capacity and that can achieve at higher order of production.

It is true that the private companies have come in terms of major crops but the public sector still will continue to play an extreme role. For example cereals. The role of the private sector is good but still we have to continue to depend on the public sector. Under the ICAR State Agricultural University Research System, we are trying to streamline and have it in all States to ensure that they must plan actually for a three to four years rolling plan for seed production, which can be later on integrated at the national level. We also have to look at the role of the Central Organisations."

9.6 Under the Centrally Sponsored Scheme on Integrated Seed Development Programme, it has been stated in the Note on Plan Schemes that almost the entire allocation of Rs. 80 lakhs for 1995-96 was released only in March, 1996 and the State Governments could not utilise the amount so released as it was not possible for them to issue administrative approvals for implementing the schemes at that late stage explaining the circumstances under which the Government could not release the allocations all those 11 months from April, 1995 to February, 1996, the Department has stated that:—

"The Planning Commission approved the scheme in the month of April, 1995. However, it was mentioned by Planning Commission that the scheme seems to be Centrally Sponsored Scheme, as this will be implemented by the State Government for which funds will be provided by Department of Agriculture & Cooperation. Thus, scheme may be implemented only after approval of full Planning Commission.

The Planning Commission was repeatedly requested for want of early approval of full Planning Commission through letter/ telephonic contact indicating that the launching of scheme is to be done during 1995-96. However, the approval of full Planning Commission was received only on 2.1.1996 indicating there-in to take necessary action for the implementation of scheme.

After receipt of approval of Planning Commission, the Administrative Approval was issued on 7.2.96. Further, the States were also requested to identify not easily accessible and remote areas in the State and intimate the same to Ministry of Agriculture, Government of India. After this, funds were released to various States in the month of March, 1996."

Transport Subsidy on Seeds

9.7 The main purpose of the scheme is to make seeds available in time to farmers of North-Eastern States including Sikkim by reimbursing the difference in the cost of transportation of seeds by rail and road. The implementing agencies are the National Seeds Corporation, State Farms Corporation of India and other State Seed Corporations. In the case of Assam, 50% of the differences in cost of transport by rail and road is provided for the quantities of seed transported to the State. In the case of other North-Eastern States including Sikkim, 100% of the cost difference is subsidised for the quantities of seeds transported to these States.

9.8 Under this scheme the approved outlay for the Eighth Plan was Rs. 3/- crores. The budgetary provision made for the scheme in the Eighth Plan period was Rs. 2.10 crores against which an expenditure of Rs. 1.57 crores has been incurred. The budgetary provision for the scheme during 1997-98 is Rs. 0.30 crores.

9.9 Hence, there has been shortfall in terms of utilization of financial allocation. The reasons for such shortfall as stated by the Ministry are as given below:—

“Reimbursement of transport subsidy is made to the implementing agencies *i.e.* National Seeds Corporation (NSC), State Farms Corporation of India (SFCI) and State Seed Corporations (SSCs) on the basis of claims furnished by them on actual quantity of seeds transported to the North-Eastern States including Sikkim for meeting their reimbursement. Seed is required to be transported from the seed producing States/Centres which are located mostly in Punjab, Haryana, Uttar Pradesh, Rajasthan, Madhya Pradesh, Andhra Pradesh, Karnataka, Tamil Nadu, Orissa and West Bengal to these States. There are several agencies involved in the tie-up and seed supply arrangements with the receiving States. For this, the receiving/despatching States are asked to streamline tie-up arrangements. With a view to enlarge scope of the scheme and to ensure achievement of physical targets, all State Seed Corporations have also been incorporated as implementing agencies from 1995-96 onwards in addition to NSC and SFCI.”

9.10 However, the Committee express its dissatisfaction with the reasons stated by the Ministry. They feel that farmers in North-Eastern States are facing difficulty in getting certified seeds. There is always complaint that the seeds does not reach them in time.

9.11 When asked about the provision to make available the seeds to the farmers in time in the North-Eastern States the representatives

of the Department of Agriculture & Cooperation has stated during the oral evidence that:—

“There is a special scheme running also. The transport subsidy is being provided. Earlier this was being given in relation to the seeds produced by the two Central Corporations, namely the National Seed Corporation and the States Farms Corporation of India. Now the scheme has been extended to include other State Seed Corporations also. Very shortly we are having a conference. I have also asked my Division to have a special meeting with the North-Eastern States and Sikkim to find out the problems in picking up what is available under the scheme because money is there, transport is there but the States are not in a position to avail themselves of the benefit under the scheme. We will consult the States and we will see whatever difficulties and differences are there, they are removed.”

9.12 The Committee observe that to make seeds available in time to farmers of North-Eastern States at reasonable price as prevailing in other parts of the country this Central Sector Scheme on transport subsidy on seeds has been under implementation. The Committee note that against Rs. 3.00 crores, outlay during the Eighth Plan, the budgetary provision of Rs. 1.8 crores only has been made during the first four years of Eighth Plan *i.e.* from 1992-96 which is less than 50% of the Eighth Plan outlay. Against Rs. 1.8 crores the actual expenditure was only 1.27 crores. Hence there is shortfall in the financial achievement due to less allocation made by the Planning Commission and less expenditure incurred by the Department of Agriculture & Cooperation. The reasons for less expenditure as stated by the Ministry is due to shortfall in the offtake of seeds in the North Eastern States. Therefore, the Committee desire that the Department of Agriculture and Cooperation should vigorously pursue this matter to Planning Commission to allocate the full amount of money as proposal in the Eighth Plan as well as utilize the whole amount actually sanctioned for achieving the targets envisaged in this scheme. Further, the Committee recommend that the Ministry should adopt concerted methods to sort out the difficulties faced by the North-Eastern States, so that they will get the real benefit.

9.13 Pertaining to the actual expenditure under National Seeds Project III quality control arrangement on Seeds, transport subsidy on seeds and strengthening of seeds division during the last four year as stated by the Ministry, is only 64.82%, 11.43, 42.33 and 16.00% of the 8th Plan outlay.

9.14 In respect of certain crops like oilseeds, the production of breeder/foundation seeds has also been lower than the target fixed.

CHAPTER X

COOPERATION

10.1 The National Agricultural Cooperative Marketing Federation of India Ltd. has been appointed as the Central Nodal Agency by the Government of India for undertaking Price Support/Market Intervention Operation in collaboration with the State designated agencies at the prices announced by the Government. Under the Price Support Scheme, the agricultural commodities covered are pulses and oilseeds. Under the scheme, losses, if any, incurred are fully reimbursed by the Government to NAFED. Under the Market Intervention Scheme, the losses are shared between the Central and the State Government on 50 : 50 basis.

Price Support/Market Intervention activities through Cooperative Institutes

10.2 Under the above mentioned scheme the Budget Estimates for the year 1995-96 was Rs. 0.01 crores. But the Revised Estimates for the same year increased upto Rs. 120.00 crores. Again the Budget Estimates for the year 1996-97 came down to 0.01 crores, the Revised Estimates to 1.00 crore and the Budget Estimates for 1997-98 is Rs. 1.00 crore.

10.3 The price support for market intervention measures are designed to ensure remunerative & productivity. NAFED is the Central designated agency for carrying out such operations for oilseeds, pulses and also for Price Support Scheme in respect of COPRA and perishable items. The losses in the operations, if any, are to be fully reimbursed by the Government of India to NAFED.

