

**ESTIMATES COMMITTEE  
(1972-73)**

**(FIFTH LOK SABHA)**

**THIRTY-SIXTH REPORT**

**MINISTRY OF AGRICULTURE  
(DEPARTMENT OF AGRICULTURE)**

**Special Programmes for Weaker Sections and  
Employment**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*April, 1973 | Chaitra, 1895 (Saka)*

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Special Programmes for Weaker Sections and  
Employment.

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(1972-73)

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## INTRODUCTION

1. The Chairman, Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present this Thirty-Sixth Report on the Ministry of Agriculture—Special Programmes for Weaker Sections and Employment.

2. The Committee took evidence of the representatives of the Ministry of Agriculture at their sittings held on the 6th, 7th and 8th December, 1972. The Committee wish to express their thanks to the Secretary, Department of Agriculture; Secretary, Departments of Community Development and Cooperation and other officers of the Ministry of Agriculture, Ministry of Irrigation and Power, Ministry of Industrial Development and the Planning Commission for placing before them the material and information which they desired in connection with the examination of the subject and for giving evidence before the Committee.

3. The Report was considered and adopted by the Committee on the 27th March, 1973.

4. A statement giving the analysis of recommendations contained in the Report is appended to the Report (Appendix VI).

KAMAL NATH TEWARI.

*Chairman,  
Estimates Committee.*

NEW DELHI;

April 3, 1973.

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Chaitra 13, 1895 (Saka).



## CHAPTER I

### SFDA/MFAL SCHEMES

#### A. Introductory

Farming in India is the major occupation supporting 75 per cent of the working-force. The average size of the operational holding is small and the distribution uneven. The number of small holdings of 2 hectares and less is 62 per cent of the total number but the area cultivated is less than 20 per cent of the total cultivated area. Thus, the numerically strong but economically weak section of the rural community consists of small farmers with less than 2 hectares. Agricultural workers form 69.5 per cent of the total number of workers, of this landless agricultural workers form 16.7 per cent.

1.2. It has been stated that the dramatic success of the new agricultural technology in increasing production and consequently the wealth of the producer has widened the gap between the rich farmers with access to the inputs and services and the weaker section of small farmers. The need to reduce and eliminate this hiatus between the more privileged and the less privileged is now recognised.

1.3. In presenting the Budget for 1970-71 the Prime Minister referred to some of the new initiatives for the well-being of the needy and the poor in the shape of schemes for small farmers and agricultural labour. The main features of these schemes were outlined in a Brochure entitled "Towards Growth with Social Justice" which was circulated to Members of Parliament along with the Budget papers for 1970-71. The Brochure points out that "during the formulation of the Fourth Plan, certain studies on the problems of small farmers were carried out at the instance of the Planning Commission. These studies have shown that while the handicaps of such farmers differ from area to area, the major disadvantages they suffer from are fragmentation of holdings, inadequate and untimely supply of inputs and water, insecurity of tenure, lack of sufficient credit facilities and unsatisfactory arrangements for marketing and storage. These studies also show that the small farmers are no less progressive than the large farmers in their willingness to adopt modern inputs and agricultural practices. The approach to the problem of small but potentially viable farmers, should therefore consist not so much in developing a different technology as in providing them with the resources to participate in the available technology."

1.4. Regarding Government's approach to the problem of small farmers and agricultural labour the Brochure states that "Government attach very high priority in the Fourth Plan and in the annual plans and budgets to measures specifically designed to enable the weaker sections of the rural population to participate in the benefits of economic growth in the rural sector.

1.5. The principal objective is that employment and income opportunities for the rural poor and the productive potential of the economically weak farmer should be significantly increased. Towards this end, action is necessary on a variety of fronts, by the centre and State Governments and with the support of resources from the Budget, the credit system and also from local resource mobilisation."

1.6. The schemes of Small Farmers Development Agency (SFDA) and Marginal Farmers and Agricultural Labourer Agency (MFAL) are central Sector Schemes, and expenditure thereon is borne by the Government of India. It has been stated that the Fourth Five Year Plan provides an outlay of Rs. 103 crores for the two special programmes to be allotted approximately at the rate of Rs. 1.5 crores per SFDA project and Rs. 1 crores per MFAL project. The SFDA/MFAL agencies are in position in 87 project areas all over India (46 SFDA's and 41 MFAL's). A list of the projects is at Appendix I.

1.7. It has been stated that all except 3 of the 46 SFDA projects were sanctioned during 1970-71 and it was only in 1971-72 that the progress under the various programmes picked up. In the case of MFAL's the sanctions were completed in 1971-72.

### **B. Definition of Small and Marginal Farmers**

1.8. The small farmers have been defined as those potentially viable farmers who with the development of irrigation, application of modern technology and supported by organised supply of inputs and marketing, could become viable farmers. The emphasis is, therefore, on improved and intensive agriculture. In the small farmers development agencies, the limit of 1 to 3 hectares of land holdings has generally been adopted in identifying such farmers. The land holdings limit adopted are *ad hoc* and are not based on detailed income studies.

1.9. The Marginal Farmers are those below this level whose agriculture can be improved but who would rely on mixed farming with subsidiary occupations like dairy, poultry and off-season employment for raising their standard of living. In the MFAL agencies the limit of 1 hectare has generally, been adopted.

1.10. The agricultural labourers have been defined as those having a homestead and deriving more than 50 per cent of their income from agricultural wages.

1.11. During evidence the Committee enquired whether the farmer owning 4 to 6 hectares of land should be categorized as big farmer and should be denied the benefits of the scheme. The representative of the Ministry of Agriculture stated: "He will not be treated as a participant under this scheme." Clarifying the position, the witness added, "while identifying the participant, we can either adopt the income definition or the holding definition. We have purposely adopted the holding definition because it is simpler and our village level workers will be able to do this work and they will be able to explain things. They would be able to identify the people more readily."

1.12. When asked why the land holding limits which had been adopted were *ad hoc* and no detailed income studies had been made, the witness explained the position as under:—

"It is taken up on a very ready and rough basis. For instance, in the case of a small farmer, for irrigated land, we go up to 7.5 hectares. We assume that from an irrigated land, a man will have a higher return, because, he will be able to go in for multiple cropping etc. He will get a better yield. The study is there but, it is taken up on a rough and ready basis."

1.13. The Secretary, Department of Agriculture, stated that the land holding limits had been varied according to the special circumstances in the projects areas. For instance, for dry areas, in Andhra Pradesh, Madhya Pradesh, Mysore and Maharashtra land holding limits for small farmers had been taken as 10 acres or 4 hectares of land.

### C. Identification of Participants

1.14. It has been stated that "the Chief function of the agencies (SFDA/MFAL) is to identify the participants study their problems, draw up suitable programmes for them, locate institutional support, arrange extension, services and provide supervision for the adoption and implementation of the programme."

1.15. Upto 31st October, 1972 various SFDAs have identified 20.93 lakh participants which include 4.89 lakh marginal farmers. On MFAL side, the agencies have identified 9.71 lakhs marginal farmers and agricultural labourers.

1.16. In a subsequent note the Ministry of Agriculture have explained that briefly, the following procedure is followed by the Agencies for identification of participants:—

“The Agencies are expected to keep within the parameters with respect to land holdings laid down by the Secretaries Committee for identification of beneficiaries. Each Agency has to devise a proforma for recording information like size of the holding, irrigated and un-irrigated area, cropping pattern, source of irrigation, milch cattle etc. kept on the farm and income from such sources, agricultural implements used by the farmers and so on. The list of eligible farmers is to be prepared on the basis of Land Records and is to be verified with reference to actual cultivation by the Extension Agency. While determining the eligibility of the farmers, the size of the operational holding will be taken into consideration. Identification is also required to be done with reference to specific programme activities of the Agency and the list of identified participants then passed on to the financing institutions (co-operative as well as commercial banks). Simultaneously, efforts would be made to enrol farmers as members of co-operatives to facilitate flow of credit from the cooperative institutions to the identified participants.

The instructions issued by the Government of India are of a general nature and the Agency have the freedom to adopt them with suitable variations, wherever necessary, to suit local requirements. As the Agency has only a small nucleus staff, the work of identification is to be carried out with the help of the “Patwari” and Extension Agency at the field level. The verification in respect of individual cases will also be done by Extension Officers and the Block Development Officers. The Project staff of the Agency will test check this list to ensure that only eligible farmers are identified for various programme activities.”

1.17. The Committee note that the number of small holdings of 2 hectares and less comprises 62 per cent of the total number of agricultural holdings but the area cultivated is less than 20 per cent of the total cultivated area. Thus, the numerically strong but economically weak section of the rural community consists of small farmers with less than 2 hectares. Agricultural workers form 69.5 per cent of the total number of workers, out of which 16.7 per cent comprise landless agricultural workers.

1.18. The Committee further note that the dramatic success of the new agricultural technology has widened the gap between the rich farmers with access to inputs and services and the weaker section of small farmers.

The approach to the problem of small but potentially viable farmers should consist not so much in developing a different technology as in providing them with the resources to participate in the available technology.

1.19. The Committee also note that Government have attached very high priority in the Fourth Plan and in the annual plans and budgets to measures specifically designed to enable the Weaker Sections of the rural population to participate in the benefits of economic growth in the rural sector. The principal objective is that employment and income opportunities for the rural poor and the productive potential of the economically weak farmer should be significantly increased.

1.20. The Committee note that both SFDA and MFAL agencies are required to indentify the participants within the parameters laid down in this regard with a view to ensure that benefit of the activities both developmental and financial go to them only. The Committee cannot too strongly stress that every care should be taken to see that only those farmers, who are small and for whom the scheme is designed, get the developmental and other financial benefits.

1.21. The Committee understand that under the Scheme of Small Farmers Development Agency the emphasis is on improved and intensive agriculture and limit of 1 to 3 hectares of land holdings has generally been adopted in indentifying such farmers. The marginal farmers on the other hand are those below this level whose agriculture can be improved but who would rely on mixed farming with subsidiary occupation like dairy, poultry and off-season employment for raising their standard of living. The Scheme of Marginal Farmers and Agricultural Labourers Agency is intended to take care of marginal farmers and agricultural labourers. The agricultural labourers have been defined as those having a homestead and deriving more than 50 per cent of their income from agricultural wages.

1.22. The Committee further note that SFDA/MFAL agencies are in position in 87 project areas all over India (46 SFDA and 41 MFALs). All except 3 of the 46 SFDA projects were sanctioned during 1970-71 and it was only in 1971-72 that the progress under the various programmes picked up. In the case of MFALs, the sanctions were completed in 1971-72. Upto the 31st October, 1972 various SFDA have identified 20.93 lakhs participants which include 4.89 lakhs marginal farmers. On MFALs sides, the Agencies have identified 9.71 lakhs marginal farmers and agricultural labourers.

1.23. The Committee would like Government to review the two schemes in the context of the actual experience gained in the implementation of the projects most of which were sanctioned in 1970-71 and 1971-72. The

**Committee would like Government to bring about the necessary improvement in the schemes to achieve the objective of helping the small farmer and marginal farmer and agricultural labour to break the shackles of poverty. The Committee trust that after making an objective assessment of the working of these schemes Government will consider their expansion to other areas in the country to provide coverage to the weaker sections of the society within the shortest possible time.**

#### **D. Fragmentation of Land Holdings**

1.24. It has been stated "when land was available for distribution, landless labour, and not the small farmers, generally received a higher priority. Therefore, the process of distribution, rather than enlarging the existing small holdings, created new holdings which were generally small. As a result, the measure has probably increased somewhat the number of small farms and farmers rather than reducing it." It has been suggested that further fragmentation of land should be prohibited.

1.25. When the Committee enquired during evidence whether it was a fact that fragmentation of agricultural land was still going on fast, the representative of the Ministry of Agriculture stated that under the SFDA/MFAL Schemes the focus of attention was the "Small farmer" and not the "Small farms" as such. In this connection, the Secretary, Department of Agriculture, informed the Committee that in the process of redistribution of land, preference has to be given to landless labourers and amongst the landless labourers, to members of Scheduled Castes and Scheduled Tribes. The redistribution of land was not possible without increasing the number of small holdings in the country. In reply to a specific question whether the multiplication in the number of small holdings would not frustrate the SFDA/MFAL scheme which sought to make small farmers economically viable, the Secretary, Department of Agriculture, stated:—

"The point is well taken. It is recognised that the small areas that are available for redistribution will not enable the creation of new holdings of economic size. . . . The new farming units that are being created for the previously landless population should be made viable from the very start."

1.26. Asked what remedial measures had been taken to stop further fragmentation of land, the Secretary, Department of Agriculture, stated that some States had enacted laws to prevent fragmentation of holdings below certain prescribed limits. In addition, some States had also made some progress in the consolidation of holdings.

1.27. The Committee enquired what was the minimum acreage of agricultural holding which could be considered economically viable. The Secretary, Departments of Community Development and Cooperation stated as under:—

“One hectare of irrigated land with all assured inputs—not this alone, but subsidiary occupations also like dairy and poultry etc., should make him economically viable for the purpose of this scheme.”

1.28. In a written note furnished to the Committee, the Ministry of Agriculture have stated:—

“The Fourth Five Year Plan has already drawn attention on the need of distribution of surplus land to the landless agricultural workers on a systematic basis. Although land reform including distribution of Government waste land and surplus land is a State subject, the Government of India has suggested time and again to the State Governments for speedy and effective implementation of land reforms and for quick distribution of surplus land to the landless agricultural labourers giving priority to members of Scheduled Castes and Scheduled Tribes. In the matter of allotment, the States have followed different practices. In some States, allotment is made in blocks of 3 to 5 acres; in Kerala there is a limit of one acre and in West Bengal of 2 acres. In Maharashtra Ceiling Bill as passed by the State, they have provided for one hectare of irrigated land, 3 hectares of unirrigated land. In the Chief Ministers' Conference held on July 23, 1972, it was agreed that while distributing surplus land priority should be given to the landless agricultural workers particularly those belonging to Scheduled Castes and Scheduled Tribes.”

1.29. Regarding measures for stopping fragmentation of operational holdings, the note points out that:—

“Consolidation of holdings is a curative measure and the Fourth Five Year Plan has given considerable emphasis on the programme of consolidation of holdings. During the Fourth Five Year Plan a provision of Rs. 28.76 crores has been made by the State Governments to consolidate an area of 9.4 lakh hectares. The work is almost over in Punjab and Haryana and considerable progress has been made in Uttar Pradesh,

Maharashtra and Madhya Pradesh. Progress achieved in different States is indicated below:

(Thousands hectares)

State	Area consolidated	Information relates to the period ending
Andhra Pradesh	15	April, 1966
Bihar	70	1971
Gujarat	1040	March, 1972
Haryana	3305	—
Jammu and Kashmir	40	—
Madhya Pradesh	3179	March, 1972
Maharashtra	7584	March, 1972
Mysore	803	March, 1972
Punjab	4779	March, 1972
Rajasthan	1744	1971
Uttar Pradesh	10514	September, 1972
Delhi	66	1972
Himachal Pradesh	365	March, 1972
Chandiragh	46	1972

1.30. It has been stated that:—

“An obstacle to development of agriculture arises out of the fragmentation of holdings. Most holdings are not only small but widely scattered. Consolidation has been an important factor in the agricultural development of Punjab, Haryana and Uttar Pradesh. It is proposed to pursue programmes vigorously in other States. The programme of consolidation of holdings was discussed in the Chief Ministers’ Conference on Land Reforms held on 26th and 27th September, 1970. It was agreed that consolidation operations should be given higher priority.”

1.31. The Ministry of Agriculture have stated that some State Governments have already enacted laws for prevention of sub-divisions and fragmentation of holdings below the prescribed minimum areas. But from



the material furnished to the Committee it is observed that in some States like Kerala and Tamil Nadu there is no law for prevention of fragmentation of holdings.

**1.32. The Committee note that the Fourth Five Year Plan has already drawn attention to the need of distribution of surplus land to landless agricultural workers on a systematic basis. Although land reforms including distribution of Government waste land and surplus land is a State Subject the Government of India has suggested time and again to the State Governments for speedy and effective implementation of land reforms and for quick distribution of surplus land to the landless agricultural labourers giving priority to members of Scheduled Castes and Scheduled Tribes. The Committee further note that the process of re-distribution of land has accentuated fragmentation of land. On the one hand attempts are being made to raise the economic standard of small and marginal farmers through SFDA/MFAL schemes on the other, land allotted by Government is creating new farming units which are not of economic size.**

**1.33. The Committee feel deeply concerned about the problem of fragmentation of land. They suggest that Central Government should impress upon the State Governments the desirability of taking expeditious steps to discourage fragmentation of land and to ensure that viable and economic sized plots are initially allotted to landless population on a systematic basis. The Government of India should also impress upon the State Governments to enact suitable legislation to prevent fragmentation of land wherever it has not been done so far.**

**1.34. The Committee note that the progress of consolidation of holdings is not uniform in all the States. While in some States like Punjab and Haryana, the progress is appreciable, in other States like Andhra Pradesh, Bihar, Mysore, Jammu and Kashmir, the progress is negligible. The Committee need hardly stress that consolidation operations should be accorded a high priority. The Central Government should take up the issue of consolidation of holdings with the State Governments at the highest level and impress upon them the desirability of completing the work of consolidation of holdings expeditiously so that whatever harm has been done through fragmentation of land may be mitigated through curative measures of consolidation of holdings.**

**1.35. The Central Government should also undertake periodically in future evaluation of work done in respect of consolidation of holdings in each State to assess the actual progress made in this regard and advise the States about concrete measures which could be taken to accelerate the process of consolidation in the interest of having viable farms.**

## E. Implementation of Programmes by Agencies

### (i) General

1.36. It has been stated that the Agencies which implement the schemes in the field are corporate bodies registered under the Societies Registration Act. Under SFDA/MFAL schemes the amounts are released by the Central Government directly to the registered agencies and not routed through the State Governments. While the schemes do not encourage any direct financial assistance from the State Governments, the Agencies are not legally debarred from receiving grants from the State Governments.

1.37. The Agencies have a small membership consisting mainly of the representatives of the institutional agencies involved in the schemes. The head of the local development office like the Commissioner or the Deputy Commissioner is the Chairman. They have small administrative and coordinating cell comprising of a Project Officer and 2 to 3 Assistant Project Officers and an Office at the headquarters. The Agencies are expected to utilise the existing field institutions *i.e.* the Government development departments, local organisations particularly those of Panchayati Raj and Block Development, Cooperatives and other Institutions. The Agencies are to act as catalysts activating the existing institutions, providing support for them and creating new organisations wherever necessary to cater to the participants. The Agencies can also undertake directly such activities as promote the economic interest of the participants, like setting up infrastructural facilities.

1.38. It has been stated that the SFDA/MFAL schemes envisage that the State Government would underpin the programme of the Agencies with requisite staff support in the technical departments and blocks, provide infrastructural requirement and strengthen cooperative credit institutions under their normal plan schemes and provisions. In some specific programmes like construction of storage godowns or soil conservation or appointment of Secretaries to primary institutions, assistance from the Agencies is expected to supplement State plan provisions. The main principle is that the State Plan Programmes and the Agencies' efforts are dovetailed to form an integrated scheme of economic development.

1.39. The Ministry of Agriculture have stated that the SFDA/MFAL agencies are in position in 87 project areas all over India. 13 are composite projects covering small/marginal farmers and agricultural labourers. The SFDA agencies originally excluded marginal farmers from their coverage. However, on a review of the field position it has since been decided to extend the coverage to marginal farmers also, programme-wise.

1.40. The MFAL agencies are confined to marginal farmers and agricultural labourers.

1.41. The area of operation of an SFDA agency is generally, a district while that of the MFAL agency is a smaller area. Each SFDA agency is expected to deal with 50,000 small farmers and each MFAL 20,000 marginal farmers and agricultural labourers over a 5 year period. Even after the inclusion of marginal farmers in SFDA areas the average coverage is not expected to increase substantially because the coverage of marginal farmers would be on the basis of physical programmes available in the areas. Most of the SFDA/MFAL projects (42 SFDA's and 32 MFAL's) have been sanctioned in the course of 1970-71.

1.42. It has been stated that the programmes for the participants include minor irrigation, soil conservation and land improvement and subsidiary occupations like dairy, poultry and sheep breeding. In MFAL areas emphasis is on subsidiary occupations.

1.43. A statement showing Progress of implementation of SFDA/MFAL Programmes upto the 30th October, 1972 is given below:—

Particulars	S.F.D.A.	M.F.A.L
	1	2 3
1. No. of Projects	46	41
2. No. of participants indentified (in lakhs)	20.93*	9.71**
3. No. of enrolled as members of cooperatives (in lakhs)	9.81	2.53
4. No. of dugwells/tubewells.	40341	2617
5. No. of Pumpsets	10747	1166
6. No. of other Minor Irrigation Units	5507	281
7. Units of milch cattle	16470	9805
8. Poultry Units	2032	1668
9. No. assisted under Rural Artisans Scheme	866	866
10. No. assisted under Rural Works Programme	8531	35887

\*Including 4.89 lakh Marginal Farmers.

\*\*Including Agricultural Labourers.

1	2	3
<b>11. Loans disbursed (through cooperatives):—</b>		
	(Rupees in lakhs)	
CUMULATIVE: (a) Short-term loans . . . . .	2232.22	181.36
(b) Medium-term loans . . . . .	495.26	115.91
(c) Long-term loans . . . . .	1412.28	96.54
<b>12. Loans disbursed (through Commercial Banks):—</b>		
CUMULATIVE: (a) Short-term loans	69.05	27.71
(b) Term loans . . . . .	83.38	87.27

1.44. During evidence when the Committee enquired whether the entire amount of Rs. 103 crores allocated for SFDA/MFAL schemes would be spent by the end of 1973-74 which was the last year of the Fourth Plan, the Secretary, Department of Community Development and Cooperation stated as under:—

“These projects though mentioned for the Fourth Five Year Plan are for a five year period. The programme, the project report which we have sanctioned in the Government of India and which the State Governments have sent, are for a period of five years. The project started from 1970-71. Only three were sanctioned in 1969-70. All the projects were sanctioned in 1970-71 and 1971-72 and we have taken the informal concurrence of the Planning Commission that the project will continue for five years. Some projects will continue during two years of the Fifth Plan and some three years of the Fifth Plan. In this way we propose to spend allocation of 103 crores by the end of the Fifth year of the projects.”

1.45. The representative of the Ministry of Agriculture stated that the S.F.D.A./M.F.A.L. projects had been set up on an experimental basis. When asked whether the scheme would be continued during the Fifth Plan, the representative of the Planning Commission stated that the matter was under consideration and a Task Force on Integrated Rural Development was examining all current programmes of rural employment.

1.46. The witness added:—

“There is a continuous evaluation of the programmes, almost every month, by the Secretaries Committee consisting of the repre-

sentatives, of Agriculture Ministry, Finance Ministry and Planning Commission. These experiences are brought up before the central co-ordination committee meetings once in two or three months. This Committee has, as its members, Secretaries of concerned Ministries. Certain experiences are available with the Ministry and they have been put up to the Planning Commission and before the Central Co-ordination Committee. At the present moment, experience is not complete for us to say that we should expand in this particular form, throughout the country, in the same manner. This particular question has been posed to the Task Force on Integrated Rural Development, which they are examining."

1.47. Regarding expansion of the programme for Small and Marginal farmers, the Secretary, Departments of Community Development and Co-operation stated:—

"This matter came up for discussion at the national workshop held at Delhi last year and there were two decisions of the National Seminar which came after the Regional Seminar. First was, that as these agencies had actually started working during the last one or two years, there was not enough experience during the Fourth Plan and, therefore, they should continue in the Fifth Plan, till this is complete. The Ministry agreed to this and the Planning Commission also accepted this. All the 87 projects would complete their five years and the spillover of the provision provided in the Fourth Plan will be provided in the Fifth Plan."

"The view now is that the programmes for small and marginal farmers and agricultural labourers not only will continue under these agencies, but will be expanded, these will continue not only in these 87 places, but in other places also this programme will be taken up. They will be strengthened and more resources made available. Some other programmes for the small and marginal farmers, like soil conservation, land management, command area development will also be taken up not necessarily in MFAL/SFDA areas, but other places also. There may be an autonomous corporation, or a Society with the Collector as Chairman etc., who will take up these programmes."

"There was some apprehension that if we take this decision in the 2nd or 3rd year of the Fifth Plan, then how do we make sufficient provision in the Fifth Plan. To meet that, it has also

been decided to make provision straightaway in the Fifth Plan for the programme for the weaker section including small and marginal farmers."

1.48. The representative of the Ministry of Agriculture stated during evidence that there was a qualitative difference in the kind of work done in SFDA and MFAL projects. SFDA was credit oriented MFAL was more market oriented. When the Committee enquired whether a single Agency would not be able to look after both the small and marginal farmers more effectively, the witness added:—

"These pilot schemes, as they were originally conceived, were to cater to particular categories of people. It is possible that both the categories could be looked after by one agency. The SFDA Agency as it was originally conceived, was organised, to look after 50,000 farmers. Marginal farmers being numerically much larger, if in the same area we add another 60 to 70 thousand people, then the desired kind of intensive credit supervision may not be possible. The SFDA programme is not just area development. There is a particular focus on the development of participant small farmers. That is why it was started as a pilot scheme. Under the scheme we try to persuade the credit institutions to change their procedures and make necessary modifications for making available larger amount of credit to small farmers. If we take up a very large area or a much larger number the effort will become diluted and the intensive credit supervision may not be possible."

1.49. On the question of generating employment opportunities for marginal farmers, the Ministry of Agriculture have stated:—

"The MFAL Projects are implementing agricultural development and subsidiary occupation programme for the marginal farmers and agricultural labourers with a view to provide self-employment and supplement their income through such activities. The MFAL Projects also have a small component of rural works which is intended to provide wage employment primarily to agricultural labourers and smaller marginal farmers during off-season. The Agro-Economic Research Centres have undertaken a study in a few selected SFDA and MFAL Projects to assess the employment generation due to these programmes and their report is awaited."