10.4 With regards to the reasons for the expenditure rising up to Rs. 120 crores during the year 1995-96 at Revised Estimates stage, the Ministry has stated that:—

“For COPRA, 1994 season was an unprecedented one. There was bumper production and the Minimum Support Price was also increased from Rs. 2150 per qtl. (Milling) and Rs. 2350 per qtl. (Ball) to Rs. 2350 per qtl. (Milling) and Rs. 2575 per qtl. (Ball) respectively by the Central Government. The rates of COPRA

during 1994-95 were ruling very low as compared to the Minimum Support Price declared by the Government of India. The National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) has blocked its huge funds in procurement of 61,749 MTs COPRA valued at Rs. 149.78 crore. At that time NAFED anticipated a loss of Rs. 60.00 crore on disposal of 1994 season COPRA. During 1995 season also it was anticipated that again NAFED might have to procure around 50,000 MTs COPRA valuing Rs. 130.00 crore and there may be loss of Rs. 60.00 crore on disposal of 1995 season COPRA. Thus, the Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 18th July, 1995 approved the Budget provision of Rs. 120.00 crore during 1995-96. However, a sum of Rs. 96.50 crore was actually utilised. Net balance of Rs. 23.50 crore was surrendered.

During 1994 season 61,749 MTs of COPRA valuing Rs. 149.78 crore was procured by NAFED under the Price Support Scheme (PSS) and an amount of Rs. 4588.53 lakh was incurred as loss. However, during 1995-96 season, a quantity of 5619 MTs. of COPRA valuing Rs. 1529.00 lakh was procured. On its disposal a profit of Rs. 8.37 lakh was earned thus, leaving a total liability of Rs. 4580.16 lakh towards losses incurred on procurement of COPRA during 1994-95 and 1995-96 seasons.

10.5 The details of net profit/loss earned by the National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) under Market Intervention Scheme (MIS) and Price Support Scheme (PSS) as stated by the Ministry during last three years are as follows:—

1993-94			
Sl. No.	Commodity	Profit/Loss (In lacs)	
1	2	3	4
1.	Black Pepper [Market Intervention Schemes (MIS)]	(+)	64.13
2.	Red Chillies (MIS)	(-)	579.17
3.	Urad [Price Support Scheme (PSS)]	(+)	122.65
4.	Sunflower Seed (PSS)	(-)	110.10

1	2	3	4
5.	Kinoo/Malta (MIS)	(-)	0.06
6.	Safflower (1992-93 & 1993-94) (PSS)	(-)	14.60
7.	G.N. Pods (PSS)	(+)	1.18
1994-95			
8.	Clove (MIS)	(-)	1.38
9.	COPRA (PSS)	(-)	4588.53
10.	Eggs (MIS)	(-)	1.67
1995-96			
11.	Kinoo/Malta/Sangtra/Galgal (MIS)	(-)	1.91
12.	COPRA (PSS)	(+)	8.37
Net Loss:		(-)	5101.09

10.6 The reasons for a Budget Estimate for 1997-98 as small as Rs. 1.00 crore as stated in the written reply are as follows:

“The year 1994 season was unprecedented for COPRA production and its rates fell below the Minimum Support Price level. The National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) had to procure a large quantity of COPRA under the Price Support Scheme (PSS) which has been explained under Para (a). Otherwise it has been observed from the previous years that market rates of most of the commodities covered under the PSS for which the NAFED is the Central agency have been ruling above the Minimum Support Price (MSP) level except in the case of COPRA and oilseeds such as sunflower seed. The rates of agricultural commodities are highly fluctuative and it is very difficult to forecast the exact ruling rates. Similarly, prices of commodities covered under the Market Intervention Scheme (MIS) may or may not fall below economic levels and there may not be any necessity to intervene in the market. Thus, it is difficult to anticipate of fall of prices of any commodity below the MSP level and the level of market intervention, thus a provision of Rs. 1.00 crore has been made for 1997-98 Budget. If need be, additional funds could be raised through submission of Revised Estimates.

CHAPTER XI

PLANT PROTECTION

Integrated Pest Management Programme

11.1 The major thrust area in the case of Plant Protection since Eighth Five Year Plan is promotion of Integrated Pest Management, ensuring availability of safer pesticides for sustaining crop production from the ravages of Pests and diseases and streamlining the guarantee measures for accelerating the introduction of new high yielding crop varieties. Emphasis is also being given for strengthening post-entry facilities to check the entry of exotic pests, diseases and weeds through international trade of agricultural commodities.

11.2 During Eighth Five Year Plan the major thrust area was Integrated Pest Management. The Eighth Plan outlay for this scheme was Rs. 45.00 crores. The total actual approved outlay by Planning Commission was 42.36 crores. The likely expenditure from 1992-97 is Rs. 31.60 crores only. Similarly in other schemes under the sector Plant Protection, there is major shortfall in achieving the financial targets. Despite the Committee's recommendation in their 1st Report to ensure full utilization of money sanctioned by the Planning Commission, the Department could not utilize the whole amount and stated the reasons for less utilization as under:—

- (i) Late sanctioning of the EFC-DSC Memos.
- (ii) Procurement of land for construction of new buildings could not be accelerated due to unavoidable lengthy procedural formalities both at the State and Central Level.
- (iii) Lengthy procedural formalities involved in obtaining estimates from the CPWD authorities and securing sanction thereof from the competent authority etc.

11.3 When asked as to how the Department will be able to provide due importance to Plant Protection in the Ninth Plan, the Ministry in

its written reply stated that:—

“In order to provide due importance to Plant Protection, the Ninth Plan outlay is proposed to be increased to Rs. 453.89 crores as recommended by the Working Group on Critical Inputs—Pesticides as compared to an Outlay of Rs. 100.00 crores provided during Eighth Plan.

The following ongoing Central Sector Schemes *viz*:—

- (a) Implementation of Insecticides Act.
- (b) Expansion of Plant Quarantine facilities.
- (c) Locust Control and Research.
- (d) Training in Plant Protection.
- (e) Integrated Pest Management Centres.

would continue during the Ninth Plan to further strengthen the adoption of eco-friendly Integrated Pest Management strategy to preserve the environment as well as to maximize crop production.”

11.4 In view of the recommendation of the Standing Committee on Agriculture pertaining to the Integrated Pest Management Programme during 1996, the Working Group on Critical Agricultural Inputs Pesticides had recommended an outlay of Rs. 298.55 crores for this scheme as against Rs. 45.00 crores during Eighth Plan.

CHAPTER XII

MANURE AND FERTILIZER

12.1 To support Crop Production to reach the level contemplated, great stress has been laid in the 8th Plan for consumption of fertilizer.

12.2 The details of financial and physical targets fixed and achieved during each year of 8th Plan from 1992-93 onwards is enclosed in Proforma I and II respectively.

(Rs. in lakhs)

S.No.	Plan Scheme	VIII	1992-93		1993-94		1994-95		1995-96		1996-97		1997-98		Total
			BE	Actual exp.	BE	Actual exp.	BE	Actual exp.	BE	Actual exp.	BE	Actual exp.	BE	Actual exp.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1.	Balanced and Integrated use of Fertilisers	2600	500	149.96	500	205.00	475	475.00	500	500.00	500	500	700	1829.96	
2.	National Project on Dev. of fert. use in low consumption and rainfed areas	1020	—	—	175	—	146	123.23	250	249.90	250	250	—	629.13	
3.	National Project and Tech. Mission on Dev. and use of Bio-Fertilisers	1600	150	125.09	175	146.34	200	209.24	810	200.00	645	545	660	1225.67	
4.	Strengthening of CFCC&IT and Regional Labs.	700	100	73.74	130	110.60	175	114.31	230	439.48	200	190	130	627.73	
5.	Data Processing on computer	30	5	10.88	5	6.02	4	2.25	5	6.00	5	5	10	30.15	

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
6.	PDJL Study on micro-nutrient	20	20	3.00	7	2.00	—	—	5	5.00	—	—	—	10.00
7.	Modernisation of soil testing centres.	—	—	—	—	—	—	—	—	—	—	—	100	—
8.	Amount available for Use under new/other schemes	2030	10	—	—	—	—	—	—	—	—	—	—	—
	Total	8000	785	362.27	1000	-69.98	1000	930.03	1800	1100.38	1600	1490	1600	4352.64