1.50. Asked about the quantum of employment generated in all MFAL projects during 1971-72 and the expenditure incurred thereon, the Ministry of Agriculture have further stated:—

“During 1971-72, a total number of 7017 marginal farmers/agricultural labourers were assisted by the Agencies to set up dairy and poultry units. As mentioned before, these programmes are intended to provide more self-employment to those categories of beneficiaries. Under the rural works programmes as many as 2664 agricultural labourers and marginal farmers were provided wage employment in the MFAL projects during the same year. These Agencies had incurred an expenditure of Rs. 225.12 lakhs during the same period on various activities including subsidiary occupations and rural works.”

1.51. The Committee note that 87 SFDA/MFAL projects have been established in the country. Under the scheme the SFDA/MFAL Agencies are to act as catalysts activating the existing institutions, providing support for them and creating new organisations wherever necessary to cater to the participants. The Agencies can also undertake directly such activities as promote the economic interest of the participants like setting up infrastructural facilities.

1.52. The Committee further note that the State Governments are expected to provide these Agencies with requisite staff support in the technical departments and blocks, provide infrastructural requirements and strengthen cooperative credit institutions under their normal plan schemes and provisions.

1.53. The Committee trust that State Governments will ensure that necessary staff support and infrastructural facilities are provided to these agencies so that they are able to perform the role assigned to them satisfactorily. The Committee also hope that State Plan Programmes and Agencies programme activities are dovetailed to form an integrated scheme of economic development.

1.54. It has been stated that these projects though mentioned for the Fourth Five Year Plan will continue in the Fifth Plan and complete their five year period within the plan period. The view now is that the programmes for small and marginal farmers and agricultural labourers not only will continue under these agencies, but will be expanded. These will be strengthened and more resources would be made available. The amount of Rupees 103 crores allocated for these projects during the Fourth Plan period will be spent by the end of the fifth year of these projects.

1.55. The Committee also note that it has been decided to make provision in the Fifth Plan for the programme for the weaker sections including small and marginal farmers.

1.56. The Committee trust that sufficient funds will be provided for these schemes in the fifth Plan in order to continue them uninterruptedly till successful achievement of objective.

1.57. The Committee further note that Government are not, for the present in favour of merger of SFDA/MFAL agencies into a single agency, as in the opinion of Government SFDA was credit oriented while MFAL was essentially market oriented. The Committee, however, feel that with the completion of five years of the project, enough experience would be gained in the working of these schemes. Government may, therefore, undertake timely evaluation of these schemes to assess whether these should continue to be implemented separately or their integration into a single scheme would be desirable to achieve better results. This evaluation should, in particular, help Government to decide the best set up for extension of the scheme to other areas to cover small farmers, marginal farmers and agricultural labour.

1.58. The Committee note that SFDA programme is not just area development. There is particular focus on the development of participant small farmers. While SFDA is credit oriented MFAL is more market based. The MFAL projects have a small component of rural works which is intended to provide wage employment primarily to agricultural labourers and small marginal farmers during off-season. The Committee further note that MFAL Agencies provided employment in 2664 agricultural labourers and marginal farmers during the year 1971-72. The Ministry of Agriculture have stated that the Agro-Economic Research Centres have undertaken a study in few SFDA/MFAL Projects to assess the quantum of employment generation and their report is awaited.

1.59. The Committee would like Government to carefully analyse the data brought out by these studies in order to make sure that the benefit is going in fact to the agricultural labourers and smaller marginal farmers and that the work done forms part of the integrated effort to increase the output and is in fact contributing towards it and that in general the benefit derived is commensurate with the expenditure incurred. The Committee need hardly stress that where modifications are necessary these would be effected without delay in the interest of successful implementation of the programme.

1.60. The Committee also hope that as the implementation of these programmes is entrusted to the respective State Governments, steps will be taken to achieve necessary coordination between the Centre and the States.



1.61. The Committee are convinced that in order to derive maximum benefit from developmental effort, it is essential that there should be integrated planning. This has got to start from the grass root, viz., the village level. The Committee would therefore urge the Government that the concept of planning, taking village as a basic unit, should be given concrete shape in the Fifth Plan, particularly in respect of areas which are inhabited by small farmers, marginal farmers or agricultural labour. It is obvious that however great an effort may be made to improve agricultural production, it would not be possible to make the economy of the weak section of our community viable purely on the basis of agricultural production; their income has essentially to be supplemented by industrial activity however small in scale or agro-based it may be for which necessary infrastructure is essential.

1.62. The Committee also feel that the type of planning envisaged by them cannot be achieved without laying down guidelines and extending technical and other assistance in the formative period so as to prepare meaningful reliable blue-prints of growth. The Committee need hardly point out that in preparing the blueprint, special attention should be paid to the lot of small and marginal farmers and agricultural labour and concrete measures should be spelt out so that they serve as a plan of action. The Committee realise that it would not be possible to implement the plan at the village level in entirety. But what the Committee are keen on is availability of reliable data at grass root level which would provide basic data to the planners to decide the strategy of development and make a selective approach taking all factors into account.

#### (ii) Grants and Subsidies

1.63. It has been stated that the Small Farmers Development Agencies can extend subsidies to individuals upto 25 per cent towards capital expenditure on minor irrigation, land improvement etc. In the MFAL Agencies the subsidy is higher and may go upto 33-1/3 per cent. To encourage marginal farmers at the subsistence level to take to intensive agriculture and commercial cropping, the inputs can also be subsidised for the first two seasons by the MFAL Agency. Similar subsidies are available to institutions for setting up the supporting facilities for processing, marketing and storage; as for instance, godowns, transport vehicles, chilling plants etc. The Agencies also extend financial assistance towards employing additional managerial and supervisory staff by the cooperatives. The rates charged for customs services by such organisations as Agro-Industries Corporations and Agro-Service Centres can also be subsidised by the

Agencies so that the participant farmers can avail of their services. Thus, the Agencies are expected to assist economic development of the participants by providing an integrated and coordinated range of services for the farm and off-farm business.

1.64. The basic principles for administration of subsidy in SFDA/MFAL project areas are stated to be as under:—

- (i) That subsidy should not be passed on to the participants in cash, but should be paid in kind.
- (ii) That it can be paid on behalf of the participant (a) to the loaning institutions, cooperative or commercial, if the programme is tied up with loans or (b) to the approved supplier or body or organisation supplying goods and services, directly and not through loaning institutions, if the programme is not tied up with loans.
- (iii) That the limits of subsidy should be strictly in accordance with the approved percentage or pattern of assistance (as approved) by the Government of India.
- (iv) The final adjustment of subsidy may be made on completion of the work and it may not wait till the last instalment of loan is repaid.
- (v) That maintenance of accounts in this respect should be done in accordance with the system in vogue *i.e.* in accordance with State rules and practices, unless otherwise provided.
- (vi) The procedure be such as to ensure proper utilisation of subsidy taking the local situation into account.

1.65. The Ministry of Agriculture have stated that besides the subsidy payable to individual beneficiaries, the Agencies are also giving managerial subsidy to the cooperative institutions and subsidy on works undertaken by a community/Cooperative/panchayat, for example, community irrigation wells, chilling plants, custom service centres and so on.

1.66. The payment of managerial subsidy to the cooperatives is made on the basis of a bill submitted by the concerned institution indicating the managerial staff employed and the salaries etc. paid to them. In the case of subsidy on works undertaken by a community/cooperative/panchayat, the subsidy is paid directly to the cooperative or a body representing the community or to the loaning institutions or the Agency executing the work.

1.67. In reply to a question as to how it was ensured that the grants and subsidies given by the Agencies were well utilised for the purpose for which those were given, the Ministry of Agriculture have stated:—

“The financing institutions through whom the subsidies are channeled to the beneficiaries in kind are mainly responsible to provide supervision over the proper utilisation of loans. The cooperative institutions like Central Cooperative Banks and Land Development Banks have been authorised to appoint additional Supervisors at the Block level to help in the preparation of loan applications and also to provide supervision over loan utilisation. Managerial subsidy for such staff on tapering pattern is paid by the Agencies to the Cooperative Institutions. The financing institutions are required to submit a “CERTIFICATE” regarding proper utilisation of the subsidies/grants channeled through them to the Agency. In addition, the Project staff comprising the Project Officer and the three Assistant Project Officers also exercise check on the proper utilisation of subsidies by the identified beneficiaries through field visits. Each Project also has a whole time Accountant to maintain the accounts of the Agency systematically.”

1.68. Explaining the procedure for giving subsidy to the participants, the representative of the Ministry of Agriculture stated during evidence:—

“The benefit of the subsidy flows in this manner, that the total amount of the loan that gets charged to the farmer, is brought down, so that farmers who would otherwise not be eligible for such loans can be included. And that particularly benefits small farmers. We take care that these subsidies are not given in cash. They are always given through financial institutions. Actually, it is passed through the financial institution and on the receipt of the completion certificate, the subsidy is adjusted. It is just to prevent the misuse of subsidies that it is institutionalized. It is not as if the farmer says he wants to purchase a cow and we give the cash. When he wants an animal, the representative of the farmer and the bank go with the team for selecting it; and the payment is made by the institution, rather than by the farmer himself. This is how the subsidy is operated and this is how the expenditure of the agency is related to the amount of loan that is flowing from the financial institutions. This is with reference to investment credit.”

1.69. The witness further explained that no risk fund was given to banks because their risk was covered by the Credit Guarantee Corporation. About 75 per cent of their risk was covered subject to certain limits. It was also clarified that the commercial bank while giving loans to farmers

asked for margin money up to 20 per cent or 25 per cent of the loan amount depending upon the nature of the scheme. The commercial banks like cooperative institutions also receive subsidies on behalf of the participants which may cover the margin money required to be furnished by the farmers. Asked how much time it took a farmer to get his loan sanctioned under the scheme the representative of the Ministry of Agriculture states that it took about 2 to 3 months to get the loan.

1.70. The Committee were informed that the rates of subsidy at 25 per cent for small farmers and 33-1/3 per cent for marginal farmers had been found to be adequate. But in drought affected areas of West Bengal and in Meghalaya which was a backward State it was raised to 50 per cent. The subsidy had also been raised from 33 per cent to 50 per cent in favour of community works.

1.71. The Committee note that S.F.D.A. can extend subsidies to individuals upto 25 per cent towards capital expenditure on minor irrigation, land improvement etc. In M.F.A.I. Agency the rate of subsidy is 33-1/3 per cent. The Committee further note that the subsidies are not paid in cash to the participants and these are passed through the financial institutions which give loans to the farmers.

1.72. The Committee further note that the commercial banks while giving loans to farmers ask for margin money upto 20 or 25 per cent of the loan amount depending upon the nature of the scheme. The commercial banks like cooperative Institutions also receive subsidies on behalf of the participants which may cover the margin money required to be furnished by the farmers. It has been stated that it takes a farmer from 2 to 3 months to get the loan.

1.73. The Committee note that Government have expressed the view that the present rates of subsidy are adequate. The Committee however feel that the rates of subsidy should vary according to the nature of work to be executed and the condition of the area and the farmers etc. The Committee trust that the progress of various programmes in SFDA/MFAL projects would be kept under constant review and the rates of subsidy would be modified, if necessary, for their speedy implementation.

1.74. The Committee cannot but stress the fact that it should be ensured that the maximum benefit of the money expended goes to the farmers and that the Project Officers should through field visits exercise proper check that the subsidies granted are properly utilised by the identified beneficiaries.

(iii) *Dairy Farming*

1.75. It has been stated that dairy farming has the highest potentiality to benefit the rural population including the small and marginal farmers and agricultural labourers for economic growth and development. As such, the National Commission on Agriculture have recommended in their interim Report on "Milk Production through Small and Marginal Farmers and Agricultural Labourers" that the major milk projects under implementation at present and those proposed for the future should bring under their ambit a large proportion of small and marginal farmers and agricultural labourers."

1.76. Regarding the steps taken to improve the breed of cattle so as to increase milk production, the Ministry of Agriculture have stated in a written note:—

"Realising the urgency for stepping up milk production in the country an integrated Cattle Development Programme in the name of Intensive Cattle Development Project was taken up in the year 1964-65 by the Ministry of Agriculture, Government of India as a Centrally Sponsored Scheme. The Scheme was continued as a Centrally-sponsored Scheme up to the year 1966 and the entire expenditure was borne by the Government of India on the basis of 50 per cent grant and 50 per cent loan. Thereafter, the scheme was transferred to the State Sector and since then it is being continued as a State Plan Scheme. A total number of 55 I.C.D. Projects have so far been set up in the country covering a breedable population of about 5.5 million cows/she-buffaloes."

1.77. The Ministry have further stated that 14 Intensive Cattle Development Projects are located in SFDA/MFAL areas.

1.78. It has been explained that the Intensive Cattle Development Projects take care to provide all the inputs essential for cattle development and milk production. Projects also take care to see that marketing facilities are available to milk producers. Each of these projects cover an area of one lakh breedable cows she-buffaloes and is located in the existing milk shed where milk marketing facilities are available and an organised Dairy Plant exists to take care of the processing and sale of milk. Under this programme all aspects of breeding, feeding, fodder development, dairy extension and cattle health are attended to. Adequate staff is provided to attend to all facets of the programme.

1.79. The Ministry have pointed out that by and large, the Intensive Cattle Development Projects (ICDPS) have made good progress. A net work of 3646 stockmen centres duly supported by 55 semen banks and 237 artificial insemination Centres have been established under the Scheme. On the breeding side greatest emphasis has been laid on cross-breeding with bulls of exotic breeds like Jersey, Fresian and Brown Swiss to ensure a rapid increase in milk production. Cross-breeding work has caught the imagination of the people. This has made noticeable improvement in some of the projects like Bangalore in Mysore, Hyderabad in Andhra Pradesh, Coimbatore and Madras in Tamil Nadu, Alwaye in Kerala, Barasat and Krishnanagar in West Bengal and Gauhati in Assam. Calf Rally shows are held periodically to demonstrate the value of cross-breed cows. Some of the crossbreed cows are given a subsidy of about Rs. 15 to 20/- per month for about two years to ensure that they are being fed properly. It is envisaged that within six to eight years after launching the I.C.D.P., the entire project area will be covered by exotic cross-breeding. The technique of artificial insemination is applied over the entire project area. Milk yielding competitions and cattle shows are also held periodically to stimulate competitive spirit.

1.80. The Ministry have stated that fodder demonstrations are being conducted through trained field workers on farmers' fields and prizes awarded. So far 50,399 fodder demonstration plots have been organised. Seed materials of improved types of grasses and fodder crops are being supplied at subsidised rates and subsidy is also being provided for growing fodder. Over 6,000 quintals of fodder seeds have been distributed to the farmers located in the ICDP areas. Besides, loans are also being provided for deepening wells and for installing pumping sets for growing fodder. People have not only realised the value of green fodder for increasing milk production but are also conscious about the need for growing high yielding and high nutritious fodder.

1.81. On the cattle health side prophylactic inoculations against common contagious diseases has been taken up on intensive scale. Each stockmen centre is provided with necessary equipment, drugs and medicines to carry out prophylatic inoculation and also take up treatment of animals. Over 70 lakhs of inoculations have so far been performed against various common diseases to ensure stability to the cattle wealth.

1.82. Under the I.C.D.Ps. credit facilities are also made available to the farmers for purchase of milch animals to augment milk production. Each I.C.D.P. has a provision of Rs. 3 lakhs for advancement as loans to the farmers in the project areas. Besides loans are also being made available to the farmers through commercial/cooperative/State banks. This has stimulated a great deal of interest in dairy farming amongst farmers. The organisation of Milk Producers into cooperative Societies

is yet another important activity of the I.C.D.P. on which great stress has been laid to bring about people's participation. This has contributed very effectively in many projects particularly the projects in Gujarat and Maharashtra States to increase milk production.

1.83. In a note furnished to the Committee Ministry of Agriculture have stated that next to I.C.D.P., Key Village scheme is the most important scheme designed to improve the cattle wealth in the country. This scheme was initiated in the First Five Year Plan and is being continued in the successive Plans throughout the country. The project aims at creation of improved cattle/buffalo pockets throughout the country by adoption of better breeding, feeding, disease control and marketing of livestock and livestock products techniques in a coordinated manner. In most of the key village blocks milk producers cooperatives have been organised and the milk produced is being sold to the nearest milk processing/milk products factory. In order to adopt controlled breeding, artificial insemination technique has been adopted invariably and the semen is being supplied either through the artificial insemination Centres or the nearest semen bank. A well planned feed and fodder development programme has been introduced in all the key village blocks so that the good effect of better breeding is not nullified by poor feeding.

184. As many as 96 Key Village Block including 19 urban artificial insemination centres, and 8 Extension Centres are functioning in 53 SFDA districts. Another 96 Key Village Block including 14 Urban artificial insemination centres and 17 Extension Centres are in operation in 52 MFAL districts. As a result of the implementation of the Key Village Scheme in the SFDA and MFAL districts good pockets of high quality cattle leading to increased milk production have been created.

1.85. The Committee note that 14 Intensive Cattle Development Projects out of a total of 55 projects are located in SFDA/MFAL areas. The Committee also note that in addition to Intensive Cattle Development Projects, "Key Village Scheme" is also operating which aims at creation of improved cattle/buffalo pockets throughout the country. As many as 96 key village Blocks are in operation in 53 SFDA districts and 52 MFAL districts.

1.86. As Dairy Farming is one of the important programmes under SFDA/MFAL schemes Government must make concerted efforts to improve the breed of cattle and thereby increase the supply of milk. In order to achieve this objective, the Committee suggest that all SFDA/MFAL Projects should be brought under the purview of "Key Village Scheme" as early as possible.

1.87. The Committee need hardly stress that the difficulties of participants both in SFDA and MFAL projects will have to be identified in all spheres by periodic evaluation and necessary steps taken to ensure maximum benefit accruing to them under various programmes. In particular Government must ensure that the farmers in SFDA and MFAL projects who take to dairying, are provided assured marketing facilities for sale of milk etc.

1.88. The Committee further note that Intensive Cattle Development Projects provide credit facilities to farmers for purchase of milch animals to augment milk production. Under the SFDA/MFAL Schemes subsidies are also provided to the farmers for purchase of cattle. The Committee need hardly stress that there should be a coordinated approach for provision of credit facilities to small/marginal farmers and agricultural labourers for purchase of cattle and as such the Committee would like that the scheme of Intensive Cattle Development in the State Sector should be implemented in close coordination with the Central Scheme of SFDA/MFAL Projects.

(iv) *Minor Irrigation*

1.89. It has been stated that the employment potential of minor irrigation is vrey large. As the bulk of the farmers in the rural areas have small sized holdings, the minor irrigation programmes would be the quickest way of developing the availability of water supply for them.

1.90. The Ministry of Agriculture have stated that under the SFDA/MFAL Schemes a subsidy of 25 per cent and 33-1/3 per cent on capital cost is available for the minor irrigation programmes including tubewells and dugwells to the participating small/marginal farmers respectively. In the case of community minor irrigation works, 50 per cent subsidy is available under both SFDA and MFAL Projects.

1.91. During evidence when the Committee enquired about the progress of minor irrigation works under SFDA/MFAL schemes, the representative of the Ministry of Agriculture stated:—

“The agencies have been able to assist 38,378 tubewells or dugwells which include 187 community works. Then 7789 pump-sets and 5351 other minor schemes have been assisted by the end of September, 1972. That is the physical achievement. During the same period the marginal farmer and agricultural labourer development agencies have been able to assist farmers in respect of 2368 tube-wells or dug-wells which include 18 community works, 1040 pump-sets and 266 other minor irrigation schemes. We lay a lot of emphasis on the implementation of minor irrigation schemes in both SFDA and



MFAL projects and in order to encourage works of community nature we have increased the level of subsidy to 50 per cent. Where there is minor irrigation assisted either by a cooperative society or a group of farmers or Panchayat they are entitled to 50 per cent subsidy on capital cost."

1.92. The witness added:—

"We put special emphasis on this and financial institutions like the Agricultural Refinance Corporation give 100 per cent re-finance for such lending in SFDA/MFAL area. We actually make a very close scrutiny of these project reports because unless water is provided agriculture is not just possible. Agency funds are also used for ground water services. In some cases where State Plans do not provide for such items of development of item of expenditure we have allowed agency funds to be utilised for making ground water service available."

1.93. Asked whether any assessment has been made regarding the requirements of tubewells in the SFDA/MFAL projects, the Ministry of Agriculture have stated that "no assessment has been made regarding the requirement of tubewells in the SFDA/MFAL projects. The Agencies are, however, drawing up their programme on the basis of ground-water survey data."

1.94. Asked about the requirements of rigs in the SFDA/MFAL Projects, the Ministry of Agriculture have stated that:—

"Rigs are maintained only at the State level by the Department concerned with minor irrigation works for use of the whole State. As such, the requirement of rigs for the SFDA/MFAL Projects has not been assessed separately. These are, being made available to the project areas by the concerned Department for undertaking minor irrigation works."

1.95. The Committee enquired about the progress of sinking tubewells in Gaya and other adjoining districts in Bihar State which were drought affected and drought prone. The Committee desired to know whether it was a fact that out of 7 rigs 4 were out of order. The representative of the Ministry of Agriculture state:—

"We went to many places and one of our officers went to Gaya and other areas. The progress is not very good so far as sinking of tubewells is concerned. You are right that the existing rigs were not in working order. The sinking of tubewells depend upon the availability of rigs and the State Government after the drought in 1966 did not add a single rig. Had they added 12 or 24 rigs after that drought, things would

have been different. The situation is that when they have a good crop, they forget all previous droughts. They are very keen this time to do much more on this business of tubewells."

1.96. The Committee note that both under SFDA and MFAL schemes a subsidy of 25 per cent and 33-1/3 per cent respectively on the capital cost is available for minor irrigation works. For community minor irrigation works the subsidy is raised to 50 per cent. The Committee also note that rigs are maintained by the respective State Governments and no assessment has been made either regarding requirement of rigs or about the tubewells to be sunk in SFDA/MFAL areas.

1.97. The Committee need hardly stress that minor irrigation programme must be given top priority in all schemes meant for the farmers in the rural areas and unless this is realised and followed up with practical steps, the chances of economic betterment of the farmers through higher agricultural production are remote.

1.98. As such, the Committee recommend that the following steps may be taken by Government for the effective implementation of minor irrigation works in the rural areas of the country which are covered by SFDA/MFAL Projects:—

- (a) The necessity of maintaining adequate number of serviceable rigs for digging tubewells may be impressed upon the State Governments where the SFDA/MFAL projects are located, with a view to ensure supply of water to farmers on sustained basis.
- (b) Backward States should be provided financial help by the Central Government by way of loans and grants for the purchase of equipment necessary for minor irrigation works particularly rigs.
- (c) In each SFDA/MFAL project an assessment may be made regarding requirement of tubewells so that advance planning is done both in respect of funds and equipment.
- (d) Sinking of community tubewells for which the rate of subsidy is 50 per cent should be encouraged.
- (e) It should be ensured that minor irrigation works are of a durable nature so that the money invested on them is well-utilised for the benefit of the small and marginal farmers.

(v) *Farmers' Service Societies*

1.99. National Commission on Agriculture have recommended in their interim report on credit services for small and Marginal Farmers and Agricultural Labourers that:—

“a Farmer's Service Society should be constituted for each tehsil/block which should take care of all the development needs of the small and marginal farmers, agricultural labourers and village artisans either directly or by special arrangements with other agencies. Each society should be treated as a primary cooperative society. All facilities by way of funds, concessional rates of interest, managerial subsidy etc., available to the cooperatives should also be placed at its disposal.”

1.100. Asked about Government's reaction to the above recommendation of the National Commission on Agriculture, the representative of the Ministry of Agriculture stated:—

“The matter is still under examination, in the sense that we are consulting the State Governments and Union Territories; but we have a tentative view. We have accepted tentatively, that a farmers' service society should be set up, at least in some selected project areas; but the States and Union Territories have to be consulted. One or two States have yet to reply. A high-level conference is to take place in the very near future. It has a lot of implications. We have consulted the Planning Commission and the Reserve Bank of India.”

1.101. Asked whether there would be any overlapping in the functioning and activities of S.F.D.A./M.F.A.L. Agencies and the proposed Farmers' Service Societies, the witness stated:—

“We do not anticipate any overlapping, because the Agency will be on a slightly higher level and it will give assistance to the Farmers' Service Societies in the same way as we are trying to assist the cooperative societies, by giving them staff subsidy and other kinds of assistance, including non-overdue cover. We are at present giving Rs. 10 lakhs to the district central banks. This assistance would still be available to the cooperative organisations at various levels.”

1.102. The Committee trust that expeditious action will be taken by Government to set up Farmers' Service Societies in some selected S.F.D.A./M.F.A.L. Project areas and details about their functioning will be settled in consultation with the Reserve Bank of India, Planning Commission and the concerned State Governments. The Committee hope that after

**watching the results of this new experiment, Farmers' Service Societies will be set up in each of the Project areas.**

(vi) *Credit Facilities*

1.103. It has been stated that SFDA/MFAL Agencies do not, themselves, extend credit, the grants and subsidies given by them are expected to mobilise institutional credit of a substantial order. The grants and subsidies from the Agencies are in the nature of making the investment credit-worthy to attract institutional support.

1.104. The representative of the Ministry of Agriculture stated during evidence that upto the 30th September, 1972 Rs. 22.45 crores were disbursed as short term, Rs. 5.49 crores as medium term and Rs. 15.39 crores as long term loans. This assistance helped the participants to invest in 40746 tubewells or dugwells, 8829 pumpsets and 5617 other minor irrigation works; 23,365 units of milch cattle of two head of cattle per family and 5104 units of poultry birds.

1.105. Regarding the crop loan system the representative of the Ministry of Agriculture stated:—

“In addition to these regular short-term, medium-term and long-term loans which we assist the farmers in getting, they are also given what are known as crop loans. A crop loan is a short-term loan given seasonally, twice a year, for the Kharif and Rabi seasons and every care is taken to see that the farmers receive these crop loans well in time for the respective seasons.”

1.106. When the Committee pointed out that the crop loan system was not a new idea and farmers were getting loans even earlier from cooperative societies, the representative of the Ministry of Agriculture stated:—

“The crop loan system has been in vogue since 1966. After the SFDA programme has been launched, there has been qualitative change even in the crop loan system itself. One major change has been that we can provide loans to both recorded and unrecorded tenants as well as share croppers. This was the class of cultivators who were not previously getting loans.”

1.107. Asked about the arrangements for giving crop loan to farmers who were unable to repay the loan in the event of failures of crop due to drought or some other natural calamity, the witness stated:—

“If there is crop failure on a large scale due to natural calamities, like floods, droughts or cyclone, then we have an arrangement by which the short-term loans will be converted into a medium-term that is three-year loan, to be paid in the next three years. When there is no crop this year, the farmer need not repay the loan, he can pay it in the next three years. But today there is no scheme either of compensation or of insurance due to loss under these circumstances. All that we do is that we postpone the recovery of the loan due and then the second loan for the next crop can be given.”

1.108. Asked if crop insurance scheme could be applied to marginal farmers on a pilot basis, the Secretary, Departments of Community Development and Cooperation stated:—

“There is no intention of providing this crop insurance on a pilot basis because pilot projects are tried for expansion or extension of the scheme. As far as this insurance scheme is concerned, we have not taken any decision.”

1.109. In reply to a question whether the nationalised banks were following a uniform policy regarding credit facilities to small farmers, marginal farmers and agricultural labourers, the representative of the Ministry of Agriculture stated:—

“Nationalised Banks have appointed lead banks for each district in the country. Lead banks make a survey of the credit needs of the different districts. This also covers all the districts, irrespective of the fact, whether they are covered by the special programmes or not. I am talking of the general policy that is followed by them. Lead banks also act as the coordinator banks for all the public sector banks operating in that district. The question as to what should be the scale of financing, what should be the conditions of repayment, the terms of the loans—these are all gone into and coordinated by the lead bank of the district.”

1.110. It was further stated that the Commercial Banks had accepted it as a matter of policy to give preference to small and marginal farmers in extending agricultural loans. They had also agreed to give priority to SFDA and MFAL areas in opening new branches.

1.111. Regarding the rate of interest charged for the loans the representative of the Ministry of Agriculture stated:—

“The rate of interest so far as the Cooperatives are concerned, varies between 9 and 10 per cent and for the commercial

banks, the rate of interest varies from 9 to 12 per cent. There is no separate rate of interest for small and marginal farmers.”

1.112. The representative of the Ministry of Agriculture added that the question of charging differential rates of interest from small and marginal farmers was being thought of on a pilot basis. On the question of giving subsidy to the Cooperatives who would give loan at a lower rate of interest, a decision was still to be taken.

1.113. The witness further stated that 54 per cent of the number of accounts in the public sector banks at the end of 1971 were of the small farmers and the credit disbursed to them was a little less than 23 per cent.

1.114. Regarding the loan disbursed by the nationalised commercial banks and State Bank of India to farmers owning land upto 5 acres the position was stated as under:—

“Upto the end of December, 1970 small farmers accounted for 49 per cent of the borrowers with 22 per cent of the amount outstanding, that is to say, the loan outstanding. As against that, at the end of December, 1971, the share of small farmers increased to 54 per cent among the borrowers and the proportion of amount outstanding rose to 22.7 per cent. There has been an increase, but, not a large increase.”

1.115. The Committee enquired whether there was any truth in the observations made by the National Commission on Agriculture in their Interim Report re: Credit Services for Small and Marginal Farmers and Agricultural Labourers that the cooperative system had not succeeded in serving the needs of the small and marginal farmers—not to speak of the agricultural labourers—to any significant extent. The Secretary, Departments of Community Development and Cooperation stated:—

“We have not wholly agreed with the statement of the National Commission on Agriculture. According to us, the figures for 1970-71 in 16 States and Union Territories show that a little over 30 per cent of the total loan in respect of long, short and medium terms, has gone to farmers owning less than 5 acres.”

1.116. Asked whether landless agricultural labourers could get loans from the cooperatives, the representative of the Ministry of Agriculture stated:—

“If he is cultivating and not working for wages, then loans are given. But if he is an agricultural labourer getting wages for his work and not crop, then he does not get loans from the cooperatives, because our cooperatives give loan only for productive purposes.”

1.117. It has been represented to the Committee that "a comprehensive credit Guarantee Corporation Scheme is in force under the aegis of the credit Guarantee Corporation of India to enable the banks and other financial institutions to extend credit facilities to small farmers. The commercial banks are to take advantage of the guarantee provided by the Corporation in order to advance loans to the small farmers. But in practice it is found that the Agricultural Refinance Corporation is insisting on security twice the loan advanced by a bank or State Government Guarantee for reimbursement of loans advanced by Commercial Banks. This insistence of the Agricultural Refinance Corporation on Government guarantee is standing in the way of loaning programme of the banks to the small farmers."

1.118 It has also been represented to the Committee that "the credit limits sanctioned by the Reserve Bank of India to the District Cooperative Central Banks in the S.F.D.A. areas are generally far below the requirements of the Agencies' programme of loaning. A case in point is that of the District Cooperative Central Bank, credit limit is only Rs. 5 lakhs. The medium term Cuddapah for which the medium term loaning programme of the Agency for the current year is about 39 lakhs. Against this, the Bank has been in a position to sanction medium term loan of only Rs. 5.4 lakhs. When the Bank approached the Reserve Bank of India for a Credit limit of Rs. 20.85 lakhs it has received only a credit limit of Rs. 5 lakhs. The Agency has referred to the Bank so far 9486 applications of small farmers for medium term credit of which, it has been able to meet the requirements of only 627 persons."

1.119 Regarding the progress made in the opening of new branches by the nationalised banks in SFDA/MFAL Projects, Ministry of Agriculture have stated:—

"The progress made in the branch expansion programme since nationalisation for individual States in consolidated form is available in the Department. Information separately for each of the SFDA/MFAL projects as on the eve of nationalisation however, is not available."

1.120 Ministry have, however, stated that the Public Sector Banks, especially the lead banks, are devoting special attention for opening branches in the SFDA/MFAL areas keeping in view the unbanked centres identified in the survey reports prepared by the lead banks.

**1.121 The Committee take note of the fact that Agricultural Refinance Corporation is insisting on getting security to the extent of twice the loan advanced by a Bank or State Government guarantee for reimbursement of loans advanced by the Commercial Banks. As the SFDA and MFAL**

**Schemes are credit linked, their success is largely dependent upon the un-interrupted flow of credit from the credit institutions.**

**1.122. As such, the Committee recommend that the Reserve Bank of India which controls the credit institutions should examine the whole matter in depth and take such remedial measures which may be necessary for ensuring un-interrupted and easy credit flow through all the channels of credit including the cooperatives. The Committee feel that unless this is done, targets may not be achieved as programmed and the programmes might have to be rephased according to the available credit flow, thus affecting the results adversely. In the Committee's opinion it is also necessary to extend the credit guarantee scheme to the cooperative sector to facilitate easier and quicker credit flow to the small farmers.**

**1.123 The Committee having taken note of the fact that the credit limits sanctioned by the Reserve Bank of India to the District Cooperative Central Banks are generally far below the requirements of the Agencies' programme of loaning suggest, that the problem should be studied by the Reserve Bank with a view to devise such procedures that District Cooperative Central Banks in SFDA/MFAL areas are provided adequate credit limits commensurate with the requirements of the Agencies' loaning programmes.**

**1.124 The Committee note that the question of charging differential rates of interest from small and marginal farmers was being considered by Government on a pilot basis. They hope that an early decision will be taken in the matter keeping in view the paying capacity of each category of farmer.**

**1.125 The Committee are of the view that the possibility of introducing a "crop insurance scheme" for the benefit of the marginal farmers might be examined by Government and a decision should be taken in the matter early.**

**1.126. The Committee need hardly stress that credit-oriented schemes like SFDA and MFAL Schemes cannot make any headway unless credit facilities by the banking institutions are forthcoming to the small and marginal farmers who are the beneficiaries under these schemes. As such, it is quite essential to assess from time to time whether the nationalised banks are opening new branches in the SFDA/MFAL Project areas to cater to the needs of small and marginal farmers. A close watch may be kept in this direction and if any project areas are found to be suffering on account of the fact that banking facilities are not available to the farmers the matter should be pursued at the highest level to ensure that new branches are set up in those areas.**



(vii) *Village Artisans*

1.127. It has been stated that "in the rural economy ancillary farm occupations from the most useful source of employment, mainly for agricultural labourers in the villages. The artisan classes in the villages depend for their livelihood on the services required by the farmers and also their consumer goods requirements in the context of improvement in the agrarian economy."

1.128. To the enquiry as to how far the SFDA/MFAL schemes had helped to improve the lot of artisans like carpenters, blacksmiths, cobblers, weavers, potters, etc., whose livelihood depended on the services required by the farmers, the representative of the Ministry of Industrial Development during evidence stated:—

"This village artisans or Rural Artisans Programme is a small but an integrated part of the SFDA and MFAL programmes. In both these programmes a small amount of Rs. 5.0 lakhs has been provided for each project to help the rural artisans. This is a comprehensive programme which starts right from identification of the rural artisans and giving training to them and also during the training programmes, the artisans selected for training are given an opportunity to upgrade their skills and also they are given the opportunity to use improved and sophisticated tools. After this training is over, an attempt is also made to make available to them the improved tools and implements required by them. During the training period, we give stipend to these rural artisans and after the training programme is over, we arrange the tools and implements for them. As per the general scheme, we do give them a subsidy of 25 per cent to 33-1/3 per cent."

1.129. About the progress of Rural Artisans programme the witness stated:—

"I would like to submit that in the rural artisans programme, at present we give special emphasis to 5 categories of artisans which include trades like blacksmithy, carpentry, masonry and pottery and repairs and maintenance of agricultural implements. At present, it is rather too early to make an evaluation of this particular programme. I do not say that the progress has been made so far is very satisfactory but from the reports that we have received from some of these project areas, I can say that so far 764 of these artisans have been trained and this relates only 8 of the project areas. Unfortunately we have not received reports from the other project areas."

1.130. As to whether the provision of electricity in villages would help the village artisans to be more efficient and improve their skill, the witness stated:—

“We do believe that after this facility is made available in these areas, the efficiency of these artisans will certainly improve.”

1.131. The Committee note that Rs. 5 lakhs has been provided in each SFDA/MFAL Project for Rural Artisans Programme. The Committee further note that there is a programme for giving training to the village artisans so that they can improve their skills and after the training is over they are provided subsidy also for getting the tools and implements.

1.132. The Committee feel that the allocation of Rs. 5 lakhs for Rural Artisans Programme in each project is too meagre an amount to bring about any tangible results. The Committee would like Government to evaluate the progress of this programme and, if necessary, the allocation for this programme may be increased suitably for providing greater coverage during the next Plan period. The Committee also emphasise that steps should be taken to modernise the tools and implements used by village artisans so as to improve their technical skills, and increase their earning capacity.

1.133. The Committee need hardly stress that electrification of villages in SFDA/MFAL project areas will hasten the economic progress of the village artisans and improve their efficiency. As such, the villages in the project areas should be provided electricity on priority basis so that the money invested under SFDA/MFAL schemes can show some positive results.

(viii) *Small Consumer Industries*

1.134 It has been stated that “a further opportunity exists for adding to the employment potential of the agricultural labourers in the villages to the employment potential of the agricultural labourers in the villages local enterprises.”

1.135. Regarding steps taken to organise small consumer industries in the rural areas the representative of the Ministry of Industrial Development, during evidence, stated:—

“We have a programme for rural industrialisation and in that programme we take up development of such industries only which are resource based and demand based for those particular local areas keeping in view the skill which are available

locally. During the last 9 years we have assisted 30,171 industrial units out of which 13,877 are new units and these units have generated additional employment opportunities for 1.33 lakhs of people. We are, however, taking steps to intensify this programme during the Fifth Five Year Plan period."

1.136. Asked if there was any special programme for setting up industries for rural artisans in the hill areas of the country, the witness stated:—

"We do not have any specific programme for rural artisans in the hill areas. We have our independent schemes for the development of backward areas. All our backward area schemes have a more favourable approach for the schemes which are coming from the hill areas. As you are undoubtedly aware, for the hill areas, we have a special subsidy for transportation of both raw materials as well as the end products."

1.137. In a subsequent note on Rural Industrialisation Programme Ministry of Industrial Development have stated:—

"A centrally sponsored scheme for Rural Industries Projects Programme was launched in 1962-63. This programme was initiated as an experiment in a few selected rural areas, with a view to developing a net work of Small Scale Industries creating substantial non-farm employment opportunities in rural areas.

The main features of the programme are given below:—

- (a) Centre, undertaking to provide entire funds towards the cost of development scheme of promotional nature such as organisation of training facilities, common facilities service centres, provision of technical assistance, marketing assistance, etc.
- (b) Centre, providing credit facilities at subsidised rate of interest to Industrial Units coming up in the areas for the purpose of enabling the units to purchase machinery, construct workshed and for working capital, etc.
- (c) Centre, bearing the entire establishment cost of the project areas enabling the projects to appoint appropriate and adequate staff as per the staffing pattern suggested by the Centre and necessary qualifications prescribed.

In all 49 projects all over India were selected. Industrial Potential Surveys of these areas were conducted on the basis of which detailed industrial programme for each area was prepared.

A review of physical achievements in the 49 existing projects, upto the end of March, 1971, shows following achievements during the last 8 years.

- |    |                                                     |                                                                                                                                                                                                         |
|----|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Small Scale Units assisted financially or otherwise | —30,171 (including<br>13,877 new Units,                                                                                                                                                                 |
| 2. | Employment generated                                | —1.33 lakh persons                                                                                                                                                                                      |
| 3. | Estimated value of production during 1970-71.       | — 26.41 crores.                                                                                                                                                                                         |
| 4. | Types of Units coming up.                           | —150 types (like<br>processing of<br>agricultural<br>products forest produce<br>animal husbandry produce<br>building materials ceramic<br>Textile base industries<br>engineering and allied industries. |

1.138. From the material furnished by the Ministry of Industrial Development the Committee note that 19 Rural Industries Projects are such that they cover the areas which have been selected for SFDA/MFAL Schemes.

1.139. The Committee note that a centrally sponsored scheme for Rural Industries Projects Programme which was launched in 1962-63 is still in operation and 49 projects under that scheme are functioning all over India. The Committee further note that out of 49 projects 19 are such which cover the areas which were selected for SFDA/MFAL Schemes.

1.140. The Committee trust that while expanding the rural industries programme in the next Plan, special attention will be given to those projects which cover the areas where SFDA/MFAL Projects have been located. The Committee feel that the subsidies provided under SFDA/MFAL schemes cannot by themselves bring about the economic betterment of the weaker sections of society unless these schemes are properly linked with other programmes of setting up small industries in the rural sector.

1.141. The Committee would also like to stress the need for setting up small industries in the hill areas of the country where the people cannot take to agriculture on an extensive scale because of the difficulty of terrain and rocky soil.

**(ix) Land Development Projects**

1.142. It has been stated that "large areas of unused lands should be utilised for setting up land development colonies through a net work of pilot projects to organise the rural community to achieve a process of self-generating growth. It has been further suggested that in the initial stages Government should bear the expenditure on reclamation of land and making it cultivable, make provision for agricultural implements, irrigation facilities, roads, housing for settlers and other essential amenities."

1.143. The Committee were informed during evidence that 6 land development projects were proposed to be set up one each in Maharashtra, Haryana, Rajasthan, Orissa, West Bengal and Andhra Pradesh. In a subsequent note furnished to the Committee Ministry of Agriculture have stated:—

"Under the scheme for Gainful Employment through Land colonisation it is proposed to establish colonies of landless agricultural workers in compact blocks of about 1200 acres out of which 1000 acres will be allotted to 200 families and 200 acres will be earmarked for residential and community facilities. In the first phase the lands will be reclaimed and the requisite facilities including rudimentary roads and health facilities will be provided by the Government. During this period the allottees will work in the colony and earn their wages. In addition they will be assisted to take up other related activities like dairy farming, poultry, horticulture etc. The rights on the land will be heritable but not transferable. The colonists would organise themselves with a registered body to be called the 'Administrative Council' with Government representatives and manage their affairs.

The Task Force constituted in the Ministry of Agriculture at its meeting on 12th September, 1972, decided to take up six pilot projects in the States which had expressed interest in taking up the programme and for this constituted a Team consisting of representatives of the Department, the I.C.A.R. and the concerned State Government to select suitable sites and indicate the cost involved. Out of the six States under reference the Team has visited Maharashtra in November-December, 1972 and given its report. The same is under examination. During December, 1972, the Team has also visited Haryana and Rajasthan. As regards the other three States the programme for visit of the Team is still awaited from the concerned State representatives."

1.144. Regarding the extent of unused land available in the country, the Ministry of Agriculture have indicated the position upto 1968-69 as under:—

	<i>Thousand hectares.</i>
1. Barren and unculturable land. ..	32.396
2. Culturable waste. ..	16.489
3. Fallow land. ..	23.082

Ministry of Agriculture have clarified that out of the above areas, the land shown against items 2 and 3 may be taken as cultivable.

1.145. The Committee note that six Projects for Land Development are being set up in 6 States for the benefit of landless agricultural workers. The Committee further note that 32.396 thousand hectares of barren land and 39.571 thousand hectares of cultivable land is available in the whole country for land colonisation. The Committee trust that the remaining States which have not so far evinced any interest in the Scheme will be persuaded to take up similar projects in their respective States for the benefit of landless agricultural workers.

1.146. The Committee hope that the responsibility of reclaiming the land and provision of requisite facilities to the settlers will be discharged by Government expeditiously so that these projects can help to raise the standard of living of the landless agricultural workers.

1.147. The Committee are of the view that there is need for most careful planning to make sure that land reclaimed/developed can sustain the new allottees. In fact a sustained programme which will ensure all necessary inputs and subsidiary services to the new allottees till they are able to stand on their own is the real need of the hour.

1.148 As the MFAL Scheme also takes care of Agricultural labourers on a large scale the Committee are of the view that the two schemes should be worked in close co-ordination. In fact, wherever, MFAL Agency has been set up, an attempt should be made to provide land to landless agricultural labourers through a land development project provided it is feasible and surplus land is available in the vicinity of MFAL project area.

**(x) Facilities to Small Farmers in hill areas**

1.149. Regarding selection of districts for SFDA/MFAL projects, the Committee were informed during evidence that the choice of districts was made on the basis of the recommendations of the State Governments with reference to the general guidelines issued by the Central Government. It was also stated that no SFDA/MFAL project had been set up in the hill areas of U.P.

1.150. Asked if any transport arrangements were made for quick carriage of fruits from the hill areas, the representative of the Ministry of Agriculture stated:—

“We do not give assistance to the individual farmers for transport, but if they obtain service from an institution, we subsidise it.”

1.151. Regarding sheep breeding programme, the representative of the Ministry of Agriculture stated:—

“We have a large sheep breeding programme in the Fourth Plan. In the last three years, we imported nearly about 9,000 of these final wool sheep from the U.S. and the Soviet Union. We supplied nearly about 1500 or so to U.P. and a certain number to Himachal Pradesh and to Jammu and Kashmir. In various other States, we are setting up centrally-sponsored large scale sheep breeding farms, with the object of stepping up wool production and also mutton production in the country.”

1.152. Asked whether the sheep breeding programme has been successful, the Secretary, Department of Agriculture stated:—

“I may state frankly that the sheep development programme is something which has received attention only recently. A number of programmes have been started. But, at present, a realistic description of what has been done would be that a beginning has been made at many places. We have still to make sufficient progress, to be able to evaluate.”

1.153. The Committee understand that no SFDA/MFAL project has been set up to cover the hill areas of U.P. .As the hill areas are backward and the people have to face peculiar difficulties like shortage of cultivable land, higher cost of transport etc., SFDA and MFAL schemes may have to be applied to these areas with necessary modifications. .The Committee trust that Government will examine the matter and set up some SFDA/MFAL projects in the hill areas of the country with certain modifications which may be necessary to suit the conditions in those areas.

1.154. The Committee note that in regard to the sheep breeding programme "a beginning has been made" and much remains to be done to achieve more progress in the development of this important industry to step up wool production.

1.155. The Committee trust that Government provide necessary assistance and funds for setting up more sheep breeding farms in the hill regions of the country.

1.156. The Committee are of the view that cheap transport should be provided in the hill districts for carriage of perishable fruits to the plains. But where the transport cost is high the feasibility of setting up fruit preservation centres in such hill districts where fruits are grown in plenty should be examined by Government with a view to ensure their early establishment.



## CHAPTER II

### DROUGHT PRONE AREAS PROGRAMME

#### A. General

It has been stated that Drought Prone Areas Programme (formerly Rural Works Programme) was introduced in 1970-71 as a Nonplan Central Sector Scheme with a total outlay of Rs. 100 crores over the 4 year period from 1970-71 to 1973-74. The programme aims at mitigating the severity of scarcity conditions in 54 selected chronically drought affected districts of the country for organising productive and labour intensive work like medium/minor irrigation, soil conservation, afforestation and roads. The works will also provide employment to local agricultural labour. Over the programme period each selected district is expected to get roughly allocation of Rs. 2 crores. A list of 54 selected districts for this scheme is at Appendix-II.

2.2. The Ministry of Agriculture have stated that this programme was initially concerned primarily with the labour intensive schemes to provide much needed employment in the drought affected areas of the country. However, over the past two years there has been a shift in the approach to the programme formulation. Though the programme aims at mitigating scarcity, the emphasis initially on labour intensity of the schemes is now modified. The Central idea now is to strive for the drought proofing of the areas to the extent it is physically and technologically possible. Preference would continue to be given to schemes which are comparatively labour intensive but other works relevant for eradication of drought would not be excluded because of their comparatively higher non-wage components. Therefore, the less labour intensive schemes like drinking water, construction of tubewells etc. are encouraged under the programme to achieve the desired objective.

2.3. Regarding the organisational set up in 54 selected districts for implementation of the programme, Ministry of Agriculture have stated the position as under:—

“The Drought Prone Areas Programme is being implemented through the concerned State Technical Departments. The irrigation and road schemes are being implemented through the State Public Works Department. In some States, like Maharashtra, Gujarat, Andhra Pradesh and Tamil Nadu, some

of these works—upto a particular size—are being implemented through the Panchayati Raj Bodies. The ground water schemes are being implemented mostly through State Ground Water Agencies. Soil conservation schemes are being implemented through the State Agriculture Departments and afforestation schemes through the Forest Departments. The Drinking Water Supply Schemes—which are concentrated mostly in Rajasthan and Gujarat—are being implemented by the State Public Health Engineering Departments. However, in most of the States, the existing organisations of the Technical Departments at the field level have been strengthened taking into account the extra workload generated by the schemes sanctioned under the programme. Although the schemes are being implemented by the different Technical Departments at the district level, they are being mostly co-ordinated by the Deputy Commissioner/District Collector/District Development Officer. The State Governments have also been requested to set up coordination bodies at the State and the district levels to oversee the implementation of the programme.”

2.4. The Committee were informed that Selection of the districts was made on the basis of incidence of rainfall (based on 50 years' normal rainfall), percentage of irrigated area in a district and frequency of occurrence of drought mostly over the ten year period beginning from 1959-60. All these districts were classified into categories, A, B and C as indicated below:—

Once in 3 years	Category A
Once in 6 years	Category B
Once in 10 years	Category C

The 54 districts which have been selected for purposes of the Drought Prone Areas Programme fall in categories A and B *i.e.* once in three/six years.

2.5. It has been stated that under the Drought Prone Areas Programme, the Central financial assistance to the States is entirely in the shape of grants except for the following items:—

- (i) Soil conservation works on the fields of private cultivators. Expenditure on subsidy to individual cultivators is treated as grant and the balance as loan.
- (ii) Dugwells 33-1/3 percent as grant and 66-2/3 percent as loan.
- (iii) Expenditure on purchase of equipment, machinery and vehicles needed for the implementation of the programme is treated entirely as loan.

2.6. The grant and loan assistance to the States under the programme is made according to the usual arrangements in force.

2.7. The Ministry of Agriculture have stated that the field implementation of the schemes sanctioned under the D.P.A.P. programme is the responsibility of the concerned State Governments. The actual field implementation of the programme started in different States with varying degrees of intensity towards the later half of 1970-71. As against the sanctioned outlay of Rs. 13.85 crores during 1970-71 an expenditure of Rs. 6.76 crores was incurred by the States. Since this was the first year of the programme, several preparatory steps had to be taken both at the State and the Central levels. However, during 1971-72, the programme implementation had picked up and an expenditure of Rs. 24.03 crores was incurred. Thus, during the first two years of the programme, a total expenditure of Rs. 30.79 crores was incurred which is nearly 31 percent of the available outlay of Rs. 100 crores. The progress would be more speedy during 1972-73.

2.8. The Ministry of Agriculture have further stated that although programme implementation had picked up in 1971-72, progress is not even among the different States. The progress continue to be slow in States like Bihar, J&K, West Bengal and, to a lesser extent, in Madhya Pradesh and Uttar Pradesh. The Ministry have also stated that the State Governments have not furnished a clear-cut picture of the physical benefits accruing from completion of sanctioned schemes under the programme.

2.9. However, the schemes taken up under the programme like medium/minor irrigation, soil conservation, afforestation, development and roads would result in durable assets.

2.10. The Committee were informed during evidence that in the Drought Prone districts of Mysore, Andhra Pradesh and Rajasthan very little area would be brought under irrigation as compared to the total cultivated area because neither the surface water nor the underground water was available in plenty. As such, the drought prone areas could not depend upon irrigation alone and the pattern of agriculture would require adjustment on the lines of dry land farming.