Proforma II

**Physical Targets and Achievements under Plan Schemes during Eighth Plan
(1992-93 to 1996-97) of Fertiliser Division**

Sl. No.	Name of the Scheme/Project	Eighth Plan Approved target	1992-93	1993-94	1994-95	1995-96	1996-97	Total					
			Tar- get	Achieve- ment	Tar- get	Achieve- ment	Tar- get	Achieve- ment					
			4	5	6	7	8	9					
			10	11	12	13	14	15					
								upto Dec. 96					
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Central Sponsored Scheme

1. Balanced & Integrated Use of Fertiliser (approved during 1993-94)

(a)	Strengthening of testing facilities (No.)	120	—	—	13	10	37	27	22	21	18	44	102
(b)	Demonstration on micronutrients other than zinc ('000 ha)	80	—	—	3.6	2.0	14.2	6.24	24	15.4	6.3	0.6	24.24
(c)	Training on Bio-composting (No.)	2396	—	—	200	185	313	263	440	394	452	184	1026

1	2	3	4	5	6	7	8	9	10	11	12	13	14
(d)	No. of compost units	10	—	—	2	2	3	3	2	12	3	—	17
(e)	Frontinge Demonstration (No.)	800	—	—	—	—	—	—	—	—	400	400	400
2.	National Project on Development of Fert Use in low consumption and rainfed areas (approved during 1994-95)												
(a)	Small bags	1.2 crore	—	—	—	—	1600	350	2720	1770	3140	765	2885
(b)	Integrated nutrient supply system (No.)	3000	—	—	—	—	450	410	765	615	777	314	1339
(c)	Demon. compost making (No.)	3000	—	—	—	—	450	410	765	635	777	314	1359
(d)	Green manure seed (qtl.)	30,000	—	—	—	—	4500	4200	7650	8495	7750	260	12955
Central Sector Schemes													
3.	Strengthening of CFQC&TI and Regional Labs												
(a)	Sample Analysis (Nos.)	42500	8500	7469	8500	8510	8500	6183	8500	6458	8500	3987	32607

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
(b)	Training Programmes (No.)	60	11	11	11	11	12	13	13	13	12	12	10	58
(c)	Orientation Courses (No.)	222	60	60	35	40	56	40	32	45	33	37	23	179
4.	National Project and Tech. Mission on Development & Use of Bio-Fertiliser													
(a)	Bio-fert. Units (No.)	36X	2	2	2	4	4	4	4	4	4	22	6	20
(b)	BGA Centres (No.)	30X	15	15	15	2	2	2	—	2	1	9	2	20

12.3 During 1997-98 *i.e.* during the first year of the 9th Five Year Plan, it is proposed to introduce a new plan scheme on 'modernisation of soil testing centres' for which a token provision of Rs. 100 lakhs has been proposed in the B.E. 1997-98. At the same time, the Planning Commission has recommended discontinuance of the plan scheme namely National Project on Development of Fertilizer Use in Low Consumption and Rainfed Areas during the 9th Plan. The components of this scheme are being included in the plan scheme on Balanced and Integrated Use of Fertilizers which will be continued during the 9th Plan.

Balanced and Integrated use of fertilizers

12.4 It has been stated in the consolidated Notes on Demands for Grants (1997-98) that the Centrally Sponsored Scheme for Balanced and Integrated use of Fertilizer was approved for implementation during Eighth Plan. However, funds for this purpose was released only during the third quarter of 1993-94. During the 8th Plan period an amount of Rs. 24.75 crores had been allocated against which an expenditure of Rs. 18.30 crores was occurred during 8th Plan leaving an account of Rs. 6.45 crores unspent.

12.5 It is observed that the allocation towards balanced use of fertilizers in 1996-97 B.E. was Rs. 5.00 crores, the R.E. Rs. 5.00 crores and the B.E. for 1997-98 is again Rs. 7.00 crores. The stagnant allocation at R.E. stage do not reflect the zeal of the Government to implement this scheme. In a detailed note on the steps taken by the Government for reducing the imbalance in application of NPK nutrients, the Ministry has stated that:—

“The B.E. for this plan scheme for 1996-97 was Rs. 5.00 crores which has been raised to Rs. 7.00 crores in the B.E. of 1997-98. We had however made a proposal to the Planning Commission seeking an allocation of Rs. 35 crores for various plan schemes under Fertilizer Division out of which Rs. 16.90 crores was requested for the scheme on balanced and integrated use of fertilizer.

A new scheme on modernisation of soil testing laboratories in the country is proposed to be taken up during the Ninth Plan. A token outlay of Rs. 1 crore has been made for the year 1997-98 to promote optimum use of fertilizers based on soil testing.

Another new scheme of Buffer stocking of fertilizers is proposed to be taken up in the States of Assam, Bihar and Orissa during 1997-98. Under this scheme it is envisaged to provide support to the institutional agencies for stocking fertilizers and by the retailers appointed by these agencies. It is the experience of the Ministry that the agencies do not undertake to stock fertilizers ahead of the season, particularly in low consumption areas unless they are insulated from losses in the even the offtake of fertilizers fall below the intended growth rate. The institutional agencies could be supported to carry over the stocks or transport the excess quantity to other areas of high consumption in the subsequent season. In the mono-cropped areas, the fertilizer stocks may have to be carried over for a period of 8—10 months forcing the institutional agencies to incur the costs of carry over. It is this cost of carry over or the cost of transportation which the Central Government could meet which would enable the institutional agencies to undertake to stock fertilizers in all the areas in sufficient quantities to achieve the targetted growth rates well before the commencement of the season.

Estimated funds required for this scheme during 1997-98 would be Rs. 25 crores. Based on the experience, the scheme may be extended to other similar areas/States during the remaining four years of 9th Plan."

12.6 The physical actual targets and achievement under the scheme, Balanced on Integrated use of Fertilizer are as below :

Sl. No.	Name of the Scheme/Project	Eighth Plan Approved target	1992-93 Target	1992-93 Achievement	1993-94 Target	1993-94 Achievement	1994-95 Target	1994-95 Achievement	1995-96 Target	1995-96 Achievement	1996-97 Target	1996-97 Achievement upto Dec. 96	Total Achievement in VIII Plan
Central Sponsored Scheme													
1.	Balanced & Integrated Use of Fertiliser	(approved during 1993-94)											
(a)	Strengthening of testing facilities (No.)	120	—	—	13	10	37	27	22	21	18	44	102
(b)	Demonstration on micronutrients other than zinc ('000 ha)	80	—	—	3.6	2.0	14.2	6.24	24	15.4	6.3	0.6	24.24
(c)	Training on Bio-composting (No.)	2396	—	—	200	185	313	263	440	394	452	184	1026
(d)	No. of compost units	10	—	—	2	2	3	3	2	12	3	—	17
(e)	Frontline Demonstration (No.)	800	—	—	—	—	—	—	—	—	400	400	400

12.7 Training on Bio Composting Unit is one of the components under the Scheme Balanced and Integrated use of Fertilizer. From the physical target and achievement statement it is observed that during the year 8th Plan against the target of 1405 nos., the Department has achieved 1024 nos. With regard to frontline demonstration the 8th Plan target was 800 nos. against which the Department has achieved only 400 nos. that to in the terminal year of 8th Plan *i.e.* 1996-97. Since, 1993-94 the Government did not propose any target.

12.8 With regard to Plan Schemes of creation of infrastructure for small and marginal farmers, the Committee had recommended in its 19th Report that adequate provision should be made in the RE 1995-96 and in the BE 1996-97 and advance action should be initiated to pose this scheme as a newly centrally sponsored scheme for 9th Five Year Plan. The Department has stated that, due to resources constraints, funds are not available for this scheme during 1996-97 and the scheme has been included in the Working Group report on critical Agricultural Inputs for 9th Five Year Plan.

12.9 The Planning Commission stated that the development of infrastructure for promotion of fertilizer use by small and marginal farmers has been now proposed as a regular scheme as against one time grant scheme of Rs. 5.00 crores for infrastructure development which was approved/implemented during 1992-93. The scheme had a number of components which have been provided under various other schemes because of which Planning Commission did not approve this scheme. Planning Commission further stated that the states could have other programmes on similar lines.

12.10 Under the scheme, for payment to manufacturers/agencies for sale of decontrolled fertilizer, a provision of Rs. 2224.00 crores was made as non-plan BE in 1996-97. The RE (Non-Plan) in 1996-97 for the corresponding scheme was Rs. 16.74 crores. The BE for 1997-98 is Rs. 20.00 crores. The Committee observe that as a result of this the direct benefit is going to the manufacturers and not the farmers. They have to buy fertilizers at a higher price and are not getting it in time also.

12.11 Regarding the reasons for such enhancement the Ministry in its written reply has stated that immediately after decontrol, a scheme of concession for decontrolled fertilizers under Non-Plan was introduced with a concession of Rs. 1000/- per tonne on DAP, MOP and proportionately on Complex Fertilizers. This was enhanced to Rs. 3000/- per Mt on Indigenous DAP and Rs. 1500/- per MT on MOP and Imported DAP and proportionately on complexes, which again has been enhanced to Rs. 3750/- per Mt for Indigenous DAP, Rs. 2250/- per Mt for Imported DAP and Rs. 2000/- per MT for MOP

as well as for complexes to SSP from 1993-94 with Rs. 340/- per MT which was increased to Rs. 500/- per MT from 6.7.96 and again to Rs. 600/- per MT from 1.4.97. The consumption of these fertilizers is gradually picking up necessitating thereby higher allocation under this scheme.

12.12. The total consumption of different fertilizers during 1995-96 and 1996-97 is given below:

Product	(In lakh tonnes)	
	1995-96	1996-97 (likely)
DAP	34.51	46.45
SSP	29.83	33.22
Complexes	38.51	46.22
MOP	13.92	17.28

12.13 When asked the Ministry have examined the proposal to simplify the mechanism for making payments towards subsidy on fertilizers as well as fixing the selling price of some of the nutrients. The Department has stated that subsidy on controlled fertilizer *i.e.* urea is paid by the Department of Fertilizers. As regards the scheme of concession on decontrolled fertilizers, a proposal is to make 80% on account payments to fertilizer suppliers without waiting for sale verification reports from State Govts.,/UT. Admn. Besides, Government of India have decided to negotiate and announce the maximum retail price of these fertilizers to ensure supplies of decontrolled fertilizers without any hinderance.

12.14 For the central plan scheme of Fertilizer Division, an expenditure of Rs. 43.52 crores has been incurred against the budgetary allocation of Rs. 61.85 crores during the whole of the eighth five year plan period. The total expenditure works out to 70.36% of the total budgetary allocation. As to the corrective measures are proposed to achieve 100% utilisation of fund allocated for plan schemes on fertilizers and also 100% achievement of physical targets, the Ministry in its written reply has stated that:

“To achieve full utilization of funds and 100% physical achievements, it is proposed to monitor more vigorously the implementation of all plan schemes and obtain utilisation certificates in time and also follow up the schemes a field level by personal visits with a view to remove bottlenecks in the implementation of schemes. In addition State Governments will also be requested to prepare definite time schedule for utilisation of funds fully an achievement of physical targets.”

CHAPTER XIII

AGRICULTURAL IMPLEMENTS AND MECHINERY

13.1 The strategy of the selective mechanisation in the Ninth Plan will focus on the requirements of the North Eastern region and other hilly areas. A new scheme for promotion and popularisation of power tillers and other equipments in the North Eastern States is proposed to be taken up with an outlay of Rs. 2000 crores. It is also proposed to take up new scheme for introduction of specialised any newly developed equipments and adoption of seed planting machines in all the states. The on-going scheme for promotion of agricultural mechanisation will be continued.

Scheme-Wise Outlay & Anticipated Expenditure During Eighth Plan

S.No.	Name of the Scheme	Eighth Plan Outlay	Anticipated Expenditure
1	2	3	4
1.	Strengthening of Farm Machinery Training and Testing Institutes at Budni (MP), Hissar (Haryana) and Garladinne (Andhra Pradesh).	510.00	473.14
2.	Establishment of Farm Machinery Training and Testing Institute at Biswanath Chariali, Distt. Sonitpur (Assam).	692.00	415.26
3.	Development of Prototypes of Industrial Designs of Agricultural Implements.	58.20	14.01
4.	Setting up of Farm Machinery Training and Testing Institutes in Rajasthan and Tamil Nadu	390.00	0.16

1	2	3	4
5.	Promotion of Agricultural Mechanisation among Small Farmers.	4250.00	3799.80
6.	Strengthening of Agricultural Engineering Departments of the State Agricultural Universities	509.95	363.80
Total		6410.15	5066.17

13.2 The Eighth Plan budgetary outlay for Central Plan Schemes for Agricultural Implements and Machinery was Rs. 64.10 crores. Out of which the anticipated Eighth Plan expenditure by the end of 1996-97 under Agricultural Implements and Machinery is Rs. 50.66 crores. The shortfall in expenditure as stated by the Ministry is attributed to the following reasons :

- (i) The scheme for 'Promotion of Agricultural Mechanisation among small Farmers' was not implemented during 1994-95 and hence there is a shortfall in expenditure under the scheme.
- (ii) Under the Scheme, "Development of Prototype of Industrial Designs for Agricultural Implements", there was a shortfall because it is a research and development-oriented scheme and a coordinated effort with ICAR is being made in this regard. A more vigorous thrust will be made in the Ninth Plan for this scheme.
- (iii) Necessary action for setting up the Farm Machinery Training and Testing Institutes in Rajasthan and Tamil Nadu could not be started because of the delay on the part of the State Governments in providing the land and finalising the lease deed for its transfer.

Establishment of Farm Machinery Training and Testing Institute in Rajasthan & Tamil Nadu

13.3 Under the Plan Scheme for establishment of Farm Machinery Testing and Training Institutes in Rajasthan and Tamil Nadu, against

the approved Plan outlay of Rs. 6 crores, only Rs. 16 thousand have been spent in all the five years of the 8th Plan and this works out to only 0.04 percent of the total budgetary outlay. This clearly reflects that the whole scheme remained a virtual nonstarter during all these 5 years. Even in the coming first year of the Ninth Plan only a token provision of Rs. 20 lakhs has been made.

Pertaining to the reasons & the expeditious steps that are proposed to complete the task of construction, etc. to make these Institutes start functioning atleast in the coming financial year 1997-98. The Ministry in its written reply has stated that the Scheme for Establishment of Farm Machinery Training and Testing Institute in Rajasthan and Tamil Nadu remained virtually a non-starter because of the fact that the land for setting up these Institutes could not be handed over to other Department of Agriculture and Cooperation by the respective State Governments. Correspondence has been made with the State Governments to transfer the land at the earliest and finalise the lease deeds. Steps would be initiated to implement the Scheme by construction of buildings for the Institutes and positioning of staff after the land is transferred. In the meantime, possibilities are being explored to get the buildings on rent for the Institutes, in consultation with the State Governments with a view to starting at least training activities during 1997-98, for which a token provision of Rs. 20.00 lakh has been made.