2.11. Asked why dry land research was not applicable to drought-prone areas, the representative of the Ministry of Agriculture stated:—

“We are taking areas with an annual rainfall of 375 to 1125 mm. Under this category, there are 128 districts covering about 68 million hectares. Certainly, Sir, if any drought prone areas fall under this category, this research would be applicable to them also.”

2.12. For research on Dry Farming Technology it has been stated that the centrally-sponsored scheme for Integrated Dry Land Agricultural Development envisages the implementation of 24 pilot projects in 12 States to act as demonstration-cum-training projects around 24 Indian Council of Agricultural Research Centres/sub-Centres (for details see Chapter-III).

2.13. In Planning Commission's document entitled "Approach to the Fifth Plan, 1974-79" it has been stated as under:—

"Certain special programmes such as SFDA and MFAL projects, Crash Scheme for Rural Employment and Drought-Prone Areas programmes were initiated in the Fourth Plan. By and large, these programmes were conceived in isolation and their operations were locationally dispersed. In the Fifth Plan, it will be necessary not only to accelerate the pace of implementation of these programmes but also to make distinct operational improvements. The experience with these programmes has shown that, if an impact is to be made, the development programmes in general and the special programmes in particular will have to be integrated."

2.14. It has been suggested that Government of India should allow a part of the D.P.A.P. funds to be utilised for survey and investigation of schemes in the Drought Prone Areas so that programme planning is sound and implementation quicker. In this connection, the Ministry of Agriculture have stated as follows:—

"The State Governments have already been permitted to utilise Rs. 1 lakh per district for survey and investigation of schemes to be included in the master plans to be prepared under the programme. The State Governments have also been permitted to take up ground water surveys at Rs. 1 lakh per programme district from the programme funds. As part of the overall approach to the Fifth Plan, the Ministry has also been considering the question of providing project cells in the State for survey and investigation of schemes and for preparation of master plans."

2.15. The Committee note that field implementation of schemes under Drought Prone Areas Programme is the responsibility of the respective State Governments. The Committee also note that the programme is being implemented by various State Technical Departments concerned. In order that the different schemes under the programme are executed smoothly, efficiently and in a coordinated

manner, the State Governments may be requested to take expeditious action to set up coordination bodies both at State and district levels, to oversee the implementation of the programme.

2.16. The Committee note that the programme for drought prone areas which was taken up in 1970-71 for the first time has made some progress. The Committee, however, is seriously concerned to note that the programme was conceived in isolation and that the operations were locationally dispersed. The Committee cannot too strongly emphasise that if a long term solution is to be found to the problem of drought prone areas, development will have to be carried out on a systematic basis and as an integral part of the general developmental programme in that area. The Committee note that the Planning Commission's draft approach to the Fifth Plan 1974-79 recognise these shortcomings. The Committee cannot too strongly stress that this lacuna can only be removed if detailed surveys and investigations of schemes are undertaken and these are evolved in an integrated manner at the ground level.

2.17. The Committee note that Government have a scheme of allowing State Governments Rs. 1 lakh per district for survey and investigation work. The Committee feel that State Governments should gear up their machinery to undertake survey and investigation work on scientific basis so as to facilitate decisions being taken on inter se priority for implementation of schemes, their feasibility and economic return by way of development, etc. The Committee would also suggest that the Central Government should lay down guidelines and essential points which should be gone into at the time of investigation and survey. The Committee attach great importance to proper planning and survey and would like to be informed of the action taken within three months.

2.18. The Committee note that the progress of schemes has not been even among the different States. The progress is stated to be slow in Bihar, Jammu and Kashmir, West Bengal and to a lesser extent in Madhya Pradesh and Uttar Pradesh. The Committee have, however, not been informed of the precise reasons which are holding up work in these States particularly in Bihar and West Bengal which are prone to droughts. The Committee would like Government to devise a Proforma by which they get periodical reports from the State authorities about the progress made. There should be an arrangement for critical review of these returns as also for a visit to the site to understand and resolve the problems coming in the way of expeditious implementation of the scheme. This two-way interchange of ideas would make for realistic planning and implementation.

2.19. The Committee are concerned to note that no concerted effort has been made to extend dry farming technology to all the drought prone areas. The Committee feel that problems of the drought prone areas should receive special attention of the Research Organisation so as to develop seed technology and other agricultural practices which would be best suited to the drought conditions prevailing in the areas. The Committee would, therefore, like this matter to be examined at the highest level between the Ministry of Agriculture and the Indian Council of Agricultural Research so as to have well coordinated and integrated approach not only in the matter of research but also in the matter of making this information available effectively to the farmer in the field, so that he may avail of the improved techniques instead of continuing with age-old practice of cropping.

### B. Irrigation facilities

2.20. The Ministry of Agriculture have stated that the "current efforts in the Fourth Plan is only a beginning and would not even touch the fringe of the problem. Therefore, a far heavier investment would be needed even for making modest additions to the irrigation facilities in the drought areas." It would, therefore, be necessary to continue this programme during the Fifth Plan period also.

2.21. During evidence the Committee were informed that out of the total outlay of Rs. 100 crores, 54 per cent was for irrigation, 8 per cent for soil conservation, 7 per cent for afforestation, 26 per cent for roads and 5 per cent for other items. It was further stated that the main emphasis is on minor irrigation works.

2.22. The Committee note that 54 per cent of the total outlay is at present earmarked for minor irrigation schemes. The Committee have not been informed of the precise success achieved in implementation of these minor irrigation schemes. They need hardly stress that the pre-requisite condition for any programme for minor irrigation is careful survey of ground water resources. The Committee would suggest that the help of the exploratory Tubewells Organisations and other similar agencies which have expertise in the field should be taken in order to locate the sites where tubewells could be sunk with advantage. Apart from sinking of tubewells it is of the utmost importance that they are kept in repair and that the water resources are equitably made available to all concerned. The Committee would like Government to make sure that not only these tubewells are sunk but they subserves the purpose of developing agriculture on an assured basis so as to reverse periodic visitation of droughts. The Committee would stress that the progress made in this behalf should be critically reviewed at least once every quarter so that more funds within

the existing resources could be diverted to schemes which are showing progress and promise.

2.23. The Committee would like Government to pay equal attention to other sources for minor irrigation, such as storage tanks, dugwells, lift irrigation from surface water resources where available etc.

### C. Special Tools and Plants

2.24. It has been represented to the Committee that:—

“...the progress of work under DPAP has been slow for want of special tools and plants such as compaction units, road rollers etc. The Special Tools and plants already available with the State Government are inadequate for its own Plan and Nonplan works. On account of tight budgetary position further investments in special tools and plants are rendered difficult. The hiring charges of machines wherever available are exorbitant and thus uneconomic as they push up the cost of works considerably. The State Government's difficulties have increased with the decision of the Government of India to the effect that special tools and plants should not form more than 1½ per cent of the total cost of works. The question of increasing this limit, as the special tools and plants form about 10 per cent of any work, is under correspondence with the Government of India.

The Government of India have however, informed that the State Government may purchase special tools and plants including jeeps etc. for DPAP works out of the funds provided for DPAP (by the Government of India) but the amount would be treated as loan to the State Government within the overall ceiling of Rs. 2.00 crores for each DPAP district. The State Government find it difficult to agree to such an arrangement as it would reduce the expenditure on works and provide lesser employment opportunities. It would certainly consider any arrangement wherein the Government of India may extend loans outside D.P.A.P. for providing necessary infra-structure for D.P.A.P. works.

Another difficulty is about the availability of Special Tools and plants. Heavy equipment such as crawler tractors, bull-dozers, road rollers, jeeps etc. are not readily available in the market on hire. The time-lag in the supply of heavy equipment etc. ranges from 2 to 3 years. Unless the State Government is helped by the Government of India in obtaining these on top-priority basis it would not be able to get out of the woods.”

2.25. During evidence the representative of the Ministry of Agriculture stated that the limit of 1½ per cent for tools and plants was considered to be quite adequate. However, on receipt of representations from some State Governments that it was inadequate, the Government of India had agreed to give them further assistance by way of loan and not as a grant. In this connection, the Secretary, Department of Agriculture stated as under:—

“Obviously, the assumption is that the State Government would be having with them, some machinery; but because the drought prone area programmes are to be taken up on a special urgency basis, this 1½ per cent grant is given for this plant. If the State Government does not have adequate tools and plants in the normal P.W.D. inventory then they can get money for buying tools and plant, which is given to them as loan. The tools and plant are their property. They are purchased with this 1½ percent grant, but they remain their property. They are not taken back.”

2.26. Regarding availability of special tools and plants on priority basis for Drought Prone Areas Programme, the Secretary Department of Agriculture further stated:—

“Whether money is available to the State Government as grant or loan, many State Governments and the Departments of the Government of India finding it difficult to get machinery and plants readily and on time for their different schemes. With regard to drilling rigs in particular for the tubewells, we have been aware of the difficulty. We have been trying our best to pool the resources which are available in the country, to the best advantage.”

2.27. The representative of the Ministry of Agriculture admitted that there had been a demand for supply of road-rollers for DPAP works and the matter had been taken up with the Ministry of Industrial Development.

2.28. The Committee have earlier in this Chapter focussed attention on the need for developing tubewells on priority basis. The Committee are concerned to note that serious difficulties are being experienced by the State Governments in the matter of getting adequate number of rigs. The Committee feel that as for some years to come there would be heavy requirement of rigs for sinking tubewells, Government should review the position in consultation with all Ministries concerned, including the Ministry of Industrial Development so that the rigs can be made available without undue delay in adequate numbers and of the requisite capacity. The Committee need hardly stress that the rigs should be sturdy and well-suited to the conditions encountered in the areas so as to make progress



in the shortest possible time. The Committee are also concerned to note that difficulties are also being experienced in the procurement of Road Rollers. The Committee feel that as adequate capacity has been developed in the country for manufacture of heavy machinery and diesel engines, it should not be difficult to have a well coordinated programme for manufacture of Road Rollers to meet effectively and in time the requirement for construction of roads particularly in drought prone areas.

2.29. The Committee would like Government to examine in detail the requirements for other plants and machinery like trawler, tractors etc., which are required for implementation of programme in drought prone areas so as to ensure that these plants and machinery are available in adequate quantity, quality and in good time for implementation of the programme.

2.30. The Committee take note of the fact that some financial difficulties are being experienced by State Governments in purchasing machinery and plants for this programme. While the Committee would like Central Government to review the matter in all its aspects so as to make available adequate financial resources to the State Governments for purchase of absolutely essential plants and machinery for implementation of the programme, they would like to emphasise that the matter should be kept under careful review so as to obviate investment of scarce resources in building up inventories which may later on be found to be surplus to requirements.

## CHAPTER III

### INTEGRATED DRY LAND AGRICULTURAL DEVELOPMENT

#### A. General

Major portion of the agriculture in India is in dry land areas. These areas are backward because of the poor returns and instability in yields due to uncertain rainfall and lack of irrigation facilities. The breakthrough achieved in irrigated areas has to be extended to these dry areas to ensure social justice and equality.

3.2. Accordingly, a Centrally sponsored scheme for Integrated Dry Land Agricultural Development was formulated in 1970 for implementation during the remaining 4 years of the Fourth Plan. The main object of the scheme is to develop and demonstrate the use of new technology suitable for increasing productivity and the total production in dry areas. Due to emphasis under this scheme on labour intensive permanent works like soil conservation, land development, water harvesting, the opportunities for increased fruitful employment in dry areas are expected to be widened. This scheme envisages the implementation of 24 pilot projects in 12 States to act as demonstration-cum-training projects around 24 I.C.A.R. Research centres/sub-centres. In the Fourth Plan a provision of Rs. 20 crores has been made to implement the pilot projects in addition to Rs. 1.47 crores for the I.C.A.R. Research project. The cost of individual pilot project will vary from area to area but on an average cost estimate of each project will be about Rs. 22 lakhs for covering an area of 2,000 acres annually.

3.3. It has been stated that "Areas which receive low rainfall and do not have adequate irrigation facilities constitute nearly 36 per cent of the net sown areas covering 47 million hectares spread over in 84 districts in the country. Agriculture in these areas is faced with the twin problem of low productivity and high instability. The cropping patterns adopted in these areas are such that they are probably meant to share some minimum level of subsistence under uncertain conditions. Concerted efforts for handling the problems of these areas with a view to breaking the yield barrier forms the keynote of this project on Integrated Dry Land Agricultural Development."

3.4. The Ministry of Agriculture have stated that "the project to tackle the dry farming problems during the 4th Plan consists of coordinated research work for evolving techniques which will help to give maximum returns in dry areas (from the available moisture resources) and practical application of results and knowledge of soil and moisture conservation practices, cultivation of drought-tolerant and short-duration photo-insensitive varieties of crops, new techniques of fertilisation, including foliar, foliar spraying, adoption of plant protection measures etc. with necessary infra-structures, including demonstrations and training under the pilot projects."

3.5. The Ministry of Agriculture have further stated that the Indian Council of Agricultural Research has drawn up an All-India coordinated research project by establishing 15 main centres, 8 sub-centres and one special centre at the Indian Agricultural Research Institute, New Delhi. Similarly a centrally sponsored scheme for integrated dry land agricultural development has been drawn up to implement the programme in 24 Demonstration-cum-Training pilot projects. A list of pilot projects is given in Appendix III. Both these schemes are complementary in nature and will work in close collaboration with each other. The actual project areas are selected in consultation with the State Governments.

3.6. Regarding the programmes undertaken by the pilot projects, the Ministry of Agriculture have stated:

"The activities for each project are flexible and are carefully planned according to the local needs and situations obtaining in the areas selected with a view to obtaining maximum returns of production and development. The programmes generally being undertaken are land development including soil and water conservation measures *i.e.*, land levelling, land shaping, deep ploughing, contour bunding, graded bunding, terracing, strip cropping, water harvesting, mulching, formation of bundhies, tanks/ponds, cultivation of drought resistant and short duration improved varieties of crops, fertilisation including foliar spraying of urea, use of legume culture, adoption of plant protection measures with necessary infra-structure including demonstration and training. Besides, exploitation of under-ground water by digging wells, sprinklers are also being popularised. The development of Animal Husbandry Programme includes distribution of milch cattle, sheep, goats, piggery, poultry etc."

3.7. The Ministry have further stated in a written note that "besides increasing the agriculture production, the various works undertaken create employment opportunity in the project areas both for technical personnel and agricultural labour. It is estimated that for every one crore rupee expenditure on these works which can be carried out in an open season 4000 LS—5

of six months in a year, the employment potential thereof will be about 15,000 persons. The scheme envisages an expenditure of Rs. 8 crores on such works. As such it will result in a total employment of about 1,20,000 man years."

3.8. Regarding training facilities for the farmers in these projects, the Ministry of Agriculture have stated:

"The farmers of the project area are trained in the new technology of Dry Farming which besides soil and water conservation techniques includes use of improved drought resistant and short duration varieties suitable for respective areas, complete package of practices to be followed including balanced use of fertilizers and plant protection measures. Demonstrations on high yielding varieties, crop introduction, crop sequence and substitution, improved agricultural implements and plant protection equipments are arranged on the farmers' fields. The training camps of a duration of about 2 to 3 days and field visits to research centres are also arranged for the farmers from time to time."

The incentives provided under the scheme for the participating farmers are stated to be as under:

- (i) Subsidy on inputs including seeds, fertilizers and pesticides @ 50 per cent for the first year of the area covered under the pilot project and 25 per cent during the next year on the same area. The remaining cost of inputs is arranged by the State Governments as short term loan. For introduction of new crops, 100 per cent grant is given for seeds.
- (ii) The pattern of assistance under permanent works differ according to the nature of work. While the assistance for soil conservation and Land Development work is at 75 per cent loan and 25 per cent grant; it is 100 per cent grant in case of Water Harvesting Programmes. For permanent works, the entire cost in terms of loan and subsidy is provided in the first year of the scheme by the Government of India. In the subsequent years, efforts are being made to arrange long term loan for the purpose through Land Mortgage Banks/Commercial Banks and other institutional sources. Since these are risk areas, risks funds have been provided to guarantee short term and long term loans. The subsidy is made available by the Government of India. For the projects taken up in 1970-71 an exception was however made to extend loan during 1971-72 as the projects had started very late during 1970-71. It has now been decided to provide long term loans during 1972-73 and 1973-74 by the Government of India.

- (iii) With regard to infrastructure, the entire cost of Project establishment, demonstrations, farmers training, farm machinery and plant protection equipments is provided by the Government of India as 100 per cent grant. The Agricultural machinery and equipments costing upto Rs. 300 can be made available to the farmers on 50 per cent, subsidy subject to maximum of Rs. 1000 subsidy per farmer. As regards foliar spraying, only the cost of urea is being subsidised to the extent of 50 per cent by Government of India. The rest of the amount as loan is arranged through institutional finance.
- (iv) For minor Irrigation, there is 75 per cent loan and 25 per cent grant. For sprinkler irrigation for individual farmer, it is 50 per cent loan and 50 per cent subsidy but when it is undertaken on community basis then it is treated as loan.
- (v) For Animal Husbandry Programme, a lump sum provision of Rs. 3,00,000 per year per project (Rs. 2.00 lakh loan and Rs. 1.00 lakh grant) has been provided. Loans and grants are available only to the deserving farmers having 10 acres of holdings or less."

3.9. It has been stated that an area of 8000 acres is proposed to be covered under each of these projects, 2000 acres each year. But due to late start of the scheme, delays in appointments of the staff, non-availability of the loan components in the second year of the implementation of the scheme from the Government, non-availability of transport for proper coordination and supervision etc., much progress could neither be made nor the entire area as envisaged covered under the programme.

3.10. It has been further stated that the\* approach for the Fifth Five Year Plan is to cover about 50,000 acres by each project preferably on the whole block/water shed basis so that each project could make a real impact on the socio-economic condition in the dry areas.

3.11. The Ministry of Agriculture have also stated that \*\*annual Reports for this scheme have not been prepared. A proforma for preparing the annual Reports is under examination, and the State Governments will be requested to send the annual Reports of each project after finalisation of the proforma by the Planning Commission.

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\*At the time of factual verification the Ministry of Agriculture have stated that the approach for the 5th Five Year Plan for the programme has since changed. It has now been decided to restrict the expenditure for this programme in the 5th Plan to utilise the spill-over of Rs. 10 crores from the 4th Plan provision. It will therefore be possible to run the scheme only for 3 years in the 5th Plan and to cover only 14000 acres per project taken up from 1970-71 and 12,000 acres per project taken up from 1971-72. The programme will be much restricted and may not be taken up on the whole block/water shed basis.

\*\*At the time of factual verification the Ministry of Agriculture have stated that the proforma for preparing the annual report of the scheme has since been prepared and forwarded to the State Governments.

3.12. A Study Team has been constituted by the Government of India to undertake study of the existing levels of dry farming technology in selected districts and critically consider them in the light of the latest knowledge and technology developed in the laboratory and Research Institutes. A number of \*\*\*Interim Reports have been submitted to Government by the Study Team.

3.13. It has been represented to the Committee that under the scheme of Integrated Dry land agricultural development, the rates of subsidy granted by Government of India are lower than what is being given by the State Government for identical works under their own schemes. For example, for soil conservation schemes, the subsidy given by Government of India is 25 per cent while the State Government provides 75 per cent subsidy. Similarly, for land development, the subsidy given under the Central Scheme is 25 per cent while the schemes of the State Government provide 100 per cent subsidy. For irrigation programme and Animal Husbandry programme the subsidy provided by the State Government are also higher than the subsidy provided under the present scheme. It has been stated that as a result of differential rates of subsidy under the Central schemes and the State schemes, the progress in the dry areas is not encouraging because the State Government do not have sufficient resources to divert funds from other areas to the Dry Farming project area.

3.14. The Committee note that the main objective of the Scheme for Integrated Dry Land Agricultural Development is to develop and demonstrate the use of technology suitable for increasing productivity and the total production in dry areas, so that they also benefit from the breakthrough in agricultural practices which has already been achieved in an impressive manner in irrigated areas. It is of the utmost importance, therefore, that the technology to be encouraged should be ideally suited to the conditions obtaining in the dry areas. The Committee are greatly concerned that it is only recently that a study team has been constituted by Government to undertake study of the existing levels of dry farming technology in selected districts and critically consider them in the light of the latest knowledge and technology developed in the laboratory and research institutes. The Committee would like Government to evolve package programmes on the basis of these reports, so that these could be implemented in an integrated manner, to help the farmers in dry areas, particularly those who have small and marginal farms, or work as agricultural labour with small homesteads. The Committee feel that unless the package programme is evolved with reference to ground conditions and other relevant factors, it is not realistic to expect any marked improvement from an

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\*\*\*At the time of factual verification the Ministry of Agriculture have stated that besides interim reports, the Study Team has already submitted its final report which has also been forwarded to the State Governments and other concerned for needful action.

investment of Rs. 20 crores, earmarked in the Fourth Five Year Plan for development of 24 pilot projects in 12 States.

3.15. The Committee are perturbed to note that though the projects were sanctioned in 1970-71 and 1971-72, the Annual Reports have not been compiled so far, to enable a critical evaluation being made of the progress achieved in the field. The Committee would urge Government to finalise the proforma for calling annual returns without further delay so that meaningful data could be collected and critically analysed in order to identify factors impeding progress and taking suitable remedial measures to overcome them.

3.16. In view of the fact that the Scheme is entirely new in concept and technology, it is of the utmost importance that it receives the constant attention of those who are responsible for giving directions, so that shortcomings or difficulties are brought to notice contemporaneously and solutions found without delay.

3.17. The Committee are concerned to note that apart from late start of the scheme, non-availability of loan components, non-availability of transport for proper coordination and supervision, delays in appointment of the staff, much progress could neither be made nor the entire areas as envisaged covered under the programme.

3.18. The Committee regret that no advance planning for providing the requisite staff and all other infra-structural facilities was done. They hope that expeditious action will now be taken by Government to remove these deficiencies so that the targetted coverage of areas in each project during Fourth Plan period as also in the Fifth Plan period are realised.

3.19. The Committee would also suggest that periodic evaluation of the Scheme should be undertaken by Government for proper assessment of its working and impact and to take suitable remedial action in the light of deficiencies noticed.

3.20. The Committee note that under the scheme of Integrated Dry Land Agricultural Development, the assistance for soil conservation and land development works is 75 per cent loan and 25 per cent grant. The Committee also note that some State Governments give higher subsidy for identical works of soil conservation and land development under their own schemes. The subsidies given by State Governments for Irrigation Programme and Animal Husbandry Programme are also stand to be higher than the subsidies provided under the present scheme. It is also stated that these differential rates of subsidy have retarded the progress of various programmes in the dry areas.

3.21. The Committee would like Government to examine this basic question of differential rates of subsidy provided under the Central Scheme and the State Schemes and take such remedial measures which may be

necessary to narrow the gap between the two kind of subsidies. In the Committee's opinion this will help to accelerate the progress of various programmes in the dry areas. The Committee need hardly stress that the farmers deserve all possible help and encouragement to benefit from the present scheme through provision of sufficient funds so that they can increase production by the application of dry farming techniques.

### B. Master Plans

3.22. The Study Team appointed by the Government of India to study existing levels of Dry Farming Technology have recommended with respect to the project at Ibrahimpatnam in Hyderabad district that "a master plan should be prepared for the whole project for both irrigated and un-irrigated areas and concerted efforts be made for increasing production from both the areas. At present no attention was being paid for increasing production from the irrigated fields falling in the project water shed."

3.23. The Committee were informed during evidence that the Master Plan for Ibrahimpatnam had been prepared as recommended by the Study Team. About the other pilot projects, it was stated that the concerned State Governments had been requested to get the Master Plans prepared. Asked whether any date had been fixed for preparing the Master Plans, the representative of the Ministry of Agriculture stated that no date had been fixed for the purpose but the State Governments would require about a month to prepare them.

3.24. The Committee are convinced that Master Plans for area development are absolutely essential, if agriculture is to be developed in an integrated and systematic manner. In preparing these Master Plans, while greater attention should be given to the needs of areas which are un-irrigated, the problems of irrigated land situated in the same area should not be overlooked. In fact, the effort should be to have an over-all plan, which would cover all types of area falling in it, so that measures could be taken to develop the best suited agricultural practices, with particular reference to the requirements of small farmers, marginal farmers and agricultural labour.

### C. Location of Indore Project

3.25. The Study Team appointed by Government to study existing levels of Dry Farming Technology have stated in their Interim Report that "the project (at Indore) is located 39 Km. away from the main centre, in an inaccessible area, and as such has very little demonstration and extension value. It is learnt that for about 5 months the area remains inaccessible because of the lack of village roads and standing water. The project staff stays at Indore. Thus the objectives of the project are difficult to achieve. The Team also observed that all along the road from



Indore towards the project area, typical dry farming areas exist and the project could have been located within 5 to 10 miles (8 to 15 Kilometres) radius along the main road, so that it could also have the desired demonstration value. The Team feels that the situation needs to be reviewed by the State authorities and further extension of the project should not be attempted without considering the feasibility of selecting right sites in the neighbourhood of the research centre."

3.24. When the Committee enquired whether the results of research were being put to test, the representative of the Ministry of Agriculture stated during evidence:

"The areas to which these pilot programmes are applied on an experimental basis are chosen nearest the research centres so that the Research Officers would also know whether the results of their research are *prima facie* put to the test or whether they just remain in the books."

3.27. The Committee are puzzled as to how the Indore Project came to be located at a distance of 39 Kms. from the main centre, in an inaccessible area which remains cut off from the Centre for about 5 months, because of lack of village roads and standing water. It would be pertinent in this connection to recall that, according to the Study Team which reviewed the matter, there was typical dry farming area available within 8 to 15 Kilometres of the main Centre and, therefore, there was no particular reason for locating it in an inaccessible area. The Committee also are unable to appreciate as to what purpose is served by locating the staff for extension work at Indore, when their field of work is 39 Kms. away and that too, in an area which is not accessible for about 5 months. The Committee would like Government to take immediate action to re-locate the area for the Indore Project, keeping in view all relevant factors. The Committee would like Government to ensure that, in future, all aspects of the matter are gone into fully by a study team of experts, so as to select the best suited area for demonstration of dry farming technology in the interests of having maximum impact on the agricultural scene.