Development of Prototype of Industrial Designs of Agricultural Implements

13.4 Under the Scheme for Development of Prototypes of Industrial Designs, against the Eighth Plan target of 16 Prototypes, *only one* prototype could be developed in all these five years. Out of the total budgetary provision of Rs. 58.20 lakhs only Rs. 14.01 lakhs has been spent leaving a huge balance of Rs. 44.19 lakhs unutilised. The percentage of expenditure is only 14.07% against the total outlay. Although the financial and physical performances under the scheme are not encouraging, the scheme has been proposed to be continued during the Ninth Plan with an allocation of Rs. 10 lakhs only for 1997-98.

Regarding the analysis that has been made about the reasons for poor achievements made under the scheme and also the possible remedial steps taken to make the scheme result-oriented, the Ministry has expressed that the Scheme envisages the identification of the functionally proven agricultural implements/equipments and developing their prototype industrial designs for commercialisation. This work is research and development-oriented which takes a considerably long time due to development of first prototype, its testing

under actual field conditions and development of final prototype based on the test findings. Presently, the Scheme envisages the development of the industrial designs of the equipment through the established research and development organisation in public and private sector which are usually not prone to taking up such work with a view to attaining faster progress under the Scheme, its scope will be extended to cover the development of prototype industrial designs of implements through individual researchers and agricultural engineers.

So far prototype designs of (1) Bullock drawn seed-cum-fertilizer drill, (2) Multi Crop thresher and (3) self-propelled paddy transplanter are at various stages of development and testing. When asked about the subsidy being given to farmer for the purchase of agricultural implements, the Ministry has stated that no subsidy is being given to farmers for purchase of agricultural implements, separately under any scheme operated by the Agricultural Implements and Machinery Division but the same is available under the various crop specific schemes of the Department. Subsidy @30% limited to Rs. 30,000 is being given to the farmers for purchase of tractors, alongwith their matching implements.

Establishment of Farm-Machinery Training and Testing Institute at Biswanath Chariali in District Sonitpur of Assam

13.5 Under the Plan Scheme for establishment of Farm machinery Training and Testing Institute at Biswanath Chariali in District Sonitpur of Assam, it has been stated that not a single machine could be got tested at the Institute as the necessary infrastructure like functional buildings, etc. is not complete, although the Institute was set up long back in 1990.

When asked the latest date by which the necessary infrastructure would be completed and ready for use for testing purposes, the Ministry in its written reply has stated that Laboratory, hostel and other functional buildings at the Farm Machinery Training and Testing Institute in Sonitpur District of Assam are at an advanced stage of construction and are likely to be completed by the end of June, 1997. The construction of these buildings has been given to the National Building Construction Corporation, who have been asked to complete the building at the earliest. Commencement of testing activities will be taken up at the Institute after the infrastructure for the same has been developed.

The Institute is being run in rented buildings and training programmes for the farmers and other personnel are being organised by making make-shift arrangement.

CHAPTER XIV

RECOMMENDATIONS/OBSERVATIONS

AN OVERVIEW OF THE DEMANDS

14.1. The total Budget Estimates(BE) for 1996-97 is much on the higher side as compared to Revised Estimates(RE) of the year both on the Plan and the Non-Plan side. The Committee also note that there is a major difference between the BE, RE and actual expenditure since 1993-94. The RE is less than BE and the actual expenditure is further on the lower side in comparison to the RE. Government prepares revised estimates by taking into account the availability of balance funds with the State Governments/implementing agencies from out of previous years release, progress of the implementation of the schemes, their utilization capacity and fulfillment of procedural requirements with regards to the scheme. The Committee is informed that there is heavy reduction on the non-plan side in the year 1996-97 due to less provision made under the non-plan scheme for concessional sale of de-controlled fertilizer.

The obvious conclusion before the Committee from the above mentioned facts is that the State Government and implementing agencies are not fully utilizing the amount sanctioned by the Government.

The Committee are constrained to observe that while it has persistently been maintaining in its reports for higher allocation to do justice to Agriculture sector which is the prime sector for sustaining the millions of people, the State Governments and the implementing agencies are not fully utilizing the amount sanctioned to them to achieve hundred percent physical target. While important schemes are starved of funds, the money earmarked for other schemes have been remaining unutilized year after year. The Committee, therefore, recommend that the nodal Ministry should intensify the monitoring mechanism and reallocate funds priority-wise to oversee the implementation of the schemes, to remove bottlenecks, and to ensure speedy implementation without any delay.

14.2. 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 1.69% for 1996-97 and further to 1.54% in 1997-98. Against a proposed outlay of Rs. 2455.07 crores for Central Sectors and Centrally Sponsored Schemes during 1997-98 the Planning Commission had accepted a budgetary support of Rs. 1700 crores only. At the time of budget formulation this was further reduced to Rs. 1519.25 crores. The Government have furnished a reply that the Plan Budget Estimates of the Department of Agriculture and Cooperation for the year 1997-98 is Rs. 1519.25 crores and as compared to an amount of Rs. 1471.00 crores (excluding State Plan) allocated for the year 1996-97, there is an increase of 3.28% over the previous year's allocation. This reply is far from satisfactory. Keeping in view the inflationary trend 3.28% the increase is a negligible increase.

The Committee express their displeasure at the manner in which the recommendations of the Committee have been continuously ignored and are highly perturbed by the trend of allocations in favour of this sector. They fail to understand as to how the nation could face the serious problem of the stagnation in the growth of foodgrains with a meagre 1.54% Plan budget allocation out of the total plan allocation. The Committee feel that the Ministry of Agriculture on the one hand has not been able to project its demands in the right perspective before the Planning Commission while on the other hand the Planning Commission and the Ministry of Finance have become insensitive to the demands and recommendations of the Committee. The Committee do not appreciate the attitude of the Planning Commission which has re-prioritized the needs of the country in view of the widening gap between the growth rate of the population and the growth rate in foodgrains production. The Committee strongly 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, 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.

Pulses

14.3. The Committee note that during the year 1995-96, out of the budgetary outlay of Rs. 34.38 crores, only Rs. 33.34 crores have been released for the plan schemes for the cultivation of pulses. During 1996-97 out of the budgetary outlay of Rs. 36.36 crores only an amount of Rs. 26.58 crores have been released upto February, 1997. Furthermore, against an amount of Rs. 2.6 crores Rs. 1.6 crores has been made in the revised estimate earmarked for subsidy on certified seeds of Pulses to NSC/SFCI. For Grants-in-aid of production of Breeder Seeds, the RE for 1996-97 has been brought down to Rs. 1.5 crores against an allocation of Rs. 2.5 in the BE stage. The reason for reduced allocations as furnished by the Ministry is that the agencies needed less fund, and the agencies are also having some unspent amount with them.

The Committee observe that there has been major shortfall in the utilization of funds every year from 1992-93 onwards. The Committee wish to point out that the cultivation of Pulses is a risky proposition as they are more prone to damage by drought conditions and pest attacks and are generally cultivated by the resource poor, small and marginal farmers in less remunerative lands with inadequate use of inputs. The Committee are disappointed to note that there is no major genetic breakthrough in evolving new varieties of pulses which would give better yields amid adverse conditions and no proper strategy been evolved to encourage the farmers to take to cultivation of pulses in a big way.

Despite the pulse production programme having been undertaken on a mission mode, there is heavy shortfall in the financial utilization and there is less demand for funds from the agencies like NSC and SFCI distribute quality seeds to the small and marginal farmers.

Therefore, the Committee strongly recommend that :

- (i) The Government must formulate proper price policy which must include price support operation for pulses so that the cultivation of pulses would become an attractive proposition for the farmers.
- (ii) There should be greater coordination with the scientific institutions/organisations so that greater efforts are made in the field of genetic breakthrough in pulses.

- (iii) The poor and marginal farmers should be provided adequate amount of inputs in proper time.
- (iv) The Government should ensure that the amounts allocated for pulses are fully utilized through a suitable monitoring mechanism.

Comprehensive Crop Insurance Scheme

14.4. The Comprehensive Crop Insurance Scheme is a voluntary scheme and the States are free to opt for the scheme. From 1985 onwards 19 States and 4 Union Territories have implemented the scheme. At present, 15 States and 2 Union Territories are availing the Crop Insurance facility. The Scheme is being implemented by the General Insurance Corporation on behalf of the Government of India and the State Governments. During 1996-97, the total outlay for Crop Insurance was Rs. 110.43 crores including Rs. 4.00 lakhs as grants-in-aid for making contribution to new schemes. Since no new State opted for the scheme during 1996-97 no provision has been made at the RE stage. The Committee note with concern that the number of States opting for the scheme has decreased since the implementation of this scheme in 1985 and therefore the funds earmarked for the scheme remained unutilized. Regarding the steps taken by the Ministry to treat Crop Insurance at par with the insurance cover given to industrial sector and to make it really comprehensive, the Committee have been informed that it is difficult to determine both the extent of insurance cover and the losses because crops are not properties of fixed and known values. The Committee are not satisfied with the reply furnished by the Department. The Committee wish to point out that the draft Agricultural Policy has suggested that Agriculture should be treated at par with the Industry and therefore, the recommend that the government should reconsider the entire matter to find a suitable way out to make the crop insurance scheme more broad based and really comprehensive.

Natural Disaster Management

14.5. The Committee note that during the Eighth Plan period an expenditure of Rs. 2.60 crores only has been incurred out of the actual total Plan outlay of Rs. 6.40 crores in favour of the Central Sector Scheme on Natural Disaster Management leaving an amount of Rs. 3.71 crores unspent. The Committee note that the shortfall in

expenditure was due to the fact that the Government could not muster enough efforts for generating response from State Governments, Research Institutions/Organisations etc. to utilise the funds. Even during the year 1996-97, only an amount of Rs. 62 lakhs has been utilised out of the budgetary allocation of Rs. 200 lakhs. With the kind of shortfalls, the Committee are at a loss to know as to how the government would achieve the objective of promoting preparedness among the people and to undertake mitigation measures for reducing the adverse impact of Natural Disasters. The Committee, therefore, recommend that suitable special steps should be urgently taken to speed up the momentum of activities under the Plan scheme so that more institutions/organisations are goaded to undertake appropriate activities in the matter of disaster reduction.

Under Utilisation of Funds in the Schemes Under Crops Division

14.6. The Committee observe that in Crop Division there has been a major shortfall in terms of fund utilization in almost all the Centrally Sponsored Schemes/Programmes during the 8th Plan period and the foodgrains output in 1995-96 has come down to 185 million tonnes from 191.5 million tonnes in 1994-95. The Committee further note from the Economic Survey of India that the decrease in production was mainly on account of wheat, kharif, rice, bajra and pulses. The most unexpected development was the late realization in 1996 that the wheat harvest would be just about 62.6 million tonnes which is lower by about 3 million tonnes than that of the preceding year. This was a serious set back and its late realization did cause some distortions in wheat availability. The Committee express concern about the stagnation in the foodgrains production during the last two years, as foodgrains account for about 63 percent of country's agricultural output and even a marginal decline in foodgrains production has a 'ripple effect' on rest of the economy. If this trend continues it could become a matter of grave concern. In order to achieve the required foodgrain production of 210 million tonnes for a vast population of millions of people during 1997-98 and in the coming years the Committee recommend that the Ministry should take comprehensive measures for maximising the production.

The Committee desire that in order to improve production the area under cultivation should be increased and the department should ensure optimum and timely availability of inputs such as water,

fertilizers, pesticides and machinery to the farmers. The Committee, further, recommend that the Central Government should take strict measures to ensure the utilization of the allocations provided to the schemes under the Crops Division.

Fisheries

14.7. The Committee observe that there has been major shortfall in achieving financial targets in Central Institute of Coastal Engineering for Fishery which is located at Bangalore for studying techno-economic feasibility for location of fishery harbours and brackish water farms. The Committee further note from the consolidated notes that the reasons for shortfall is due to reduction in Annual Plan outlays as various expansion plans of the Institute could not be executed because of delay in acquisition of land for the office site from Bangalore Development Authority. In the Action Taken Reply the Government have replied that the matter is being vigorously pursued.

The Committee note that the delay in acquisition of land for the Institute has been adversely affecting the functioning of this Institute. The Committee, therefore, recommend that the Institute should be immediately shifted to some other place in the country and it should be situated preferably in the coastal area where there will be no dearth of land for the Institute. The Committee feel that the Institute would serve the objective for which it is created if it is situated in the coastal area and the very name of the Institute also suggests that it should be on the coasts.

Integrated Fisheries Project, Kochi

14.8. It has been observed by the Committee that under the Integrated Fisheries Project, Kochi, there is a major shortfall in the achievement of both the physical and financial targets. During 1996-97 against an allocation of Rs. 5.64 crores, an expenditure of Rs. 4.75 crores only has been incurred leaving an amount of Rs. 89.00 lakhs unspent. The reasons for shortfall have been largely due to the delay in acquisition of 2 vessels from Bharati Shipyard Limited in replacement of the 2 Japanese vessels which were destroyed in an accident. The repair work on one of the vessels is going on and the vessel is likely to be operational shortly and the other one will be ready for operation only in the next financial year. The Committee observe that this, may be, one of the reasons for not achieving the target but the physical achievement relating to processing, popularising and test marketing of

unconventional varieties of fish is not dependent on these factors. The Committee find the reply of the Government evasive and do not approve of it. The Committee would like to be apprised of the specific reasons for the shortfall in achieving the physical targets and the corrective steps proposed to achieve both physical and financial targets in the matter.

Development of Coastal Marine Fisheries and Welfare of Fishermen Scheme

14.9. Although it has been accepted by the Ministry that Coastal aquaculture has to be done in a regulated manner and there is a need to protect the traditional fishermen, it has been observed by the Committee that there has been major shortfall under the scheme for Development of Coastal Marine Fisheries during 8th Plan period. Further, during 1996-97 the allocation has come down in the RE stage in view of less demand from States and from Fisherman Community. The Committee desire that the Union Government should contemplate taking some steps to make these important programmes more attractive which may induce the State Government as well as the traditional fisherman having poor economic background to accept them for implementation.

Horticulture

14.10. The Committee note that against VIIIth Plan outlay of Rs. 1000 crores in this Sector, the actual budgetary outlay was for Rs. 784.45 crores, and out of this, an amount of Rs. 711.34 crores has been actually spent. An amount of Rs. 73.11 crores remained unspent. The reasons given by the Ministry for the gradual decrease in expenditure are :— (i) non-implementation of the schemes of export enhancement programme, foreign aided projects, Human Resources Development and Infrastructure support to horticulture; and (ii) the non-performance of a few major States namely UP, Bihar and West Bengal. The Committee are alarmed at the distressing state of affairs obtaining in the sphere of horticulture plans which have been projected as great export revenue earners for the nation. While the farmers could not obtain sufficient funds, the Government could not spend the funds allocated to them for horticulture development. The Committee further note that the development of infrastructure was one of the thrust areas envisaged during the 8th Plan and the funds remained unutilized due to non-implementation of the scheme relating to infrastructure support to horticulture.

The Committee also note that in the first 4 years of the 8th Plan, there was no target fixed for distribution of plants from the Nutritional Gardens in Rural Areas. Even where targets were fixed, only 6.33 lakh plants were distributed and a shortfall of 210.15 lakh plants was registered.