#### D. Research on Dry Farming Technology

3.28. It has been stated that the programmes envisaged for development of dry land farming are in two complementary directions *viz.* research on improved dry farming technology and the application of such technology in dry farming areas.

3.29. Regarding nature of research which is being conducted in 24 pilot projects, the Indian Council of Agricultural Research have stated the position as under:—

"According to the concept, the research centres and pilot projects are complementary for the development of the dry land

farming. The research centre and its attached pilot project in the neighbourhood, are located in the representative dry land pilot development projects for improving agricultural studies to develop technology which is tested in the attached dryland pilot development projects for improving agricultural try has been divided into 8 zones on the basis of moisture deficit calculated from the precipitation and potential evapo-production under dry land conditions. For the purpose, the whole country has been divided into 8 zones on the basis of moisture deficit calculated from the precipitation and potential evapo-transportation data. Excluding the Zone—1 which is extremely dry and zones 6, 7, 8 which are sub-humid, humid and perhumid, the project covers zones 2 to 4 with a few centres in zone 5 where the 24 research centres with one pilot project each have been set up. All research investigations are, therefore, carried out at the research centres to develop the technology for testing in the attached pilot project and they include the following research items:—

- (a) Efficiency of different crops in utilising rainfall and stored moisture.
- (b) *Crop sequence* studies to determine less risky and more remunerative cropping season for regions where either 'Kharif' or 'rabi' cropping is possible.
- (c) Crop mixture to determine suitable inter-cropping system.
- (d) Geometry of crops to determine efficiency row direction and plant population, specially in the higher latitude.
- (e) Water intake studies.
- (f) Studies on mulching including vertical mulching.
- (g) Fertiliser use in dry land agriculture.
- (h) Assessment of breeding material and testing of pro-release material.
- (i) Crop introduction and crop substitution.
- (j) Increasing the infiltration and moisture storage.
- (k) Tillage practices, sowing and fertilisation.
- (l) Water harvesting and minimal irrigation."

3.30. Asked how the results of research carried on at various centres is applied to dry farming areas, the Indian Council of Agricultural Research have stated in their note as follows:

“The Chief Scientist of the research Centre gives the technical leadership in formulating the technical programme of the pilot development projects and helps formulating the package of practices on the basis of research findings at the research centre for testing in the attached Pilot Development Project nearby. As the Chairman of the programme implementation Committee at the project level, the Chief Scientist also helps adoption of the new technology in the dry land pilot projects. The scientists at the research centre undertake under their supervision, demonstrations in the farmers’ field in the pilot area, which serves as the demonstration of the technology and farmers’ training centres. Any new problem met in the field is brought to the research centre for investigation and finding suitable solution.”

3.31. On the question of developing special seeds for growing various crops in the dry areas, the Ministry of Agriculture have stated as under:—

“A number of crop improvement research schemes have been implemented by I.C.A.R. on important crops in the country. These schemes continue evolving new high yielding and short duration varieties. Some of the improved ones recommended for rain-fed conditions are as under:—

WHEAT . . . . .	Kalyansona, NP 809, K-65, HFY-65, HD-1467, NI5-439 (all T. aestivum) and T. durum wheat, H1 6-23, EK,69, A. 206, N. 59 N. 1200 NP404.
Price: (Upland)	Jaya, Ratna, Kaveri, CR 44-35, Pusa 2-21, Bala;
BARLEY: . . . . .	R5-6, K572/11, Ratna;
JOWAR . . . . .	Hybrid 2219A xCS-3541, CSH-1, R-16, R-24, R-30, R-147, M 35-1 Swarna;
BAJRA:	Hybrid 23D2A x J. 88, HB —3.
RAGI . . . . .	EC-4840, IE-28 (95 days) ;
MAIZE . . . . .	Ganga-5;
CASTOR . . . . .	Aruna, SA-2;
LINSEED: . . . . .	R-17, Mukta;
SAFFLOWER . . . . .	7-13-3, RS—300;
BROWN SORSON :	PN-15-5/19;
GROUNDNUT: . . . . .	M-13, AK12-21;
SUNFLOWER: . . . . .	EC68415, EC 68414;
ARHAR . . . . .	Ageti, Sharda;
GRAM: . . . . .	Annegini-1 RN-59, T-1;
MUNG . . . . .	Hybrid-845;
COTTON . . . . .	Hybrid-4, Reba B-50, J-34, GS23, 1301DD, PRS-72, Lakshmi, Krishna.”

3.32. The Ministry of Agriculture have further stated that:—

“The varieties and the elite materials from crop improvement research schemes are tested at the dry farming research centres and the promising ones are recommended for adoption in the dry land pilot projects attached to the research centres.”

3.33. Asked to state whether research on crop varieties has shown any concrete results in achieving higher production in the dry areas, the Ministry of Agriculture have in a written reply mentioned:—

“Higher production under dry land conditions has been obtained at the research centres located in different dry areas of the country, by the use of recommended crops and varieties with the package of practices. For instance, as compare to low yields of local varieties, with improved package of practices— bajra HB-3, averaged over 8 locations has yielding 13.8 Q/ha. Averaged over 4 locations, Jowar CSH-1 has yielded 19.0 Q/ha. Upland rice varieties Jaya, Krishna, CR-44-1 and Kaveri have yielded 37.5, 34.7, 30.8 and 30.4 Q/ha respectively at Rewa. Cowpea C-152 has done uniformly well at all locations yielding on the average 12.7 Q/ha. Average over 6 locations, Sunflower has produced 8.2 Q/ha.”

3.34. Regarding progress made in relation to development of quickly yielding and short duration varieties, the Indian Council of Agricultural Research have stated that “the pilot development project and the research centres do not undertake breeding work to develop short duration varieties. However, the elite material from the breeding programme of the crop improvement research schemes are tested for their suitability at the dry land research centres for recommendation to the cultivators in the pilot projects.”

3.35. The Committee note that a number of crop improvement research schemes have been implemented by ICAR on important crops in the country and that higher production has been obtained at the Research Centres. The Committee attach the highest importance to evolving of suitable seeds, agricultural practices and other inputs for achieving best production results in dry farm areas. The ICAR should take a lead in this respect and ensure that the results of existing experience are carefully evaluated, so as to evolve most suitable package programmes for application to dry farms situated in various parts of the country. The Committee stress that ICAR should play a more positive role in developing seeds suitable for dry areas. Government should also ensure that the suitable seeds of proven quality are made available at reasonable rates and on assured basis to the farmers in the dry areas through the extension centres of Research Institutes or through the sales offices of National Seeds Corporation.

### E. Credit Facilities

3.36. The Study Team appointed by the Government of India to study existing levels of Dry Farming Technology have recommended that "non-availability of credit both long-term as well as short-term is a great constraint in the implementation of the programme of Dry Land Agricultural Development. The Co-operative Banks and Commercial Banks are not coming forward for providing loans in these areas because of the risk involved. It would, therefore, be better if long-term loan is provided under the scheme as has been done in the case of drought prone areas scheme."

3.37. In this connection, the Ministry of Agriculture have stated that "under the scheme of Integrated Dry Land Agricultural Development long-term/medium-term loan was available from the Central Government during the first year of the implementation of the scheme in each project. In subsequent years this had to be arranged by the State Governments through institutional sources. Since the banks both co-operative as well as commercial were not agreeable to provide loans in these areas prone to greater risk, the matter was further examined and it has been decided to provide long-term/medium-term loan during 1972-73 and 1973-74."

3.38. The Ministry have further stated that "the short-term loan have to be arranged by the State Governments. Certain difficulties have, however, been experienced in this regard because of the non-functioning of the service co-operative societies. In few cases, the State Governments have made special efforts to provide short-term loan in the project areas."

3.39. The Committee note that Cooperative as well as Commercial Banks are not agreeable to provide loans in the dry areas owing to greater risk involved and consequently Government have decided to provide long-term/medium-term loans during 1972-73 and 1973-74. The Committee further note that short-term loans have to be provided by the State Government but certain difficulties have been experienced due to the non-functioning of service cooperative societies in the project areas.

3.40. The Committee need hardly stress that long-term/medium-term loans should continue to be provided by Government even beyond the year 1973-74, so that the small farmers, marginal farmers and agricultural labour, who have taken to improved practices, do not lose the impetus till the position gets consolidated. The Committee feel that the Central Government, in conjunction with the State Governments, should see that a systematic and sustained efforts is made to ensure that the requisite long-term/medium-term loans become available to the small farmers, marginal

**farmers and agricultural labour through either commercial banks or cooperative societies, by a suitable institutional mechanism. It need hardly be pointed out that where such commercial banks and co-operative societies do not exist, special efforts should be made to encourage their establishment, so that they could act as the service agency for providing this essential credit facility.**

## CHAPTER IV

### CRASH SCHEME FOR RURAL EMPLOYMENT

#### A. General

The Ministry of Agriculture have stated that the Crash Scheme for Rural Employment was put into operation on the 1st April, 1971, initially for a period of three years, with the budget allotment of Rs. 50 crores each year.

4.2 It has been stated that the Scheme has two basic objectives, namely (i) the direct generation of employment in all the districts of the country through the execution of projects which are essentially labour intensive, and (ii) the production of assets of a durable nature in consonance with local development plans so that the all round development of the districts is assisted. The Scheme intends to generate employment for 1000 persons on an average per year in every district. If a year is taken as consisting of 10 working months and a month as 25 working days, it follows that on an average 2.50 lakh mandays of employment should be generated in every district.

4.3. The Ministry of Agriculture have stated that the budget estimates for 1971-72 were based on the intention to provide income not exceeding Rs. 100 per head per month for 1000 workers or more in each district, the total wage bill for 10 months in a year approximating Rs. 40 crores. To secure durability of the projects, funds for equipment, material and technical supervision were provided at 1/4th of the total wage bill and this worked out at Rs. 10 crores. The total outlay, therefore, for the scheme as a whole was reckoned at Rs. 50 crores.

4.4. Based on the experience of 1971-72 certain important modifications have been made in these estimate for the year 1972-73. The concept of 1000 labourers working for 10 months in a year has been replaced by mandays, for the reason that the number of workers and the period for which they worked varies from place to place according to the season, environmental and social circumstances in each area. Also in order to permit the maximum utilisation of funds, the State Government have been allowed the diversion of funds from one district to another, if sufficient justification exists. Ratio between labour component and wage component which was previously fixed at 80:20 for the total amount covering all the projects is now fixed at 80:20 for a minimum of 50 per cent of the total funds and 60.40 for the maximum of the remaining 50 per cent of the total funds.

The ceiling on the cost of field staff for supervision of projects has also been raised from 3 per cent in 1971-72 to 5 per cent on 1972-73, in the interest of the durability of the projects. It has also been laid down that the size of the projects should ordinarily be such that a project will employ a minimum of 50 persons continuously for a period of 15 weeks. Smaller projects can be taken up in special circumstances of the prevailing local conditions but the cost of such small projects shall not be less than Rs. 5,000 and their number shall be such that not more than 20 per cent of the funds allotted to a district are spent on them.

4.5 It has been further stated that the projects undertaken under the Crash Scheme for Rural Employment include construction of roads, soil conservation, reclamation and development of land, drainage, flood-protection, anti-water logging measures, water conservation and ground water recharging, construction of class-rooms for primary school buildings etc. In fact any projects that is labour intensive and useful for the development of a district can be undertaken. It is estimated that about 60 per cent of the proposals received from the State Governments during 1971-72 relate to the construction of roads, 25 per cent to minor irrigation and the remaining 15 per cent to soil conservation, afforestation, drainage, anti-water logging measures, etc.

4.6. Regarding allocation of funds, the Ministry of Agriculture have stated that "the funds are allocated to States and Union Territories at the rate of Rs. 12.50 lakhs per district, involving for 355 districts an outlay of Rs. 4437.50 lakhs. The balance of Rs. 562.50 lakhs from the total sanctioned funds of Rs. 50 crores for the scheme were distributed among the more populous States in such a manner that the *per capita* allotment of these States was equal. After a detailed examination of all relevant figure, it found that seven States, namely, Andhra Pradesh, Bihar, Kerala, Orissa, Tamil Nadu, Uttar Pradesh and West Bengal qualified for additional allocations. Therefore the extra available sum of Rs. 56250 lakhs was distributed among these seven States."

4.7 The Scheme is being run under a hundred per cent grant from the Centre and no contribution is required to be made by the States towards implementation of the Crash Scheme for Rural Employment.

4.8 A statement showing expenditure on different items of work under the Crash Scheme for Rural Employment during 1971-72 in respect of 13 States and 5 Union Territories is at Appendix IV. It will be seen therefrom that 81 per cent of the expenditure was incurred on construction of roads and the remaining 19 per cent items namely minor irrigation, land reclamation, soil conservation, land development, flood protection etc. For minor irrigation and land reclamation the expenditure incurred was only 8.89 per cent and 1.60 per cent respectively.



4.9 Asked why projects relating to Agriculture e.g. minor irrigation and land reclamation etc. have not received their due share in the total expenditure incurred during 1971-72 under CSRE, the Ministry of Agriculture have stated that "the State Government have been given discretion to select projects with due regard to the needs of different local areas. As may be seen from the nature of, and expenditure incurred on various projects selected among the various competing claims, the priority assigned to road works under the CSRE is relatively much higher than the priority accorded to other projects."

4.10. The Committee note that the Crash Scheme for Rural Employment was put into operation in April, 1971 on the basis of 100 per cent grant from the Central Government and with an annual allocation of Rs. 50 crores. Each district is allotted on an average Rs. 12.50 lakhs per annum. The scheme has two basic objective namely (i) direct generation of employment in all the districts of the country through the execution of projects which are essentially labour intensive, and (ii) production of assets of a durable nature in consonance with the local development plans so that all round development of the districts is assisted. The scheme intends to generate employment for 1000 persons on an average per year in every district.

4.11. The Committee further note that the projects undertaken under the Crash Scheme include construction of roads, soil conservation, reclamation and development of land, drainage, flood protection, anti-water logging measures, water conservation and ground water recharging, construction of classrooms for Primary School Building etc.

4.12. From the material furnished to the Committee it is noticed that during 1971-72 81 per cent of the total expenditure incurred in 13 States and 5 Union Territories relates to one item alone namely "Construction of roads". The expenditure incurred on minor irrigation is only to the tune of 8.89 per cent and for land reclamation it is as low as 1.60 per cent. Government have explained that the State Governments have been given discretion to select projects with due regard to the needs of different local areas.

4.13. The Committee feel concerned that the project relating to agricultural production should have been given such a low priority by the State Governments and 81 per cent of the total expenditure during 71-72 should have been on "Construction of roads." As agriculture is the backbone of rural economy, rural projects relating to agricultural production should have received higher priority.

4.14. The Committee would like the Central Government to investigate how much money has been spent by State Governments for construction of "pucca" roads and how much money has been spent on construction and maintenance of "kachha" roads. As production of durable assets is one of the basic objectives of the scheme, Government must ensure that the roads which have been constructed remain serviceable. It is no use building "kachha" roads only which are liable to disappear after one or two rainy seasons and therefore provision should be made to make all "kachha" roads 'pucca' which will also create additional employment.

4.15. The Committee is equally concerned to note that there is no clear indication in the data furnished by the Ministry regarding expenditure incurred on construction of classrooms for primary schools although it is one of the items mentioned in the schemes. The Committee, therefore, recommend that construction of classrooms for primary schools in the villages should receive higher priority under the Crash Scheme for Rural Employment. Besides serving the dual purpose of creating employment opportunities as well as production of durable assets it will serve the purpose of providing educational facilities for children in the villages.

4.16. The Committee feel that as the entire funds for the scheme are provided by the Central Government it is but appropriate that limits of expenditure which may be incurred on projects of various kinds may be laid down for the guidance of the State Governments.

4.17. The Committee need hardly point out that the Crash Scheme for Rural Employment is largely based on the experience that had been gathered in the earlier Plan period in the implementation of the Rural Works Programme. The Committee regret to have to point out that the lessons of implementation of the Rural Works Programme have not been borne in view while working out the Crash Scheme for Rural Employment. The essence of the matter is that there should be a detailed planning in each area so that labour intensive schemes for generating employment are taken up in building up assets which would be of a lasting value. While the Committee agree that roads provide an essential infra-structure for communication, they are unable to appreciate why as much as 81 per cent of the outlay should be devoted to the construction of roads. This, however, is not synonymous with the building up of permanent assets which would have the effect of regenerating the economy and creating greater employment opportunities.

4.18. The Committee would, therefore, emphasise that Government should have a master plan prepared for each area being taken up for Crash Scheme and ensure that the funds are utilised for creating assets which would help improve the economy of the areas besides providing employment opportunities.

## B. Organisational Arrangements

4.19 It has been stated that the Crash Scheme for Rural Employment is to be implemented through the agency of State Governments and Union Territory Administrations. This Scheme is intended to be in addition to everything contained in the Fourth Plan and in addition to everything which the States wish to do on their own. Therefore, no project can be taken up under this scheme which is already included in the Fourth Plan or in any scheme of the States and Union Territories.

4.20 Regarding implementation of the Scheme, Ministry of Agriculture have explained that the pattern in most of the States is that at the State level the planning and development department is administratively responsible for the implementation of the scheme, including the coordination with other departments. Similarly at the district level, the District Collector/Deputy Commissioner is entrusted with the overall responsibility for the implementation and coordination of the scheme. At the block level, the Block Development Officer/Panchayat Bodies are responsible for the implementation of the scheme. In some States, Coordination Committees consisting of officials and non-officials, have been constituted at the State, District and Block levels for the implementation and coordination of the scheme.

4.21 Regarding selection of labourers for employment under CSRE, the following criteria has been laid down:

- (i) As far as possible only those labourers should be employed who belong to families where no other adult member is employed.
- (ii) If it is not always possible to adhere to this principle, persons should be selected with due regard to the possibility of their finding alternative employment.
- (iii) As between two persons the one who is more needy should be given preference over the other.

4.22 The Ministry of Agriculture have stated that labourers are generally selected by a block level committee consisting of the Block Development Officer and representatives of the local panchayat body.

4.23 It has been stated that the ceiling on the cost of field staff for supervision of projects under the Crash Scheme for Rural Employment has been raised from 3 per cent in 1971-72 to 5 per cent in 1972-73 in the interest of the durability of the projects. Explaining the reasons for enhancement in the ceiling, the Ministry of Agriculture have stated as under:

“Right from the beginning many State Governments protested that the provision of 3 per cent of the total cost of projects for supervisory staff was not adequate. Accordingly with the

approval of the Ministry of Finance the provision was enhanced to 5 per cent.

A district is allotted on an average Rs. 12.50 lakhs per annum. 3 per cent of this works out to Rs. 37,500 or a little more than Rs. 3,000 per month. If a district has ten blocks on an average, the provision will work out to Rs. 300 per block which will not be enough to maintain even one overseer. Every block needs at least one overseer and some subordinate staff. Furthermore, the district as a whole will need at least an engineer."

4.24. Asked whether any improvement has been noticed during 1972-73 as a result of enhancement in the ceiling on the cost of field staff, the Ministry of Agriculture have explained thus:

"the assessment of the work done can be made only at the end of 1972-73. It is only then that we will be in a position to say what improvement has been obtained by enhancing the ceiling from 3 per cent to 5 per cent."

4.25. The Committee note that the ceiling on the cost of field staff for supervision of the projects under the Crash Scheme for Rural Employment has been raised from 3 per cent in 1971-72 to 5 per cent in 1972-73 in the interest of the durability of the projects. The Committee further note that Government have taken this step at the instance of the State Governments to provide them with more funds for supervision of the projects. Government have also stated that the assessment of the work can be done only at the end of 1972-73 and only then they will be in a position to say whether any improvement has taken place.

4.26. The Committee trust that Government will keep a close watch on the results achieved in various projects during 1972-73 and review the position whether the enhancement of the ceiling on the cost of field staff from 3 per cent to 5 per cent has brought about the desired improvement in the implementation of the Scheme.

4.27. While the Committee appreciate the need for proper supervision, they would like to caution against large expenditure being incurred on merely administrative account. The Committee feel that if guidelines are laid down properly and if the criteria for employment of persons are applied objectively, it should be possible to keep the administrative overheads to the minimum. The Committee stress that the funds should be so expended as to generate maximum employment opportunities and every care should be taken to see that the expenditure on supervision is kept to the minimum.

### C. Employment Generation

4.28. Asked whether the progress of C.S.R.E. is according to expectations, the Ministry of Agriculture have stated as under:

“The Government of India do consider that the progress of the C.S.R.E. is according to expectations and quite impressive. The scheme envisaged an expenditure of Rs. 50 crores and the generation of 875 lakh mandays of employment in a full working season of 10 months during 1971-72. During the year, however, work could start only in October, 1971, because the earlier quarter of the year was taken up in formulating projects for execution and making the requisite administrative and other arrangements. Then came the monsoons. Thus a six months working period was actually available. During the period, the expenditure up to the end of the March, 1972 reported is Rs. 31.27 crores and this has resulted in the generation of 799.34 lakh mandays of employment. It may be added that the information in regard to employment is collected in terms of mandays and not in terms of numbers of persons employed as the period of employment varies from person to person and from project to project.”

4.29. The Ministry have further stated that according to the information for 1972-73 received till 15th September, 1972, the expenditure incurred is Rs. 811.53 lakhs and the employment generated is 254.16 lakh mandays. It is expected that with the completion of the administrative arrangements the sum of Rs. 50 crores provided during 1972-73 will be fully utilised.

4.30. The Ministry of Agriculture have further stated that “the basic objective of the Crash Scheme for Rural Employment is to provide a certain minimum quantum of employment in every district of the country. This objectives has been achieved. For a broader and more comprehensive employment programme other criteria will have to be adopted.”

4.31. The Committee enquired how the Crash Scheme for Rural Employment differed from the earlier scheme of Rural Works Programme. The representative of the Ministry of Agriculture stated:—

“There are two basic differences between the rural works programme of the Third Plan, and the crash programme of the Fourth Plan. First, the difference is in the coverage of area. The first rural manpower programme started with about 36 blocks and covered at the end of the Third Plan period, about 1,000 blocks. Roughly one-fifth of the country was covered under the

Rural Manpower Programme. The Crash Scheme extends to all the rural districts of the country, without a single exception. That is the first basic difference. The second basic difference is in the financial pattern of the two programmes. In the Third Plan, no specific financial outlay was provided in the Plan itself. There was simply a programmatic arrangement and a notional outlay of Rs. 150 crores was indicated. It was assumed that there would be savings from other schemes for which specific outlays were provided and the Rural Manpower Programme would be served by savings from these schemes. But in the actual point of fact, eventually about Rs. 20 crores were physically made available and that also on purely *ad hoc* basis from time to time, with the result that the Central Government could not give the State Governments any assurance at any point of time that a particular amount would be available to them in future. But in the case of the crash programme, there is a fundamental difference in the sense that we can tell the State Governments, even two or three years in advance, as to what will be their allocation for the next 2 or 3 years. The State Governments know what will be the outlay and they can plan ahead. In the very first year of the crash programme, we told them to make plants for two or three years. These are the two basic differences."

**4.32. The Committee note that the Crash Scheme for Rural Employment introduced during the Fourth Plan differs from the Rural Works Programme taken up during the Third Plan period in two respects. Firstly, the Rural Works Programme of the Third Plan did not have all-India coverage and it roughly covered one-fifth of the country by the end of the Third Plan. Crash Scheme on the other hand extends to all districts of the country. Secondly, in the Third Plan, no specific financial outlay was provided in the Plan itself for the Rural Works Programme with the result that the Central Government could not give the State Governments any assurance at any point of time that a particular amount would be available to them in future for the Rural Works Programme. But under the Crash Scheme the State Governments know their financial allocation and they can plan ahead for various projects.**

**4.33. The Committee further note that the Scheme envisaged an expenditure of Rs. 50 crores to generate 875 lakh mandays of employment in a full working season of 10 months during 1971-72. It has been stated that as the work could start only in October, 1971 the actual expenditure on the scheme during 1971-72 was Rs. 31.27 crores which has resulted in the generation of 799.34 lakh mandays of employment. Government have**

also claimed that the basic objective of the scheme to provide a certain minimum quantum of employment in every district of the country has been fulfilled and "for a broader and more comprehensive employment programme other criteria will have to be adopted."

4.34. The Committee would like Government to most carefully review the progress made so far in implementing the Crash Programme so as to see whether the underlying objective of spending Rs. 50 crores on creation of employment opportunities and durable assets has really been achieved. The Committee feel that there is need for most carefully selecting the schemes as stressed earlier in this Chapter so that lasting assets which would make for development are created and the money is not directed to ventures which do not actually contribute towards growth and development.

#### D. Pilot Intensive Rural Employment Project

4.35. The Ministry of Agriculture have stated that another project entitled the Pilot Intensive Rural Employment Project (PIREP) has been formulated for implementation in 15 selected blocks of the country. The objectives of the project are:

- (a) to provide gainful employment on work projects not requiring skills of a high order in selected compact areas progressively to all those that offer their services for a wage;
- (b) to utilise the funds appropriated for the projects for creating durable assets, preferable such as will the multiplier effect of creating new job opportunities of a continuing nature and will form part of an Area Development Plan;
- (c) to explore the possibility of imparting new skills to some at least of the workers employed on Project works during the period of the employment and of assisting them in finding continuous employment in the secondary and tertiary sectors in rural or urban areas; and
- (d) to study, through the implementation of the project in selected areas, the nature and dimensions of the problem of employment among the rural wage-seeking labour and the effect if any of the project on the wage level in the area with a view to evolve a comprehensive programme for the rest of the country.