Therefore, the Committee desire that the Ministry must make sincere efforts in implementing the schemes by gearing up the implementation machinery both in the Central and State Governments in general and in Uttar Pradesh, Bihar and West Bengal in particular. Further, the Committee expect that special efforts should be made to utilize the funds allocated for this important sector during the 9th Plan and wherever necessary, the strategy should be modified in the light of the experience gained during the Eighth Plan period. The Committee would like to know from the Ministry about the steps being taken with reference to the States which have not actually utilized the yearly allocations and have been lagging behind others in the matter.

Integrated Development of Tropical, Arid and Temperate Zone Fruits

14.11. The Committee note that under the scheme for Integrated Development of Tropical, Arid and Temperature Zone Fruits, against a target of 69 big nurseries during the 8th Plan period only 50 could be established and against the target of 498 small nurseries only 299 could be established. The Committee have also been informed that the targets have been scaled down considering the achievement and the fewer number of requests from the State Governments.

The Committee in its Ist Report had expressed its displeasure regarding the poor performance of the Government in this regard and had recommended to pay special attention to the task of establishment of nurseries all over the country. The Committee are pained to note that despite the Committee's recommendation, the Ministry could not achieve the targetted goal during 8th Plan and instead the targets have been scaled down. The Committee find that the States have not evinced much interest in this programme.

Keeping in mind the important role played by big and small nurseries in the development of horticulture, the Committee reiterate its earlier recommendation that speical attention should be paid by

the Government in the matter of establishment of nurseries all over the country so that goals are achieved in full by proper and adequate supply of saplings.

Use of Plastics in Horticulture & Drip Installation/Irrigation

14.12. The Government has informed that the actual target for drip irrigation during the VIIIth Plan was 1,07,802 hectares and the achievement is expected to be 1,06,103 hectares subject to availability of additional funds. The shortfall has been attributed to restriction on the area eligible for subsidy per beneficiary during 1994-95.

The Committee has been further informed that out of the increased allocation of Rs. 87.98 crores in 1997-98 under major Head 3601, a sum of Rs. 33.57 crores has been kept for meeting the increased demand from States for assistance for drip installations.

During evidence the Government has informed that the entire use of plastics in the country, is roughly 3.7 million tonnes out of which 1.4 lakh tonnes is used by agriculture. This is likely to go up despite the multiple use of plastics throughout the economy.

The Committee is happy to note that 98% of targets have been met in drip irrigation during the VIIIth Plan and feel that the Government would keep up this progress in the 9th Plan also. However, Committee recommends to undertake the study to find out its actual use on farmers field.

However, they are disappointed to note that in the matter of coverage under drip demonstration programme, the physical achievement is only 33 per cent of the original target which will adversely affect the rate of absorption of this technology by the farmers in the absence of proper demonstrations. They, therefore, recommend that the Government should ensure 100% achievement of target in this demonstration scheme.

The Committee also recommends that NCPA should work in close coordination with the Engineering Division of ICAR so that the duplication of research can be avoided. There is need to give emphasis on conducting the research on design parameters of drip and sprinkler irrigation systems.

Seeds

14.13. The Committee observe that the allocation for Central Scheme on seeds during the 9th Plan has been reduced to Rs. 142.95 crores in comparison to Rs. 200 crores during the Eighth Plan. For the year 1997-98 under the Minor Head 103 the BE is Rs. 1.4 crores against an amount of Rs. 25.56 crores for 1996-97. Further, the Government has reduced the grants-in-aid to National Seeds Corporation etc. sizeably from Rs. 24.90 crores in 1996-97 to Rs. 0.49 crores in 1997-98. With regard to the reasons for the reduced allocations, the Committee have been informed that the assistance available from the World Bank Aid Project to NSP-III did not any longer exist and therefore the amount has been slashed down. When asked about the impact of the reduced allocations on the agencies who are assigned the task of providing adequate certified/quality seeds, the Committee have been informed that under the World Bank aided NSP-III, substantial assistance have been provided to NSC, SFCI and eleven State Seeds Corporations for organisational and financial restructuring and they have now become self-reliant. Under NSP-III, many restructuring works have been completed and they have started earning profit. Hence, there is no immediate need for providing further assistance.

The Committee observe that in many States, the farmers are using locally available seeds which are not having any guarantee for germination and the farmers are not getting due returns from their investment as a result of it. The Committee strongly feel and desire that the Union Government should have a freshlook at this important scheme especially at this crucial juncture when the quantum of production of foodgrains is going down at an alarming rate *vis-a-vis* the population growth-rate.

Delay in Release of Funds for Seed Development

14.14. Under the Centrally Sponsored Scheme on Integrated Seed Development Programme, almost the entire allocation of Rs. 80 lakhs for 1995-96 was released only in March 1996 and the State Governments could not utilize the amount so released as it was not possible for them to issue administrative approval for implementing the schemes at such a late stage. The Planning Commission approved the scheme in the month of April, 1995.

The Committee do not appreciate the habit of last minute release of funds at the fag end of the financial year with respect to important

plan schemes. The Committee expect that the Government would hereafter ensure the early release of funds in the beginning of the financial year itself so that the implementation of plan schemes is not impeded due to non-availability of funds in time.

Transport Subsidy on Seeds

14.15. The Committee note that against an envisage outlay of Rs. 3.00 crores for the 8th Plan, the actual budgetary provision made during the entire 8th Plan period under the scheme of transport subsidy on seeds was only Rs. 2.10 crores. Even out of this Rs. 2.10 crores, only a sum of Rs. 1.57 crores was actually spent. The Ministry have stated that due to the time taken for making tie-up arrangements amount various agencies and seeds producing States which are situated in far of places from North East there was shortfall in expenditure. The Committee feel that although the soil in North Eastern Sector is very fertile to grow various commercial crops, agricultural production could not pick up due to non-availability of quality seeds in time. The Committee recommend that special efforts should be made to expedite the tie-up arrangements among various agencies and the receiving States and the farmers of the North Eastern States should be educated about the advantages of using the improved varieties of seeds in order to enhance production in those States.

Co-operation

14.16. The Committee is informed that the National Agricultural Co-operative Marketing Federation of India Limited is the nodal agency for undertaking Price Support Scheme (PSS) and the Market Intervention Operation (MIS). Under the Price Support Scheme (PSS) the agricultural commodities covered are pulses and oil seeds. Losses, if any, are reimbursed fully by the Government to NAFED under the Market Intervention Scheme (MIS) the losses are shared between the Central and State Government on 50 : 50 basis.

In the year 1995-96 a sum of Rs. 0.01 crores was allocated at Budget Estimate stage which rose to Rs. 120.00 crores at RE Estimate stage. In 1996-97 the Budget Estimate was Rs. 0.01 crores and Revised Estimate was Rs. 1.00 crores. In 1997-98 the Budget Estimate is Rs. 1.00 crores.

The Committee is further informed that in 1994 season 61,749 MTs of Copra was procured under (PSS) and an amount of Rs. 458.53 lakhs was incurred as loss. In 1995 season, a quantity of 5619 MTs of

Copra was procured and a profit of Rs. 8.37 lakhs was earned. Thus the total liability toward losses of Copra was Rs. 4580.16 lakhs.

NAFED was allocated Rs. 120.00 crores for PSS and MIS by the Government in Revised Estimate 1995-96. The other losses suffered by NAFED in 1994-95 and 1995-96 were Rs. 3.05 crores (MIS) and Rs. 1.91 crores (MIS). The total liability being Rs. $45.80+3.05+1.91=Rs. 50.76$ crores. Thus NAFED was left with a balance of Rs. $120.00 - 50.76 = Rs. 69.24$ crores. However, in their written replies the Department has stated that Rs. 23.50 crores was surrendered as surplus allocation further under the MIS the share of State Governments is 50%. Therefore another Rs. $4.96 - 2.48 = Rs. 2.48$ crores should be surplus to NAFED.