4.36. It has been stated that.

"PIREP is envisaged for the present as a three year project and its scope will be expanded year by year in accordance with the pace at which necessary administrative and other arrangements are developed. It is expected to attain its full scope in the

third year when employment will be offered to all able bodied men and women within the age group of 15 to 59 ordinarily residing in the selected blocks and who have declared their willingness to do manual work and registered themselves in the prescribed manner. In the first and second years, employment will be provided to some of the registered persons, the actual number and the period of employment being determined by the conditions in the block, the state of the works meant to provide employment, organisational arrangements and other relevant factors. In the first and second years, the selected persons and in the third year, all the persons registered will be allotted specific work sites and the object of the project will be deemed to have been fulfilled when such allotment is made. While every attempt will be made to provide work as near the village as possible, it may not always be possible to do so and, therefore, all persons should be willing to go to the work sites allotted to them."

4.37. The Ministry of Agriculture have further stated that:

"persons who are likely to register themselves for manual work under the Project will be in need of employment for varying periods during the slack season of agricultural operations. It is further assumed that the majority is likely to be wanting employment for short periods only. So, consistently with the need for ensuring satisfactory completion of works and creation of durable assets, the minimum period for which employment is to be arranged has been fixed at 15 weeks and the maximum at 40 weeks."

4.38. The Ministry have also pointed out that:

"PIREP differs from CSRE in two respects. Firstly, while the latter is spread thinly over the entire district, the former will concentrate over the smaller area of a block with a view to achieve cent per cent coverage. CSRE attempts to benefit about 100 persons in a block on a selective basis at the rate of one per family, but PIREP seeks to provide employment to all eligible persons in the block in the third year thereby facilitating the study in depth of the problems underlying the full utilisation of rural manual labour for development. Secondly, since different people need employment at different periods, PIREP takes this into account and tries to coordinate the supply of labour for varying periods with the demand for labour arising from different types of works and provide work on that basis, while CSRE speaks of no such co-ordination or specific linkage."



4.39. Regarding execution of the Project, it has been stated that:

“The Project will be operated through the State Governments. The District Collector will be in overall charge of the Project in his district. The BDO of the selected block will be the Project Officer. The extent to which the Panchayati Raj institutions will be involved in the actual implementation and the mode of such involvement will naturally depend on the conditions in each State and the State Governments will take appropriate decisions. It is open to the State Governments to entrust the execution of the Project to a special organisation like the Land Army which has been built up for managing rural employment schemes. Some broad aspects may, however, have to be ensured. Competent technical support and supervision must be made available to the Panchayati Raj bodies or other organisations through the technical departments or otherwise so that the works will really result in durable assets. If for technical reasons, a work has to be executed through the agency of a State Department, the Collector and the BDO will ensure that they will be closely associated at all stages, particularly in regard to registration of labours, planning of works and allocation of labourers to works.”

4.40. The Committee were informed during evidence that pilot Intensive Project for Rural Employment was launched in October, 1972, in 15 selected blocks in the country. A workshop-cum-seminar was held in which details of the project were explained to the officers of the State Governments who were responsible for the implementation of the Project and the preliminary survey work had been completed. The progress made so far was satisfactory.

4.41. It was explained that the new scheme of P.I.R.E.P. had been launched with a view to find out exactly what was the dimension of the problem of unemployment in the country on the basis of the results obtained in the 15 selected blocks.

4.42. Asked what was the machinery in the States for implementing the Crash Scheme for rural employment the witness stated that it varied from one State to another. By and large the scheme was being implemented by P.W.D. or Irrigation or Forest Department of State Governments and in some States it was being implemented through Zila Parishads and other Panchayati Raj institutions. Asked whether the block officers and district officers could devote time for implementation of the scheme when they had other multifarious duties, the witness explained:

“Primarily at the block level the responsibility devolves on the B.D.O. and at the district level it devolves on the Collector.

So far we have not received any complaint that the BDO or the Collector is unable to bear this burden. But for supervision, State Governments have appointed special staff and in some States at the State level they have designated an officer especially for this. At the Secretariat level it is the Agricultural Commissioner or Development Commissioner who is in overall charge of the scheme. There is a special cell for this at the Central level."

4.43. Asked whether the Crash Scheme for Rural Employment and the new scheme of PIREP were being synchronised with other schemes like SFDA/MFAL, the representative of the Ministry of Agriculture stated:

"The question of synchronising arises with regard to SFDA and MFAL. The MFAL scheme has a small rural works content. The District Collector as the Chairman of the District Level Coordination Committee looks into this aspect of the matter and ensures that the total effort in the district is coordinated."

4.44. In justification of the new scheme of PIREP, the Ministry of Agriculture have stated as under:

"The Crash Scheme for Rural Employment has the limited objective of providing a certain minimum quantum of employment in every district of the country. The CSRE cannot solve the problem of rural unemployment in the country all by itself. To deal with the problem adequately the scheme will have to be enlarged, but this will depend upon the financial resources available with the Government."

The CSRE is intended to provide Government with some elementary experience about the execution of a labour intensive programme designed for producing useful and durable assets. In so far as this limited objective is concerned, the scheme is all right. But the time has come for Government to think of proper objectives. The Directive Principles of the Constitution speak of full employment. Before Government can embark upon any venture of full employment, they will need to know the dimensions of the problem of unemployment. They will also need to know its probable cost. These data will not be available through the Crash Scheme for Rural Employment. The same view was expressed by the Expert Committee on Unemployment in para 14 of their Interim Report, relevant extract of which is reproduced below:—

'Further, the scheme as at present conceived is not likely to throw sufficient light on the magnitude and nature of the problem in the rural areas and the size of resources needed for providing adequate employment for all persons seeking work. The Committee feels that it is necessary to undertake some pilot projects.

in small compact areas in selected districts. These projects should deal with all aspects of development and should progressively be able to provide employment in different economic pursuits to every person offering himself for work in that area. The projects should not concern themselves exclusively with agricultural development but with development in other sectors also. Such pilot projects should be undertaken as action-cum-study programmes so that the problems faced in their implementation under differing conditions may be highlighted. The lessons and data made available from them would provide guidance for planning more comprehensive programmes of employment in future.'

"Therefore, with a view to collecting the kind of data mentioned above, another project entitled the Pilot Intensive Rural Em- mentation under differing conditions may be highlighted. The ployment Project (PIREP) has been formulated for implemen- tation in 15 selected blocks of the country. When the Project is fully implemented, the cost of this endeavour and also the nature and extent of unemployment in the selected blocks will be known. On the basis of these data certain conclusions regard- ing the country in general can be reached and these conclusions will be helpful in framing suitable policies for the Fifth Plan period."

**4.45. The Committee note that with effect from October, 1972 a new scheme entitled Pilot Intensive Rural Employment Project is being imple- mented in 15 selected Blocks in the country with the larger objective of providing employment to everyone in the age group of 15 to 59 who may seek employment. The Committee further note that the existing scheme of CSRE has the limited objective of providing a certain minimum quantum of employment in every district of the country and Government are of the view that this scheme cannot solve the problem of unemployment in the country all by itself.**

**4.46. The Committee on Unemployment have also expressed the view that the Crash Scheme for Rural Employment as at present conceived is not likely to throw sufficient light on the magnitude and nature of the problem in the rural areas and the size of resources needed for providing adequate employment for all persons seeking work.**

**4.47. The Committee hope that the results of the new scheme of PIREP which has been implemented in 15 Blocks only in October, 1972 will be carefully watched by Government and on the basis of the studies made a decision will be taken for its expansion to more areas of the country in the Fifth Plan period. The Committee need hardly stress that the problem of unemployment is becoming acute day by day and Government will have to take some long term measures to solve the problem.**

4.48. As the Intensive Rural Employment Project Scheme has been taken up on a pilot basis only and is meant to provide Government with experience in depth of the dimensions of the problem of unemployment and the efficacy of various measures like imparting of new skills, employment of men and women of different age groups for varied periods, creation of durable assets of diverse natures, the Committee would refrain from expressing any hasty conclusion. They would, however, like Government to evaluate the pilot projects most critically so as to identify the weaknesses and the challenges which the programme may have to meet at various levels to achieve the objective. The Committee need hardly point out that it is of the utmost importance that the money spent for generating rural employment in fact results in creation of infra-structure and other durable assets also which would lift the rural area from the bane of crushing poverty and make its economy viable on a permanent basis.

4.49. The Committee would suggest that Government should bring out a White Paper containing full details of the various programmes devised by them to generate employment indicating details of various durable assets being created.

## CHAPTER V

### AGRO-SERVICE CENTRES

#### A. General

It has been stated that the growing unemployment amongst the engineers and others technically trained personnel has developed into a national problem. At the same time rural areas badly lack the essential technical supporting services for agricultural production programme.

5.2. To meet the challenge of growing unemployment amongst Technical Personnel a scheme was prepared by the Ministry of Agriculture for providing employment to unemployed engineers, agricultural graduates and other qualified personnel, through establishment of Agro-Service Centres in the rural areas. It was initially proposed to establish 2,000 centres during the Fourth Plan period. Subsequently this number was increased to 5,000 and 1,250 centres were to be set up each year from 1970-71 to 1973-74. The scheme was formulated in consultation with the Department of Banking who felt that with the nationalisation of Banks, the scheme may be purely a financing scheme.

5.3. The Scheme had the following objectives:

- (1) To provide self-employment opportunities for engineers, diploma holders, other technical personnel, agricultural graduates, etc., and to encourage them to settle in rural areas.
- (2) To provide the following support facilities in the rural areas:
  - (i) ~~On-the-farm~~ reliable maintenance and repair facility for all types of agricultural machinery and implements.
  - (ii) An assured machinery hire-service and management assistance especially to cater to mechanisation needs of small and medium farmers.
  - (iii) An early accessible source of supply for spare parts, fuel oils, lubricants and other engineering stores.
  - (iv) Supply of agricultural inputs such as seeds, fertilisers, pesticides, etc.
  - (v) Soil and water analysis service.

5.4. The draft scheme was considered by the Committee of Secretaries on 14th January, 1970, and it was decided that the scheme may be taken

up on a pilot basis by setting up 500 Centres and the scheme expanded on the basis of experience gained. It was also decided that instead of having a Central Agency for Agro-Service, proposed earlier, for co-ordination and implementation of the scheme on All-India basis, a small Cell may be set up in the Ministry of Agriculture for handling this work.

5.5. In connection with the examination of the subject of Tractors\* and other Agricultural Machinery and Implements by the Estimates Committee during 1970, the Ministry of Agriculture had mentioned the scope of this Scheme as under:

“The Scheme when fully implemented would provide self-employment opportunities to about 50,000 unemployed engineers, agricultural graduates, diploma holders etc. In addition to the above, it is expected that the establishment of Agro-Service Centres would provide further employment in related activities for 30,000 to 50,000 persons. Besides providing employment, the scheme would also attract youngmen to stay in villages and help to develop the rural economy. Each centre could cater to the machinery hiring and repair input requirements, within a radius of 10—15 miles and the impact on the agricultural production of the areas served by the centres would thus be considerable.”

5.6. The Ministry of Agriculture have now stated that “the scheme was primarily a scheme for financing by the Nationalised Banks with no financial incentives and nominal training. The results were not encouraging and the scheme could not make any headway.” The scheme has therefore been revised keeping in view the following facilities to be afforded to the entrepreneurs:—

- (1) Interest subsidy equivalent to the difference between the normal lending rate of the Bank and 5 per cent. maximum payable by the borrower.
- (2) Assistance to the Agro-Industries Corporations and Corporate bodies in organising practical and Institutional training by establishment of 14 Training Cells.
- (3) Grant-in-aid for supporting staff in 14 State Cells.
- (4) Grant of allowances to Corporations for meeting expenditure on stipend and other incidentals on training.
- (5) Supplementing basic facilities available at the existing centres at Budni and Hissar.

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\*Fifth Report of Estimates Committee (1971-72) on Ministry of Agriculture—Tractors and other Agricultural Machinery and Implements, p. 72.

5.7. It has been stated that under the new scheme financial, technical and physical facilities are to be provided to unemployed Engineers, Agricultural graduates and others to enable them to establish Agro-service centres in rural areas. This scheme, therefore, aims at providing employment opportunities for Engineers, Diploma Holders, Agricultural graduates and other Technical personnel; integrated services and supplies in the rural areas and utilising unemployed Engineering graduates and other personnel. This scheme also provides the following services and supplies in the rural areas depending upon the local needs:

**(a) Services:**

Agricultural Machinery Hiring for land preparation, inter cultivation, harvesting and post harvest handlings, land development; tubewell drilling and well deepening.

Installation of pumpsets and other farm equipment, maintenance and servicing.

Equipment and implement rental; plant protection services, facilities for storage and processing; consultancy in soil analysis, fertilizer and pesticides selection and irrigation; land development management, etc.

**(b) Supplies:**

Fertilisers, pesticides, seeds, etc.; Engineering stores of day to day use on the farm; spare parts of Agricultural machinery, servicing tools and other requisites and Fuel Oil and Lubricants.

The Scheme provides for:

- (i) Assistance to Agro-Industries Corporations and Corporate bodies in organising institutional and practical training.
- (ii) Grant of allowance to Corporations etc., for meeting expenditure on stipend and other incidentals on the training of entrepreneurs.
- (iii) Staff support to the Corporations for market survey, field investigation and liaison work under the guidance of the Central Cell at Headquarters.
- (iv) Incentive to the Entrepreneurs in the form of subsidy on interest.

5.8. It has been stated that the approved outlay of the scheme for setting up these centres is Rs. 397.82 lakhs for the Plan period. This outlay is to cover the grant in aid to be given to the 14 Corporations for organising training, subsidy on interest, staff support and meeting expenditure on stipends and other incidentals of the entrepreneurs. The expenditure on

staff, etc., at the Central Cell, Training Centres at Hissar, Budni and Mysore and other incidentals at these places is also to be met out of the above total outlay of Rs. 397.82 lakhs.

5.9. It has been stated that the Agro-Service Centres set up so far have provided employment opportunities to the following:

Engineers . . . . .	80
Diploma Holders . . . . .	75
Agricultural graduates . . . . .	60
Other technical personnel . . . . .	400

5.10. It has been further stated that according to the Live Register of Employment Exchanges in different States, as on 30th June, 1972, the unemployment figures are as under:

(i) Engineering/Degree holders . . . . .	23,496
(ii) Engineering Diploma Holders . . . . .	56,589
(iii) Graduates in Agriculture . . . . .	7,474
(iv) Post graduates in agriculture . . . . .	624
(v) Jobs seekers without degree or diploma in Engineering but experienced in the Trade . . . . .	670
TOTAL . . . . .	88,853

### B. Fourth Plan Targets

5.11. The scheme envisages training of 2,500 entrepreneurs and setting up of a similar number of Agro-Service Centres during 1971-72 to 1973-74 as indicated below:

I	No. of trainees to be trained	No. of Centres to be set up
1	2	3
1971-72	240	250
1972-73	1000	1000
1973-74 . . . . .	1260	1250
	2500	2500



5.12. The Committee were informed during evidence that the main objective of the scheme of Agro-Service Centres was to rehabilitate technical persons and to provide service facilities to small and medium sized farmers. Each agro-service centre was expected to serve farmers residing within a radius of 5—10 kilometres. With a large number of unemployed engineers and agricultural graduates available, the scope was practically unlimited, but the 4th Plan envisaged the setting up of 2,500 agro-service centres.

5.13. The Ministry of Agriculture have stated that 95 Agro-Service Centres have been set up during 1971-72 under the original scheme as shown below:

Haryana . . . . .	18
Bihar . . . . .	37
Madhya Pradesh . . . . .	2
Uttar Praedesh . . . . .	38
TOTAL . . . . .	95

5.14. In a written note furnished to the Committee, the Ministry of Agriculture have indicated the progress under the new scheme as follows:

“\*260. Agro Service Centres have so far been established in the various States—180 by newly trained engineers and the balance 80 by experienced unemployed engineer-entrepreneurs. For obvious reasons the progress in the establishment of Agro-Service Centres have been slow in the beginning. Now that a sizable number of engineer-entrepreneurs have been trained and the initial hesitation of the banks has been overcome, it is likely that the progress of setting up of Agro-Service Centres may improve. However, the target of 1000 Centres is not likely to be achieved because of the initial difficulty in getting bank loans.”

5.15. The Committee note that a scheme was drawn up by the Ministry of Agriculture in 1970 for setting up 5,000 Agro-Service Centres during the Fourth Plan period with a view to provide self-employment opportunities for engineers, diploma holders, agricultural graduates etc. and to encourage them to settle in rural areas. The scheme was formulated in consultation with the Department of Banking and the scheme was purely a financing scheme. The scheme when fully implemented was expected to provide self-employment opportunities to about 50,000 unemployed engineers etc. It was also expected that with the establishment of 5,000 Agro-Service Centres 30,000 to 50,000 persons would be employed in related activities in the rural areas.

\*At the time of factual verification the Ministry of Agriculture have stated that the total number of centres has increased from 260 to 450.

5.16. The Committee further note that the scheme which was primarily a scheme to be financed by the Nationalised Banks with no other incentives did not make any headway and the Ministry had to introduce certain modifications. Under the revised scheme, the entrepreneurs were provided interest subsidy on loans equivalent to the difference between the normal lending rate of the bank and 5 per cent maximum payable by the borrower. In addition, it was decided to set up 14 Training Cells in various States by the Agro-Industries Corporations for giving training to the entrepreneurs and funds were provided to these Corporations to meet the expenditure on their training programme.

5.17. The Committee also note that 95 Agro-Service Centres were set up during 1971-72 under the original scheme and an additional 165 centres were set up later under the revised scheme thus raising the total number of centres set up so far to 260. The Committee are concerned to note that against the targets of 240 centres during 1971-72 and 1000 centres during 1972-73, the scheme has made somewhat tardy progress with only 260 centres to its credit. The Ministry have also admitted that the target of 1,000 centres fixed for 1972-73 is not likely to be achieved.

5.18. The Committee are greatly concerned to note that against the target of setting up 2500 Agro-Service Centres during the Fourth Plan period, only 260 centres have been set up so far. The Committee find that the progress made has been far short of the targets fixed for 1971-72 and 1972-73. This underlines the need for most careful investigation and detailed planning so that the Agro-Service Centres are located in such places where there is a genuine need for these services on sustained basis. The Committee need hardly point out that Agro-Service Centres like small scale industries cannot be arbitrarily located lest they wither away soon thereafter for want of sustained demand. The Committee also would like to point out that the requirements for facilities for each Agro-Service Centre would vary from area to area and, therefore, there is need for detailed and specific planning for each centre. Once this having been done, it should be possible for the authorities concerned to see that the requisite facilities by way of trained personnel, necessary finance for purchase of machinery, availability of power for running the machines etc. are provided. The Committee would like Government to review the progress made so far in the setting up of the Agro-Service Centres through technically and qualified task forces so as to find out how far these are functioning successfully and meeting the requirements of the area. The deficiencies and shortcomings noticed in their functioning should be rectified without delay and necessary improvements made right from the beginning in the setting up of new centres.

5.19. The Committee would like to emphasise that while they appreciate the objectives underlying the concept of Agro-Service Centres, they want Government to proceed in the matter with the utmost care so that these Agro-Service Centres not only serve the needs of the area, but become focal points of development, while providing employment opportunities to unemployed technocrats and inducing them to settle in rural areas.

### C. Training Programme

5.20 The Ministry of Agriculture have stated that 14 Agro-Industries Corporations have been selected to set up the training cells as given below:

1971-72	1972-73
Bihar	West Bengal
Uttar Pradesh	Maharashtra
Punjab	Madhya Pradesh
Andhra Pradesh	Assam
Tamil Nadu	Orissa
Haryana	Rajasthan
Mysore	Gujarat

5.21. The Ministry have further stated that arrangements have been made by the Punjab, Haryana and Uttar Pradesh Agro-Industries Corporations for conducting the training classes at their Training Centres at Ludhiana, Nilokheri and Lucknow.

5.22 In a note furnished to the Committee, the Ministry of Agriculture have stated that Tractor Training and Testing Station, Budni and Tractor Training Centre, Hissar are conducting courses for training operators for agricultural machinery and mechanics to undertake repair and adjustment on the farm machinery available with actual users, Agro-Industries and Agriculture Department. These Centres have been augmented to undertake training of unemployed technical personnel to facilitate setting up of Agro-Service Centres by establishment of Regional Training Centres under the original scheme of Agro-Service Centres which is being continued in the revised scheme as well.

5.23. In view of the national importance of the scheme the Budni and Hissar Centres were geared up and these centres started training courses for entrepreneurs selected and sponsored by the State Agro-Industries Corporations and have trained\* 242 personnel upto 31st March, 1972 and 100 entrepreneurs are undergoing training at present.

\*At the time of factual verification the Ministry of Agriculture have stated that 732 entrepreneurs have been trained so far and another 327 are undergoing training.

5.24. It has been further stated that the entrepreneurs trained at these centres have set up the Agro-Service Centres in their respective places and have also made use of other trained personnel as operators and mechanics as per their requirements.

5.25. Asked whether the target of 1000 persons to be trained during 1972-73 is likely to be achieved, the Ministry of Agriculture have stated the position as under:—

“The number of trainees trained so far in the various Training Cells is 550. Another 200 are now undergoing training at the various Centres and the target of training 1000 entrepreneurs by 31st March, 1973 is likely to be achieved.”

5.26. The Committee note that 14 Agro-Industries Corporations have been selected to set up training cells in their respective States. The Committee also note that Government have taken some emergent measures to develop training facilities at Budni and Hissar Stations to provide training to unemployed personnel drawn from the rank of graduates in agriculture, technology and other subjects. These centres have trained 242 personnel up to 31st March, 1972 and 100 entrepreneurs are undergoing training at present. The Ministry have stated that the number of trainees trained so far in various training cells is 550 and have also claimed that the target of 1000 persons to be trained during 1972-73 is likely to be achieved.

5.27. The Committee feel that the training should be related to the type of service which these entrepreneurs would be required to render in the field. The Committee would, therefore, like Government to review urgently the course of training at present provided to make sure that it is sub-serving the purpose. The Committee need hardly point out that modifications in the training programme should be made if necessary to make it more meaningful to the type of service these personnel would have to render in the field.

5.28. The Committee would also suggest that these training courses should be carried out on decentralised basis in other regions so that the persons are given training in areas which are actually representatives of the place where they would have to serve.

#### D. Personnel for Agro-Service Centres

5.29. It has been stated that Agro-Service is a business which requires personnel who have the ability to plan, organise and manage a centre. Special managerial skills and management practices have to be developed in the context of the requirements of small and big farms.

5.30. It has been further stated that Agro-Service Centres should be manned by those persons who have specialisation in the following areas:

Agricultural Chemistry, Agricultural, Engineering, Mechanical/Electrical Engineering, Agronomy, Entomology, Plant Husbandry and Extension work.

5.31. During evidence when the Committee enquired what was the yard-stick for selecting personnel for Agro-Service Centres, the Secretary, Department of Agriculture, stated as follows:—

“The fact they have a basic technical training and are exposed to problems of management, accounting and commercial practices, including banking practices and also the special problems of agricultural economics and farm management, should make us hope that they will be able to do the job that is expected of them. We have not developed any yardstick to assess their capacity, except that we are taking in people who have the basic engineering degree or diploma or an agriculture degree. That is the only test that we are applying so far.”

5.32. The Committee note that there is no yard stick employed by Government for selecting personnel for manning Agro-Service Centres except that persons having the basic engineering degree or diploma or an agriculture degree are selected and given training for the purpose.

5.33. The Committee hope that the training courses will be so devised as to equip the entrepreneurs with basic knowledge about the practical working of the Agro-Service Centres and make them fit in all spheres to render service to the small and marginal farmers in the rural areas who generally suffer badly for want of essential technical supporting services.

#### E. Loans to Entrepreneurs

5.34. It has been stated that “most of the nationalised banks are still shy of advancing loans to the entrepreneurs and it would be futile for the Corporations to train the entrepreneurs without adequate support from the Banking Institutions to advance loans on liberalised terms.”

5.35. The Ministry of Agriculture have stated that the following may have been some of the reasons for the delay in the sanction of loans by the Commercial Banks:

- (i) The scheme being new, Branch Managers of Banks were not fully aware of the implications of the programme and had in certain cases sought clarifications of the instructions from Regional and Head Offices.

- (ii) Most of the entrepreneurs belong to the middle-class families and are unable to furnish margin money. The Bank Managers naturally try to get collateral or other securities to safeguard bank loans and in most cases, entrepreneurs are either unable to furnish or take time to persuade third parties to come forward and stand guarantee.
- (iii) Branches of banks are authorised to give loans only within a radius of 10 k.m./10 miles of the location of the branch and this results in difficulty to cases outside this limit.

5.36. Asked what steps have been taken to induce the banking institutions to provide financial assistance to entrepreneurs for setting up Agro-Service Centres, the Ministry of Agriculture have stated as under:

“The Central Cell in the Ministry of Agriculture has been pursuing constantly the cases of delay in the grant of loans by banking institutions. The matter has also been brought up at the review meetings in the Planning Commission. The Banking Department have issued necessary directives to the banks. Most of the causes of the delay have been discussed by the representatives of the Ministries of Agriculture, Finance (Department of Banking), Planning Commission, Agro-Industries Corporations with representatives of the Banking institutions at a meeting held in the Ministry of Agriculture on 21st October, 1972. It is proposed to have such meetings periodically.

The recommendations of the meeting have been brought to the notice of all concerned. Agro-Industries Corporations have been instructed to contact the Regional Branch in each case of delay. The Banking Department have also sent lists of individual cases to the custodians of the banks for eliminating procedural delay. Joint tours of the Officers of the Department of Agriculture and Banking have been undertaken and so far a review committee consisting of Managing Directors of Agro-Industries Corporations and Banks Managers has been set up in two States. Such a committee will try to eliminate unnecessary delay.”

5.37. The Ministry of Agriculture have made the following suggestions for providing funds to entrepreneurs after completion of training:

- “(i) It has been observed that there is always a gap between the entrepreneur completing the training and the commercial banks reimbursing loan. This idle time has a demoralising effect on the entrepreneur, it saps his energy and blunts his initiative. A proposal is under consideration to place a

revolving fund at the disposal of the Agro-Industries Corporations to enable them to disburse loans at the rate of Rs. 70,000 per trained entrepreneur to cover the limited period between the completion of the training and the sanction of the loan by the commercial bank.