The Committee are surprised at the calculations of NAFED and feel that NAFED has accrued advantages to itself through PSS & MIS huge funds to the tune of Rs. $69.24 - 23.50 + 2.48 = Rs. 48.22$ crores.

Plant Protection

14.17. The Committee observe that on account of indiscriminate use of chemical pesticides over the years, poisonous substances have entered into the food chains posing a severe health hazard. The situation is more alarming in the case of vegetable crops. The Committee note that the department has launched an ambitious programme on Integrated Pest Management through which a number of IPM field schools/training centres have been established and demonstrations at various places are being organised. The Standing Committee on Critical Agricultural Inputs and Pesticides had recommended an outlay of Rs. 298.95 crores for this scheme during 9th Plan as against Rs. 45.00 crores during 8th Plan. However, the Committee are disappointed to note that during the entire Eighth Plan period, under the scheme of Integrated Pest Management Centres only 1,55,713 farmers were trained against a target of 2,10,000 in the IPM Farmers Field Schools. The Committee recommend that in the years to come the Government should endeavour to achieve 100 per cent physical target in this regard, as this training alone could make them adopt the IPM techniques and would make them analyse the agro-ecosystem properly to take their decisions in their fields.

Fertilizers

14.18 The progress made under the Fertilizer Sector in terms of assured availability and supply of organic and inorganic fertilizers,

their balanced use and rational distribution of subsidy on decontrolled as well as controlled fertilizers has been proceed shoddy beyond doubt. The Central plans being propagator by the Central Government could not deliver the coveted goods (i) to stop hoarding of fertilizers and then their black marketing (ii) to rectify the imbalanced use of fertilizers and (e) to provide the real benefit of subsidy to the beneficiaries i.e. peasantry. The statistics achieved during VIII plan in respect of physical as well as financial have not been encouraging and worth appreciating. Under the Central Plans scheme i.e. Balanced and Integrated use of Fertilizers out of Rs. 24.75 crores VII Plan allocations only Rs. 18.30 crores were spent leaving a sizeable amount of Rs. 6.45 crores unspent. Against the training targets (in composite technique) of 1405, only 1024 persons were trained during VIII Plan. Similar is the case with frontline demonstrations. The Committee note with satisfaction that this year i.e. 1997-98 a new scheme Modernisation of Soil Testing has been introduced to check the imbalance of NPK nutrients but at the same time they do not want to lose the opportunity to criticise the very meagre amount of Rs. 1 crore allocated for this purpose.

The Committee are not happy with present state of affairs prevailing in respect of the fertilizers' timely and adequate availability, their efficient distribution and balanced use and genuine prices to be paid by the farmers. The Committee believe firmly that to meet the required target of 210 million tonnes by 2000 AD, it is most imperative to increase our growth rate of production which can be done only with a better production be done only with a better productivity. To attain the same, the Committee recommended hereas:

14.19. The new scheme *i.e.* Modernisation of Soil Testing be made a national campaign and farmers should be educated to use only those fertilizer nutrients which are found deficient in their land and also upto the extent required. The funds under this scheme, if found inadequate, must be raised through revised estimates.

14.20. The Central Plan Scheme *i.e.* Balanced and Integrated use of Fertilizers must be executed more vigorously and the entire allocation made during 1997-98 be utilized effectively.

14.21. The Central Government must explore and come out with any patent and impregnable mechanism so that the real benefit of subsidy of fertilizers go down to the real beneficiaries i.e. peasantry.

14.22. The indigenous production of fertilizer should be enhanced by reactivizing the fertilizer factories which are sick/closed. A specific scheme should be drawn up in this scheme in order to save foreign exchange which is spent to importing fertilisers.

Agricultural Implements & Machinery

14.23. It is observed from the Eighth Plan Outlay and the anticipated expenditure that the schemes of Development of Prototypes of Industrial Designs of Agricultural Implements and setting up of Farm Machinery Training and Testing Institutes in Rajasthan and Tamil Nadu have virtually not taken off. In the other sectors also there is an all round shortfall in the utilization of allocations.

Development of Prototypes is a research oriented programme. The ICAR has also a similar programme for the same purpose under their Agricultural Engineering Plan schemes. It has been observed that out of Rs. 58.20 crores only Rs. 14.01 crores had been spent during the entire Eighth Plan period.

The Committee feel that this programme could be merged with the ICAR Programme and there is no need for having a duplicate allotment of money to two different Departments of the same Ministry for the same purpose. Since ICAR is doing research for the entire agriculture the programme may be taken up entirely by them.

The Committee also recommend that the setting up of Training & Testing Institutes in Rajasthan & Tamil Nadu which are virtually non-starters may be taken up at a war footing and the funds for the purpose should be fully utilized.

NEW DELHI;
10 April, 1997

20 Chaitra, 1919 (Saka)

SANTOSH KUMAR GANGWAR,
Chairman,
Standing Committee on Agriculture.

APPENDIX

MINUTES OF THE TWENTY SEVENTH SITTING OF THE
STANDING COMMITTEE ON AGRICULTURE HELD ON
THURSDAY, THE 10TH APRIL, 1997 AT 1500 HRS. IN
COMMITTEE ROOM 'D', PARLIAMENT HOUSE ANNEXE,
NEW DELHI

The Committee sat from 1500 hrs. to 1700 hrs.

PRESENT

Sh. Santosh Kumar Gangwar — *Chairman*

Lok Sabha

2. Shri Pandurang Fundkar
3. Shri Ramesh Bais
4. Shri Thawar Chand Gehlot
5. Shri Padamsen Chaudhary
6. Shri Bhimrao Badade
7. Shri G. Mallikarjunappa
8. Shri Manibhai Chaudhuri
9. Shri Sohanveer Singh
10. Smt. Ratna Singh
11. Shri Gangadhar Kunturkar
12. Shri Gulam Mohd. Mir Magami
13. Shri Meti Hullappa Yamanappa
14. Shri Mahaboob Zahedi
15. Shri Suresh Jadhav
16. Shri Sode Ramaiah
17. Dr. Mohan Singh
18. Shri Bhim Prasad Dahal

Rajya Sabha

19. Shri Ananta Sethi
20. Maulana Habibur Rahman Nomani
21. Shri Jagir Singh Dard
22. Shri Shiv Charan Singh
23. Dr. Ranbir Singh
24. Shri Ramnarayan Goswami
25. Shri Devi Prasad Singh
26. Shri Sharief-ud-din Shariq

SECRETARIAT

1. Shri S. Bal Shekar — *Deputy Secretary*
2. Shri Mange Ram — *Under Secretary*
3. Shri K.L. Arora — *Assistant Director*

2. At the outset Chairman (AC) welcomed the Members to the sitting of the Committee and requested them to take up for consideration one by one the Draft Reports on Demands for Grants 1997-98 in respect of the Ministry of Agriculture, Department of Agriculture and Cooperation, Department of Agricultural Research and Education and Department of Animal Husbandry and Dairying, and the Ministry of Water Resources & Ministry of Food Processing Industries.

3. The Draft Reports were considered one by one and adopted with slight amendments/modifications.

4. The Members of the Committee, thereafter, authorized the Chairman to present the Reports on Demands for Grants 1997-98 in respect of the Ministry of Agriculture, Department of Agriculture and Cooperation, Department of Agricultural Research and Education, and Department of Animal Husbandry and Dairying, the Ministry of Water Resources & Ministry of Food Processing Industries to the House on a date and time convenient to him.

5. Hon'ble Chairman thanked the Members for their dedicated involvement during the sittings of the Committee and the officers and staff of the Agriculture Committee Branch for their efficient work in formulating and conceptualizing the ideas of the Committee into fruitful recommendations and preparing the reports in such a short time.

The Committee then adjourned.