- (ii) The nationalised banks may arrange regional seminar of Branch Bank Managers and other related personnel so that they clearly understand the instructions given and the implications of the scheme."

**5.38.** The Committee note that the progress of the scheme of Agro-service Centres has not been satisfactory as the nationalised banks are still shy of advancing loans to the entrepreneurs who are selected for training. The Committee further note that most of the entrepreneurs belong to the middle-class families and they are unable to furnish margin money to the bank or provide guarantee for the loan amount.

**5.39.** It has been stated that the central cell in the Ministry of Agriculture has been pursuing constantly the cases of delay in the grant of loans by banking institutions. The Banking Department have issued necessary directions to the banks and Agro-Industries Corporations have been instructed to contact the Regional Branch of the Bank in cases of delay. The Banking Department have also sent lists of individual cases to the custodians of banks for eliminating procedural delays.

**5.40.** The Committee feel that the Agro-Industries Corporations must play a dominant role in making this scheme a success. These Corporations must render all possible help to the Entrepreneurs who have received training in their Training Cells. Serious efforts should be made by the Corporations to enable the trained personnel to get loans from the Banks.

**5.41.** The Committee note that a proposal is currently under consideration of the Ministry of Agriculture to place a revolving fund at the disposal of Agro-Industries Corporations to enable them to disburse loans at the rate of Rs. 70,000 per trained entrepreneur to cover the limited period between the completion of the training and the sanction of the loan by the Commercial Bank.

**5.42.** The Committee trust that Government will take a decision in the matter early so that money is provided to the Agro-Industries Corporations for disbursement among the trained entrepreneurs for setting up Agro-Service Centres.

5.43. The Committee need hardly stress that as the payments to be made from the proposed revolving fund will be for a limited period the procedure for recovery of the loan amount will have to be streamlined in order that the money is recovered from the entrepreneur as soon as it falls due. If arrears are allowed to accumulate the whole purpose of having a revolving funds is likely to be defeated.



## CHAPTER VI

### PILOT PROJECTS FOR TRIBAL DEVELOPMENT

#### A. General

It has been stated that "the deteriorating conditions in regard to law and order situation, dissatisfaction due to slow pace of agricultural development and exploitation of tribals by non-tribals has been causing the Government of India a considerable amount of concern in regard to the situation in tribal areas. The Union Government has also been very much concerned with the attempted infiltration by Naxalite elements into tribal areas. Therefore, the problems of development facing backward tribes and the tribal areas were considered by the Central Coordination Committee at its Fourth Meeting held on 14th August, 1970 which decided that a number of Pilot Projects for economic development should be formulated for finding a solution to the problems confronting the tribals. The matter was further discussed at the special meeting of the Central Coordination Committee held on 17th August, 1970 and it was decided that to start with, four or five Pilot Projects may be located in the States of Andhra Pradesh, Bihar, Madhya Pradesh and Orissa."

6.2. Accordingly, the following six Pilot Tribal Development Projects for the economic development of the tribal areas have been sanctioned by the Government of India for the remaining period of the Fourth Five Year Plan :—

State	District	Number of Projects
Andhra Pradesh . . . . .	Srikakulam	1
Bihar . . . . .	Singhbhum	1
Madhya Pradesh . . . . .	Bastar	2
Orissa . . . . .	Ganjam and Koraput	2

6.3. It has been stated that the details of the Pilot Projects of Tribal Development were not worked out before the commencement of the Fourth Plan. The special Tribal Development Projects in the six selected areas have been undertaken only during the Fourth Plan period as an extension of the programme for small and marginal farmers etc. tailored to the special conditions of the selected tribal areas. These projects are to combine relevant features of SFDA/MFAL schemes alongwith the peculiar features required to develop tribal areas.

6.4. The Ministry of Agriculture have stated that the basic approach in these projects is to identify a core programme of economic development and to put through this programme in a concentrated fashion to be supplemented in due course by an additional programme of a net work of communications linking the areas with State National highways and providing supporting social services in the shape of drinking water facilities, education, health etc.

6.5. The Ministry have explained that the core programme of economic development relates to Tribal Agriculture, Debt Redemption, Land Restoration, Land Record and Survey, Land Reclamation, Land Development, Soil Conservation Measures, Control of Shifting Cultivation, Minor Irrigation, Horticulture, Piggery, Poultry, Fisheries, Cattle Development and encouragement of Forest-based Industries.

6.6. The State Governments were asked to prepare their "Action Plans" with respect to the Tribal Development Projects in accordance with the guidelines evolved by the Government of India.

6.7. According to these guidelines, the undermentioned activities were broadly proposed as possible field of choice from which the State Governments would select items more relevant to the area in question:—

- (i) Debt redemption and land restoration.
- (ii) Land record and survey
- (iii) Land reclamation, land development, soil conservation and minor irrigation.
- (iv) Control of Jhoom cultivation and settlement.
- (v) Crops and horticulture.
- (vi) Forest produce:
 

{	(A) Timber and other major forest produce
{	(B) Minor forest produce.
- (vii) Piggery, poultry, goat and cattle and fisheries development.
- (viii) Organisation of credit support to co-operatives, link between credit and supplies.
- (ix) Marketing: depots and godowns at "Hats", consumer goods and purchase of agricultural and forest produce.
- (x) Agro-based and forest-based industries including processing.

6.8. It has been stated that one of the distinguishing features of these Projects is that the Plans are drawn at the local level having regard to the broad guide-lines given by the Ministry of Agriculture. Considerable flexibility is an in-built feature of these project plans to take note of the local variations in the socio-economic and ecological setting as also to take note of the dynamics of the situation as the programme proceeds from stage to stage.

6.9. The "Action Plans" submitted by the State Governments for all the six projects were examined in the Department of Agriculture and considered by the Committee of Secretaries. All the six projects have been sanctioned subject to certain modifications suggested by the Secretaries' Committee. The Action Plans furnished by the State Governments were approved during December, 1971 to January, 1972.

6.10. The Tribal Development Agencies which have been made responsible for the execution of the projects have been registered during January, 1972 to March, 1972 under the Societies Registration Act, 1860, in all the project areas. The collector of the district acts as the Chairman of the Agency and the Project Officer as its Member Secretary. The State Governments have also appointed the Project Officers and some other staff according to the need and the projects have gone into action.

6.11. The Ministry of Agriculture have stated that:

"it has been decided in consultation with the Planning Commission that these Pilot Projects may be allowed to operate for 5 years on the ground beginning from April, 1972. These Projects will, therefore, continue to operate for the first three years of the Fifth Plan.

\* \* \* \*

The six Pilot Projects for tribal development are being taken up mostly in the hilly areas of Srikakulam, Singhbhum, Bastar, Ganjam and Koraput districts since the tribal population are mostly to be found in hilly tracts and very rarely in plains. For the present, however, there is no special scheme of tribal development for the welfare of tribal population in hilly areas of the Himalayan tract."

6.12. Planning Commission's document "Approach to the Fifth Plan 1974-79" states as under:

"The schemes for economic improvement of backward classes are largely in the nature of aids to individuals for purchase of agricultural implements, bullocks, fertilisers, land reclamation and for taking up village industries and handicrafts. Experience shows that most of these programmes, in the absence of adequate financial backing and organisational support, had little impact on the poverty, educational backwardness and social disabilities of backward classes. Allocations under welfare of backward classes which were meant to be supplementary to the outlays in the general sectors of development have, in fact, substituted the latter. Not infrequently, while programmes and policies are advocated on behalf of the poor, they are not the actual beneficiaries. The benefits often do

not reach those for whom they are intended. . . . In the past, the benefits of development both in the general sector and especially in the backward classes sector have not percolated to the lower sections of these communities. It has become necessary to identify the more backward among the backward classes with a view to taking to them programmes covering economic development and the minimum needs."

### B. Allocation of Funds

6.13. It has been stated that a sum of Rs. 9.03 crores had been earmarked for the six Pilot Projects for Tribal Development at the rate of Rs. 1.5 crores per project and Rs. 3.00 lakhs for the staff at the Central level in the Fourth Five Year Plan. In order that the work on the projects could start quickly, an *ad hoc* grant-in-aid of Rs. 5 lakhs out of the schematic provision of Rs. 1.5 crores for each project was released to each Tribal Development Agency during 1971-72.

6.14. In a note furnished to the Committee, the Ministry of Agriculture have stated that it was decided to fund the Special Tribal Projects from within the savings under the SFDA/MFAL schemes for which Rs. 115 crores had been allocated in the Fourth Plan as there was no separate provision available. As such, out of Rs. 115 crores earmarked for SFDA/MFAL Schemes, Rs. 9 crores were allotted to these six Tribal Development Projects. Later on Rs. 3 crores were added for development of arterial roads in the six Tribal Development Projects at the rate of Rs. 50 lakhs per project. Thus the total outlay for the six Tribal Development Projects in the Fourth Plan stands at Rs. 12 crores.

6.15. The following table indicates the amounts released to Project Authorities during 1971-72 and 1972-73 against the total outlay and Budgetary provision for those years :

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(1) Total outlay during Fourth Plan	.	.	.	.	12.00 crores
(2) Budget Provision in 71-72	.	.	.	.	30 lakhs
(3) Budget Provision in 72-73	.	.	.	.	200 lakhs
(4) R. E. provision in 72-73.	.	.	.	.	230 lakhs

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In lakhs of Rupees

Name of Agency	Funds released		Expendi- ture reported
	1971-72	1972-73	
I	2		3
1. Srikakulam (AP)	5.00	53.00	15.10 (upto November, 72)
2. Singhbhum (Bihar)	5.00	38.00	9.83 (upto January, 73)
3. Dantewada (MP)	5.00	10.00	1.17 (upto January, 73)
4. Konta (MP)	5.00	20.00	1.39 (upto December, 72)
5. Ganjam (Orissa)	5.00	54.00	37.58 (upto January, 73)
6. Koraput (Orissa)	5.00	55.00	38.11 (upto January, 73)
	30.00	230.00	103.18

6.16. The Ministry of Agriculture have stated that grants for the six Pilot Projects have been released for the first time in March, 1972 and the programme has started only recently. It is, therefore, too early to make any assessment of the progress in terms of its objectives.

6.17. The Committee note that for the economic development of the tribal areas 6 Pilot Projects have been sanctioned in the States of Andhra Pradesh, Bihar, Madhya Pradesh and Orissa. The "Action Plans" furnished by the respective State Governments were approved by the Central Government during December, 1971 to January, 1972.

6.18. The Committee further note that the Tribal Development Agencies which have been made responsible for the execution of the projects have been registered during January, 1972 to March, 1972 under the Societies Registration Act, 1860 in all the project areas. The collector of the district where the project is located acts as the Chairman of the Agency. It has been stated that these projects will operate for a 5 year period beginning from April, 1972 and will continue to operate for the first three years of the Fifth Plan. The Ministry of Agriculture have stated that these projects have been taken up mostly in the hilly areas of Srikakulam, Singhbhum, Bastar, Ganjam and Koraput districts as tribal population are mostly to be found in the hilly tracts. But, for the present, no special scheme of tribal development has been taken up in the hilly areas of the Himalayan tract.

6.19. The Committee would suggest that periodic evaluation of work done in these pilot projects should be undertaken by Government with a view to assess the impact made and to find out the deficiencies, if any, in the implementation of the programme and to take suitable remedial steps in the light thereof.

6.20. The Committee trust that on the basis of experience gained in these pilot projects similar schemes for tribal development will be put into operation in other areas in the Fifth Plan with a view to provide facilities to tribal people and raise their standard of living. While drawing up any programme for expansion Government must keep in mind the interests of tribal people living in the Himalayan tract and other hill areas and ensure that projects are set up in those areas as well.

6.21. The Committee also note that the Planning Commission have frankly admitted in their document entitled "Approach to Fifth Plan 1974—79" that the schemes for economic improvement of backward classes have made little impact on the poverty, educational backwardness and social disabilities of backward classes. There is also the realisation that the benefits of development both in the general sector and especially in the backward classes sector have not percolated to the lower sections of these communities.

6.22. The Committee need hardly stress that it is the duty of Government to take such remedial measures, which will bring about economic betterment of the weaker sections of the society. Government should try to achieve this objective not merely through a number of Centrally Sponsored Schemes but by impressing upon the State Governments the need to remove the economic disparities and social disabilities with which the tribal people suffer at present.

6.23. The Committee are greatly concerned at the halting progress made in implementation of the programme for tribal development and they feel that the whole scheme should be examined by experts in consultation with local leaders and persons who are well-versed in tribal affairs in order to pin-point the difficulties which are coming in the way of implementation of the programme.

6.24. The Committee would also suggest that the desirability of evolving a package programme for development of agriculture and other ancillaries in tribal areas should be evolved after thorough survey of the potentiality of the area. The facilities required for implementation of the package programme such as improved seeds, fertilisers, assured water supply,

etc., should be made available to the farmers in a manner which would make the programme acceptable and capable of implementation.

6.25. The Committee would also suggest that local tribal leaders who command respect in the area may be taken on tour to developed areas either in the State or elsewhere which would raise their horizon and make them receptive to new ideas. In particular, the Committee would suggest that visit of the tribal leaders may be arranged to research and extension centres so that they can see themselves the potentiality and relevance of the technological advance made in agriculture for application to their own area. The Committee have no doubt that if earnest efforts are made at all levels to understand the problems facing the tribal areas and evolve a realistic programme suited to their requirements, it should be possible to make a significant impact in the area with the willing cooperation of tribals for the implementation of the programme in letter and spirit in the interest of economic development.

### C. Progress of Schemes in Tribal Development Projects

#### (i) Settlement of landless agricultural labourers in Dantewada and Konta Projects (Bastar District)

6.26. The "Action Plan" of Dantewada and Konta Projects in Bastar District (Madhya Pradesh) states that the settlement of landless persons has been accorded a high priority and the Project will undertake settlement of 2,000 landless agricultural labourers of Konta and 500 of Dantewada in available areas.

6.27. The Ministry of Agriculture have stated that the surplus land available in these projects is as under:—

Name of the Project	Surplus land available for cultivation
Dant.wada	20,689 Hectares
Konta	10,541 Hectares

6.28. The Ministry have further stated that the State Government has pointed out that the surplus land available in these two project areas is already under encroachment by tribals as well as non-tribals in Konta and Dantewada Tehsils. In Bijapur Tehsil where much surplus land is available and population is sparse, the State Government propose to settle the landless labourers. Actual settlement of the landless tribals has not yet commenced with assistance from the Agencies.

6.29. The Committee note that 20,689 and 10,541 hectares of surplus land is available in Dantewada and Konta Tehsils respectively which can be used for cultivation. The Committee further note that this surplus land is under encroachment by tribals as well as non-tribals at present. The State Government has not indicated the precise steps which are being taken to get the land vacated from unauthorised occupants. The Committee trust that the State Government will take necessary action to get the land released so that the surplus cultivable land can be utilised for settlement of landless agricultural labourers living in these project areas.

(ii) *Rural Electrification in Dantewada and Konta Projects.*

6.30. It has been stated that "a provision of Rs. 5,00,000 in Dantewada and Rs. 6,00,000 in Konta for extension of subsidiary lines to the village for lift irrigation and rural electrification has been made out of the Project Budget. It will serve as a revolving fund with the Madhya Pradesh Electricity Board for extension of irrigation in this area indefinitely. It is expected that the schemes will be sanctioned shortly by the Ministry of irrigation and Power and the programme can be of help to the present project in extending irrigation.

6.31. Regarding progress of rural electrification in Bastar District the Committee were informed during evidence that out of 3000 villages only 117 had been electrified. In this connection, the representative of the Ministry of Irrigation and Power stated that Rural Electrification Corporation were giving special consideration to the backward areas. But in Bastar district Rural Electrification Corporation had not sanctioned any scheme although in Madhya Pradesh 30 schemes were sanctioned out of which 12 were in the backward areas.

6.32. The Committee are not happy about the slow pace of rural electrification in the tribal areas of Bastar district in Madhya Pradesh. It is regrettable that out of 3000 villages in Bastar district only 117 have been electrified and Rural Electrification Corporation have not sanctioned any scheme so far in Bastar district. The Committee need hardly stress that for the economic betterment of the tribal population it is of paramount importance that electricity is made available even to the remotest village in the backward areas as otherwise the irrigation facilities can never be extended to them for increasing agricultural production.

6.33. The Committee, therefore, suggest that there should be special emphasis on rural electrification so far as the six pilot projects for tribal development are concerned. The Committee hope that as in the case of Dantewada and Konta projects, provision has been made out of the Project Budget for extension of subsidiary lines for lift irrigation and rural



~~electrification, similar Budgetary provision will also be made in other projects under the scheme of Tribal Development.~~

(iii) *Supply of improved seed and application of fertilisers and pesticides in Dantewada and Konta Projects (Bastar District).*

6.34. The "Action Plan" of Dantewada and Konta Projects submitted by the Government of Madhya Pradesh envisages a coverage of about 60 per cent of paddy fields by improved seed, application of fertilisers and pesticides.

6.35. The Ministry of Agriculture have stated that the total acreage under paddy cultivation in both Dantewada and Konta Projects is 228999 acres. The cropped area and paddy area in both projects is as under:—

	Net cropped Areas in acres	Paddy Area in acres
Dantewad.	192623	11026
Konta	183821	118731
	376444	228999

6.36. The Ministry have further stated that the area brought under improved seeds etc., is 514 acres in case of Dantewada and 294 acres in case of Konta Project during Kharif 1972. The percentage of paddy fields which have been actually covered in these two projects under improved seeds, application of fertilisers and pesticides during Kharif 1972 is therefore less than 1 per cent. The intended coverage is expected to be achieved by the end of the Project period which was to be at least 3 years. The farmers in these difficult areas are not yet used to the improved methods.

6.37. It has been stated that these projects have shown some achievement in different fields of agriculture such as Urea spraying, conventional use of fertiliser, plant protection and improved seeds. The posi-

tion in each project in respect of the various programmes of Agriculture is given below:—

	(Area in acres)		(Quantity in Quintals)	
	Dantewada	Konta	Total	
1	2	3	4	
<b>1. Urea Spraying</b>				
(a) Area covered . . . . .	6226	12480	18706	
(b) Quantity . . . . .	436	874	1310	
<b>2. Conventional use of Fertilisers:</b>				
(a) Area covered . . . . .	408	..	408	
(b) Quantity . . . . .	241		241	
<b>3. Plant Protection:</b>				
(a) Area covered . . . . .	1427	..	1427	
(b) Quantity . . . . .	..		..	
<b>4. Improved seeds:</b>				
(a) Area covered . . . . .	415	294	808	
(b) Quantity . . . . .	128.50	73.50	202	

6.38. The Committee note that the total cropped area in Dantewada and Konta projects is 376444 acres out of which 228999 acres are under paddy cultivation. The 'Action Plan' for these projects envisages a coverage of 60 per cent of paddy fields by improved seed and application of fertilisers and pesticides during a 3 year period. The Committee further note that during 'Kharif' 1972, 808 acres only were brought under improved seeds in these two projects which works out to only 0.4 per cent of the total area under paddy cultivation.

6.39 The Committee regret that the progress of the scheme is quite negligible and they have their own doubts if the target of bringing 60 per cent of paddy fields under improved seeds and application of fertilisers and pesticides would materialise even 3 years after the commencement of the scheme. The Committee need hardly stress that the target fixed for any plan should be realistic which is capable of being achieved. The Committee are also aware that the farmers in the backward areas have always shown reluctance to take to improved farming techniques.

and to educate them about the efficacy and utility of new cropping patterns on scientific lines, a lot of sustained extension work is called for. The Committee trust that the State Governments will pay due attention to this aspect in the interest of successful implementation of the scheme.

(iv) *Land Reclamation for settling tribal families in Ganjam Project (Orissa).*

6.40. 'Action Plan' of Tribal Development Project for Ganjam District (Orissa) states that "according to a survey undertaken by the Soil Conservation Organisation of the State Government 11,519.45 acres of waste land are available in the project area out of which 8073.94 acres are available for reclamation. A part of this area may be immediately reclaimed during the project period which will provide the base for resettlement of the tribals thereon."

6.41. In a note furnished to the Committee, the Ministry of Agriculture have stated that in the Ganjam TDA Project area, it has been proposed to reclaim 3,000 acres of Government waste land during the project period for settlement of tribals. Reclamation work over a patch of 1022 acres of waste land has already commenced out of which 150 acres has been reclaimed so far.

6.42. The Ministry have further stated that according to the present estimates, about 50 tribal families can be settled on the land reclaimed so far and about 1000 tribal families are expected to be settled after the reclamation of the entire area of 3000 acres.

6.43. The Committee note that in Ganjam Tribal Development Project out of 11,519 acres of waste land, 8073 acres of land is available for reclamation. At present 3000 acres of waste land are proposed to be reclaimed for settlement of tribals. Reclamation work over a patch of 1022 acres of waste land has already commenced and 150 acres has been reclaimed so far which can be used for settling 50 tribal families.

6.44. The Committee hope that earnest efforts will be made by the Tribal Development Agency to reclaim all the 3000 acres of waste land so that 1000 tribal families can be settled on the land by the end of the Fourth Plan. As 5073 acres of additional waste land would still be available for reclamation, the Agency should make concerted efforts to reclaim it during the Fifth Plan period in the light of the decision taken by Government that these Projects would continue to operate for the first three years of the Fifth Plan.

(v) *Minor irrigation and Rural Electrification in Singhbhum Project (Bihar)*

6.45. Action Plan of Tribal Development Project for Singhbhum District (Bihar) states as under:

“As the people are predominantly agriculturists, agriculture has to be given the first priority. This naturally brings in the question of irrigational facilities and electrification. A number of minor irrigation schemes which are suited to the terrain have to be provided. The project area is also very much deficient in electrification and, therefore, a massive programme of electrification has to be launched.”

6.46. Asked about the progress of minor irrigation schemes in this project area, the Ministry of Agriculture have stated as under:

“For the Singhbhum TDA-Project, there is a provision of Rs. 40.00 lakhs under minor irrigation. The Agency can subsidise big diametre wells upto 75 per cent of cost and there is also a provision of Rs. 50,000/- for construction of channels. The Agency has reported that 4 big diametre wells have been constructed in the Project area with Agency’s assistance. Agreement for construction of big diametre wells are being executed in 40 cases and construction work in all these will start after the harvesting period. It is also proposed to fit the big diametre wells with pumping sets. ”

6.47. Regarding steps taken to accelerate rural electrification in Singhbhum project, the Ministry of Agriculture have stated as under:—

“The Scheme of assistance from TDA for rural electrification is at preparatory stage. The matter is under consideration in consultation with the Rural Electrification Corporation. The Agency has proposed the following assistance:—

- (i) 50 per cent subsidy on house connection not exceeding Rs. 250/- per family.
- (ii) 75 per cent subsidy on service connection to big diabetre irrigation wells not exceeding Rs. 3,000/- per well.

In Singhbhum district about 75 villages have been electrified. The State Electricity Board, Bihar has already furnished a scheme to electrify 99 villages in the Project area and the scheme is under consideration of the Rural Electrification Corporation.”

6.48. The Committee note that in Singhbhum TDA Project there is a provision of Rs. 40 lakhs for minor irrigation works and Rs. 50,000 for construction of channels. The Agency can subsidise big diameter wells upto 75 per cent of the cost. So far, 4 big diameter wells have been constructed in the Project area with Agency's assistance and agreement for construction of 40 more wells are being executed. The big diameter wells are also proposed to be fitted with pumping sets.

6.49. The Committee hope that the Tribal Development Agency will not only assist the construction of big diameter wells fitted with pumping sets but also help in the execution of other minor irrigation works like storage tanks etc. The Committee also suggest that construction of channels for which Rs. 50,000 are already earmarked should be completed early.

6.50 The Committee further note that in Singhbhum district about 75 villages have been electrified and the State Electricity Board has furnished a scheme to electrify another 99 villages in the Project area and the scheme is at present under consideration of the Rural Electrification Corporation.

6.51. The Committee need hardly stress that unless electricity is provided to the villages in the Project area the tribal people who are predominantly agriculturists will not profit by the minor irrigation works which may be set up in the area through the efforts of Tribal Development Agency.

6.52. The Committee, therefore, feel that the proposal submitted by the State Electricity Board for electrifying 99 villages in the Project area deserves immediate attention of the Rural Electrification Corporation. The Committee hope that the Scheme of Rural electrification will be implemented soon so that the funds expended by the Agency in setting up big diameter wells and other minor irrigation works would prove beneficial to the tribal economy.

## CHAPTER VII

### CONCLUSION

#### A. SFDA/MFAL Schemes

Government have attached very high priority in the Fourth Plan and in the annual plans and budgets to measures specifically designed to enable the Weaker Sections of the rural population to participate in the benefits of economic growth in the rural sector. The principal objective is that the employment and income opportunities for the rural poor and the productive potential of the economically weak farmer should be significantly increased.

7.2. Under the scheme of Small Farmers Development Agency the emphasis is on improved and intensive agriculture and the limit of 1 to 3 hectares of land holdings has generally been adopted in identifying such farmers. The marginal farmers on the other hand are those below this level whose agriculture can be improved but who would rely on mixed farming with subsidiary occupations like dairy, poultry and off-season employment for raising their standard of living. The scheme of Marginal Farmers and Agricultural Labourers Agency is intended to take care of marginal farmers and agricultural labourers. The agricultural labourers have been defined as those having a homestead and deriving more than 50 percent of their income from agricultural wages.

7.3. SFDA/MFAL agencies are in position in 87 project areas all over India (46 SFDAs and 41 MFALs). All except 3 of the 46 SFDA projects were sanctioned during 1970-71 and it was only in 1971-72 that the progress under the various programmes picked up. In the case of MFALs, the sanctions were completed in 1971-72. Upto the 31st October, 1972 various SFDAs have identified 20.93 lakh participants which include 4.89 lakh marginal farmers. On MFAL side, the Agencies have identified 9.71 lakhs marginal farmers and agricultural labourers.

7.4. Government should review the two schemes in the context of the actual experience gained in the implementation of the projects most of which were sanctioned in 1970-71 and 1971-72. Government should also bring about the necessary improvement in the schemes to achieve the objective of helping the small farmer and marginal farmer and agricultural labour to break the shackles of poverty. After making an objective assessment of the working of these schemes Government should consider their expansion to other areas in the country to provide coverage to the weaker sections of the society within the shortest possible time.

7.5. The Fourth Five Year Plan has already drawn attention to the need of distribution of surplus land to the landless agricultural workers on a systematic basis. Although land reform including distribution of Government waste land and surplus land is a State Subject, the Government of India has suggested time and again to the State Governments for speedy and effective implementation of land reforms and for quick distribution of surplus land to the landless agricultural labourers giving priority to members of Scheduled Castes and Scheduled Tribes. The process of re-distribution of land has accentuated fragmentation of land. On the one hand attempts are being made to raise the economic standard of small and marginal farmers through SFDA/MFAL Schemes on the other, land allotted by Government is creating new farming units which are not of economic size. As such, the Central Government should impress upon the State Governments the desirability of taking expeditious steps to discourage fragmentation of land and to ensure that viable and economic sized plots are initially allotted to landless population on a systematic basis. The Government of India should also impress upon the State Governments to enact suitable legislation to prevent fragmentation of land wherever it has not been done so far.

7.6. The progress of consolidation of holdings is not uniform in all the States. While in some States like Punjab and Haryana, the progress is appreciable, in other States like Andhra Pradesh, Bihar, Mysore, Jammu and Kashmir, the progress is negligible. As such, consolidation operations should be accorded a high priority. The Central Government should take up the issue of consolidation of holdings with the State Governments at the highest level and impress upon them the desirability of completing the work of consolidation of holdings expeditiously so that whatever harm has been done through fragmentation of land may be mitigated through curative measures of consolidation of holdings.

7.7. The Central Government should also undertake periodically in future evaluation of work done in respect of consolidation of holdings in each State to assess the actual progress made in this regard and advise the States about concrete measures which could be taken to accelerate the process of consolidation in the interest of having viable farms.

7.8. It is noted that 87 SFDA/MFAL projects have been established in the country. State Governments are expected to provide these Agencies with requisite staff support in the technical departments and blocks, provide infrastructural requirements and strengthen cooperative credit institutions under their normal plan schemes and provisions.

7.9. It is hoped that State Governments will ensure that necessary staff support and infrastructural facilities are provided to these agencies so that they are able to perform the role assigned to them satisfactorily. It is also hoped that State Plan Programmes and Agencies' programme activities are dovetailed to form an integrated scheme of economic development.

7.10. These projects though mentioned for the Fourth Five Year Plan will continue in the Fifth Plan and complete their five year period within the plan period. The view now is that the programmes for small and marginal farmers and agricultural labourers not only will continue under these agencies, but will be expanded. These will be strengthened and more resources would be made available. The amount of Rupees 103 crores allocated for these projects during the Fourth Plan period will be spent by the end of the fifth year of these projects. As it has been decided to make provision in the Fifth Plan for the programme for the weaker Sections including small and marginal farmers, it is expected that sufficient funds will be provided for these schemes in the Fifth Plan in order to continue them uninterruptedly till successful achievement of objective.

7.11. It is noted that Government are not, for the present, in favour of merger of SFDA/MFAL agencies into a single agency, as in the opinion of Government SFDA was credit oriented while MFAL was essentially market oriented. It is, however, felt that with the completion of five years of the project, enough experience would be gained in the working of these schemes, Government may, therefore, undertake timely evaluation of these schemes to assess whether these should continue to be implemented separately or their integration into a single scheme would be desirable to achieve better results. This evaluation should, in particular, help Government to decide the best set up for extension of the scheme to other areas to cover small farmers, marginal farmers and agricultural labour.

7.12. In order to derive maximum benefit from developmental effort, it is essential that there should be integrated planning. This has got to start from the grass root, viz., the village level. The concept of planning, taking village as a basic unit, should be given concrete shape in the Fifth Plan, particularly in respect of areas which are inhabited by small farmers, marginal farmers or agricultural labour. It is obvious that however, great an effort may be made to improve agricultural production, it would not be possible to make the economy of the weak section of our community viable purely on the basis of agricultural production; their income has essentially to be supplemented by industrial activity however small in scale or agro-based it may be for which necessary infrastructure is essential. The type of planning envisaged cannot be achieved without laying down guidelines and extending technical and other assistance in the formative period so as to prepare meaningful reliable blue-prints of growth. In preparing the blueprint, special attention should be paid to the lot of small and marginal



farmers and agricultural labour and concrete measures should be spelt out so that they serve as a plan of action. It would not be possible to implement the plan at the village level in entirety unless reliable data at grass root level is available which would provide basic data to the planners to decide the strategy of development and make a selective approach taking all factors into account.

7.13. As Dairy Farming is one of the important programmes under SFDA/MFAL schemes Government must make concerted efforts to improve the breed of cattle and thereby increase the supply of milk. In order to achieve this objective, all SFDA/MFAL Projects should be brought under the purview of "Key Village Scheme" as early as possible. Government must also ensure that the farmers in SFDA and MFAL projects who take to dairying, are provided assured marketing facilities for sale of milk etc.

7.14. Intensive Cattle Development Projects provide credit facilities to farmers for purchase of milch animals to augment milk production. Under the SFDA/MFAL Schemes subsidies are also provided to the farmers for purchase of cattle. It need hardly be stressed that there should be a coordinated approach for provision of credit facilities to small/marginal farmers and agricultural labourers for purchase of cattle and as such the schemes of Intensive Cattle Development in the State Sector should be implemented in close coordination with the Central Schemes of SFDA/MFAL Projects.

7.15. Minor irrigation programme must be given top-priority in all schemes meant for the farmers in the rural areas and unless this is realised and followed up with practical steps, the chances of economic betterment of the farmers through higher agricultural production are remote. As such, the following steps may be taken by Government for the effective implementation of minor irrigation works in the rural areas of the country which are covered by SFDA/MFAL Projects:—

- (a) The necessity of maintaining adequate number of serviceable rigs for digging tubewells may be impressed upon the State Governments where the SFDA/MFAL projects are located, with a view to ensure supply of water to farmers on sustained basis.
- (b) Backward States should be provided financial help by the Central Government by way of loans and grants for the purchase of equipment necessary for minor irrigation works particularly rigs.

- (c) In each SFDA/MFAL project an assessment may be made regarding requirement of tubewells so that advance planning is done both in respect of funds and equipment.
- (d) Sinking of community tubewells for which the rate of subsidy is 50 per cent should be encouraged.
- (e) It should be ensured that minor irrigation works are of a durable nature so that the money invested on them is well-utilised for the benefit of the small and marginal farmers.

7.16. Agricultural Refinance Corporation is insisting on getting security to the extent of twice the loan advanced by a Bank or State Government guarantee for reimbursement of loans advanced by the Commercial Banks. As the S.F.D.A. and M.F.A.L. Schemes are credit linked, their success is largely dependent upon the un-interrupted flow of credit from the credit institutions. As such, the Reserve Bank of India which controls the credit institutions should examine the whole matter in depth and take such remedial measures which may be necessary for ensuring un-interrupted and easy credit flow through all the channels of credit including the cooperatives. Unless this is done, targets may not be achieved as programmed and the programmes might have to be rephased according to the available credit flow, thus affecting the results adversely. It is also necessary to extend the credit guarantee scheme to the cooperative sector to facilitate easier and quicker credit flow to the small farmers.

7.17. As the credit limits sanctioned by the Reserve Bank of India to the District Cooperative Central Banks are generally far below the requirements of the Agencies' programme of loaning, the problem should be studied by the Reserve Bank with a view to devise such procedures that District Cooperative Central Banks in SFDA/MFAL areas are provided adequate credit limits commensurate with the requirements of the Agencies' loaning programmes.

7.18. The possibility of introducing a "crop insurance scheme" for the benefit of the marginal farmers might be examined by Government and a decision should be taken in the matter early.

7.19. It need hardly be stressed that credit-oriented schemes like SFDA and MFAL schemes cannot make any headway unless credit facilities by the banking institutions are forthcoming to the small and marginal farmers who are the beneficiaries under these schemes. As such, it is quite essential to assess from time to time whether the nationalised banks are opening new branches in the SFDA/MFAL Project areas to cater to the needs of small and marginal farmers. A close watch may be kept in this direction and if any project areas are found to be suffering on account of the fact that banking facilities are not available to the farmers the matter should be pursued at the highest level to ensure that new branches are set up in those areas.

7.20. The allocation of Rs. 5 lakhs for Rural Artisans Programme in each SFDA/MFAL project is too meagre an amount to bring about any tangible results. As such, Government should evaluate the progress of this programme and, if necessary, the allocation for this programme may be increased suitably for providing greater coverage during the next Plan period. Steps should also be taken to modernise the tools and implements used by village artisans so as to improve their technical skills and increase their earning capacity.

7.21. Electrification of villages in SFDA/MFAL project areas will hasten the economic progress of the village artisans and improve their efficiency. As such, the villages in the project areas should be provided electricity on priority basis so that the money invested under SFDA/MFAL schemes can show some positive results.

7.22. Out of 49 centrally-sponsored Rural Industries Projects, 19 are such which cover the areas selected for SFDA/MFAL schemes. It is hoped that while expanding the rural industries programme in the next plan, special attention will be given to those projects which cover the areas where SFDA/MFAL Projects have been located.

7.23. The subsidies provided under SFDA/MFAL schemes cannot by themselves bring about the economic betterment of the weaker sections of society unless these schemes are properly linked with other programmes of setting up small industries in the rural sector. There is also need for setting up small industries in the hill areas of the country where the people cannot take to agriculture on an extensive scale because of the difficulty of terrain and rocky soil.

7.24. It is noted that six projects for Land Development are being set up in 6 States for the benefit of landless agricultural workers. It is hoped that the remaining States which have not so far evinced any interest in the scheme will be persuaded to take up similar projects in their respective States for the benefit of landless agricultural workers.

7.25. It is felt that there is need for most careful planning to make sure that land reclaimed/developed can sustain the new allottees. In fact a sustained programme which will ensure all necessary inputs and subsidiary services to the new allottees till they are able to stand on their own is the real need of the hour.

7.26. As the hill areas are backward and the people have to face peculiar difficulties like shortage of cultivable land, higher cost of transport etc., SFDA and MFAL schemes may have to be applied to these areas with necessary modifications. As such, Government should examine the matter and set up some SFDA/MFAL projects in the hill areas of the country with certain modifications which may be necessary to suit the conditions in those areas.

7.27. Cheap transport should be provided in the hill districts for carriage of perishable fruits to the plains. But where the transport cost is high the feasibility of setting up fruit preservation centres in such hill districts where fruits are grown in plenty should be examined by Government with a view to ensure their early establishment.

### B. Drought Prone Areas Programme

7.28. The programme for drought prone areas which was taken up in 1970-71 for the first time has made some progress. But as the programme was conceived in isolation and the operations were locationally dispersed, a long term solution to the problem is still to be found. In order to find a solution development will have to be carried out on a systematic basis and as an integral part of the general developmental programme in drought prone areas.

7.29. Government have a scheme of allowing State Governments Rs. 1 lakh per district for survey and investigation work. The State Governments should gear up their machinery to undertake survey and investigation work on scientific basis so as to facilitate decisions being taken on *inter se* priority for implementation of schemes, their feasibility and economic return by way of development, etc. The Central Government, should also lay down guidelines and essential points which should be gone into at the time of investigation and survey.

7.30. The progress of schemes has not been even among the different States. The progress is stated to be slow in Bihar, Jammu and Kashmir, West Bengal and to a lesser extent in Madhya Pradesh and Uttar Pradesh. As the precise reasons which are holding up work in these States particularly in Bihar and West Bengal which are prone to droughts are not known, Government should devise a proforma by which they get periodical reports from the State authorities about the progress made. There should be an arrangement for critical review of these returns as also for a visit to the site to understand and resolve the problems coming in the way of expeditious implementation of the scheme. This two-way interchange of ideas would make for realistic planning and implementation.

7.31. It is a matter of concern to note that no concerted effort has been made to extend dry farming technology to all the drought prone areas. It is felt that problems of the drought prone areas should receive special attention of the Research Organisation so as to develop seed technology and other agricultural practices which would be best suited to the drought conditions prevailing in the areas. This matter should be examined at the highest level between the Ministry of Agriculture and the Indian Council of Agricultural Research so as to have well coordinated

and integrated approach not only in the matter of research but also in the matter of making this information available effectively to the farmer in the field, so that he may avail of the improved techniques instead of continuing with age-old practice of cropping.

7.32. The pre-requisite condition for any programme for minor irrigation is careful survey of ground water resources. As such, help of the exploratory Tubewell Organisations and other similar agencies which have expertise in the field should be taken in order to locate the sites where tubewells could be sunk with advantage. Apart from sinking of tubewells it is of the utmost importance that they are kept in repair and that the water resources are equitably made available to all concerned. With that end in view the progress made in respect of minor irrigation programme should be critically reviewed at least once every quarter so that more funds within the existing resources could be diverted to schemes which are showing progress and promise.

7.33. As for some years to come there would be heavy requirement of rigs for sinking tubewells, Government should review the position in consultation with all Ministries concerned, including the Ministry of Industrial Development so that the rigs can be made available without undue delay in adequate numbers and of the requisite capacity. The rigs should be sturdy and well-suited to the conditions encountered in the drought prone areas.

7.34. Difficulties are also being experienced in the procurement of Road Rollers. As adequate capacity has been developed in the country for manufacture of heavy machinery and diesel engines, it should not be difficult to have a well-coordinated programme for manufacture of Road Rollers.

7.35. Government should also examine in detail the requirements for other plants and machinery like trawler, tractors etc., which are required for implementation of programme in drought prone areas so as to ensure that these plants and machinery are available in adequate quantity, quality and in good time for implementation of the programme.

### **C. Integrated Dry Land Agricultural Development**

7.36. The main objective of the Scheme for Integrated Dry Land Agricultural Development is to develop and demonstrate the use of technology suitable for increasing productivity and the total production in dry areas, so that they also benefit from the break-through in agricultural practices which has already been achieved in an impressive manner in irrigated areas. It is of the utmost importance, therefore, that the technology to be encouraged should be ideally suited to the conditions obtaining in the dry areas. It is only recently that a study team has been constituted by

Government to undertake study of the existing levels of dry farming technology in selected districts and critically consider them in the light of the latest knowledge and technology developed in the laboratory and research institutes. As such, Government should evolve package programmes on the basis of these reports, so that these could be implemented in an integrated manner, to help the farmers in dry areas, particularly those who have small and marginal farms, or work as agricultural labour with small homesteads. Unless the package programme is evolved with reference to ground conditions and other relevant factors, it is not realistic to expect any marked improvement from an investment of Rs. 20 crores, earmarked in the Fourth Five Year Plan for development of 24 pilot projects in 12 States.

7.37. Apart from late start of the scheme, non-availability of loan components, non-availability of transport for proper coordination and supervision, delays in appointment of the staff, much progress could neither be made nor the entire areas as envisaged covered under the programme. It clearly indicates that no advance planning for providing the requisite staff and all other infra-structural facilities was done. Government should take expeditious action to remove these deficiencies so that the targetted coverage of areas in each project during Fourth Plan period as also in the Fifth Plan period are realised.

7.38. Under the scheme of Integrated Dry Land Agricultural Development, the assistance for soil conservation and land development works is 75 per cent loan and 25 per cent grant. Some State Governments give higher subsidy for identical works of soil conservation and land development under their own schemes. The subsidies given by State Governments for Irrigation Programme and Animal Husbandry Programme are also stated to be higher than the subsidies provided under the present scheme. It is also stated that these differential rates of subsidy have retarded the progress of various programmes in the dry areas. As such, Government should examine this basic question of differential rates of subsidy provided under the Central Scheme and the State Schemes and take such remedial measures which may be necessary to narrow the gap between the two kind of subsidies.

7.39. Master Plans for area development are absolutely essential, if agriculture is to be developed in an integrated and systematic manner. In preparing these Master Plans, while greater attention should be given to the needs of areas which are un-irrigated, the problems of irrigated land situated in the same area should not be overlooked. In fact, the effort should be to have an over-all plan, which would cover all types of area falling in it, so that measures could be taken to develop the best suited agricultural practices, with particular reference to the requirements of small farmers, marginal farmers and agricultural labour.

7.40. A number of crop improvement research schemes have been implemented by ICAR on important crops in the country and higher production has been obtained at the Research Centres. With a view to evolving suitable seeds, agricultural practices and other inputs for achieving best production results in dry farm areas, the ICAR should take a lead in this respect and ensure that the results of existing experience are carefully evaluated, so as to evolve most suitable package programmes for application to dry farms situated in various parts of the country. The ICAR should play a more positive role in developing seeds suitable for dry areas. Government should also ensure that the suitable seeds of proven quality are made available at reasonable rates and on assured basis to the farmers in the dry areas through the extension centres of Research Institutes or through the sales offices of National Seeds Corporation.

7.41. The Cooperative as well as Commercial Banks are not agreeable to provide loans in the dry areas owing to greater risk involved and consequently Government have decided to provide long-term/medium-term loans during 1972-73 and 1973-74. Long-term/medium-term loans should continue to be provided by Government even beyond the years 1973-74, so that the small farmers, marginal farmers and agricultural labour, who have taken to improved practices, do not lose the impetus till the position gets consolidated. The Central Government, in conjunction with the State Governments, should see that a systematic and sustained effort is made to ensure that the requisite long-term/medium-term loans become available to the small farmers, marginal farmers and agricultural labour through either commercial banks or cooperative societies, by a suitable institutional mechanism. It need hardly be pointed out that where such commercial banks and cooperative societies do not exist, special efforts should be made to encourage their establishment, so that they could act as the service agency for providing this essential credit facility.

#### **D. Crash Scheme for Rural Employment**

7.42. The Crash Scheme for Rural Employment was put into operation in April, 1971 on the basis of 100 per cent grant from the Central Government and with an annual allocation of Rs. 50 crores. Each district is allotted on an average Rs. 12.50 lakhs per annum. The scheme has two basic objectives namely (i) direct generation of employment in all the districts of the country through the execution of projects which are essentially labour intensive, and (ii) production of assets of a durable nature in consonance with the local development plans so that all round development of the districts is assisted. The scheme intends to generate employment for 1000 persons on an average per year in every district. The projects undertaken under the Crash Scheme include construction of roads, soil conservation, reclamation and development of land, drainage,

flood protection, anti-water logging measures, water conservation and ground water recharging, construction of classrooms for Primary School Buildings etc.

7.43. During 1971-72, 81 per cent of the total expenditure incurred in 13 States and 5 Union Territories relates to one item alone namely "Construction of roads". The expenditure incurred on minor irrigation is only to the tune of 8.89 per cent and for land reclamation it is as low as 1.60 per cent. Government have explained that the State Governments have been given discretion to select projects with due regard to the needs of different local areas. The projects relating to agricultural production have been given a low priority by the State Governments in as much as 81 per cent of the total expenditure during 1971-72 relates to "Construction of roads". As agriculture is the backbone of rural economy, rural projects relating to agricultural production should have received higher priority.

7.44. The Central Government should also investigate how much money has been spent by State Governments for construction of "pucca" roads and how much money has been spent on construction of and maintenance of "kachha" roads. As production of durable assets is one of the basic objectives of the scheme, Government must ensure that the roads which have been constructed remain serviceable. It is no use building "kachha" roads only which are liable to disappear after one or two rainy seasons and therefore provision should be made to make all "kachha" roads "pucca" which will also create additional employment.

7.45. There is no clear indication in the data furnished by the Ministry regarding expenditure incurred on construction of classrooms for primary schools although it is one of the items mentioned in the schemes. Construction of classrooms for primary schools in the villages should receive higher priority under the Crash Scheme for Rural Employment. Besides serving the dual purpose of creating employment opportunities as well as production of durable assets it will serve the purpose of providing educational facilities for children in the villages. As the entire funds for the scheme are provided by the Central Government it is but appropriate that limits of expenditure which may be incurred on projects of various kinds may be laid down for the guidance of the State Governments.

7.46. The Crash Scheme for Rural Employment is largely based on the experience that had been gathered in the earlier Plan period in the implementation of the Rural Works Programme. But the lessons of implementation of the Rural Works Programme have not been borne in view while working out the Crash Scheme for Rural Employment. The essence of the matter is that there should be a detailed planning in each area so that labour intensive schemes for generating employment are taken up in building up assets which would be a lasting value.



7.47. Government should have a master plan prepared for each area being taken up for Crash Scheme and ensure that the funds are utilised for creating assets which would help improve the economy of the areas besides providing employment opportunities.

7.48. Government should most carefully review the progress made so far in implementing the Crash Programme for Rural Employment so as to see whether the underlying objective of spending Rs. 50 crores on creation of employment opportunities and durable assets has really been achieved. There is also need for most carefully selecting the schemes so that lasting assets which would make for development are created and the money is not directed to ventures which do not actually contribute towards growth and development.

7.49. With effect from October, 1972 a new scheme entitled Pilot Intensive Rural Employment Project is being implemented in 15 selected Blocks in the country with the larger objective of providing employment to everyone in the age group of 15 to 59 who may seek employment. The need of the new scheme has arisen because the existing scheme of CSRE has the limited objective of providing a certain minimum quantum of employment in every district of the country and Government are of the view that this scheme cannot solve the problem of unemployment in the country all by itself. The Committee on Unemployment have also expressed the view that the Crash Scheme for Rural Employment as at present conceived is not likely to throw sufficient light on the magnitude and nature of the problem in the rural areas and the size of resources needed for providing adequate employment for all persons seeking work. The results of the new scheme of PIREP which has been implemented in 15 Blocks only in October, 1972 should be carefully watched by Government and on the basis of the studies made a decision should be taken for its expansion to more areas of the country in the Fifth Plan period.

7.50. Government should evaluate the pilot projects most critically so as to identify the weaknesses and the challenges which the programme may have to meet at various levels to achieve the objective. It is of the utmost importance that the money spent for generating rural employment in fact results in creation of infra-structure and other durable assets also which would lift the rural area from the bane of crushing poverty and make its economy viable on a permanent basis.

7.51. Government should bring out White Paper containing full details of the various programmes devised by them to generate employment indicating details of various durable assets being created.

### E. Agro-Service Centres

7.52. A scheme was drawn up by the Ministry of Agriculture in 1970 for setting up 5,000 Agro-Service Centres during the Fourth Plan period with a view to provide self-employment opportunities for engineers, diploma holders, agricultural graduates etc. and to encourage them to settle in rural areas. The scheme was formulated in consultation with the Department of Banking and the scheme was purely a financing scheme. The scheme when fully implemented was expected to provide self-employment opportunities to about 50,000 unemployed engineers etc. It was also expected that with the establishment of 5,000 Agro-Service Centres 30,000 to 50,000 persons would be employed in related activities in the rural areas.

7.53. As it was primarily a scheme to be financed by the Nationalised Banks with no other incentives if did not make any headway and the Ministry had to introduce certain modifications. Under the revised scheme, the entrepreneurs were provided interest subsidy on loans equivalent to the difference between the normal ending rate of the bank and 5 per cent maximum payable by the borrower. In addition, it was decided to set up 14 Training Cells in various States by the Agro-Industries Corporations for giving training to the entrepreneurs and funds were provided to these Corporations to meet the expenditure on their training programme. 95 Agro-Service Centres were set up during 1971-72 under the original scheme and an additional 165 centres were set up later under the revised scheme thus raising the total number of centres set up so far to 260.

7.54. The progress made has been far short of the targets fixed for 1971-72 and 1972-73. Against the target of setting up 2500 Agro-Service centres during the Fourth Plan period only 260 centres have been set up so far. This underlines the need for most careful investigation and detailed planning so that the Agro-Service Centres are located in such places where there is a genuine need for these services on sustained basis. Agro-Service Centres like small scale industries cannot be arbitrarily located lest they wither away soon thereafter for want of sustained demand. The requirements for facilities for each Agro-Service Centre would vary from area to area and, therefore, there is need for detailed and specific planning for each centre. Once this having been done, it should be possible for the authorities concerned to see that the requisite facilities by way of trained personnel, necessary finance for purchase of machinery, availability of power for running the machines etc. are provided. Government should also review the progress made so far in the setting up of the Agro-Service Centres through technically and qualified task forces so as to find out how far these are functioning successfully and meeting the requirements of the area. The deficiencies and shortcomings noticed in their functioning should be rectified without delay and necessary improvements made right from the beginning in the setting up of new centres.

7.55. Government should proceed in the matter with the utmost care so that these Agro-Service Centres not only serve the needs of the area, but become focal points of development while providing employment opportunities to unemployed technocrats and inducing them to settle in rural areas.

7.56. 14 Agro-Industries Corporations have been selected to set up training cells in their respective States. Government have also taken some emergent measures to develop training facilities at Budni and Hissar Stations to provide training to unemployed personnel drawn from the rank of graduates in agriculture, technology and other subjects. These centres have trained 242 personnel up to 31st March, 1972 and 100 entrepreneurs are undergoing training at present. The Ministry have stated that the number of trainees trained so far in various training cells is 550 and have also claimed that the target of 1000 persons to be trained during 1972-73 is likely to be achieved.

7.57. It is felt that the training programme should be related to the type of service which the entrepreneurs would be required to render in the field. Government should review urgently the course of training at present provided to make sure that it is subserving the purpose. Modifications in the training programme should be made if necessary to make it more meaningful to the type of service these personnel would have to render in the field. The training courses should be carried out on decentralised basis in other regions so that the persons are given training in areas which are actually representatives of the place where they would have to serve.

7.58. The training courses should be so devised as to equip the entrepreneurs with basic knowledge about the practical working of the Agro-Service Centres and make them fit in all spheres to render service to the small and marginal farmers in the rural areas who generally suffer badly for want of essential technical supporting services.

7.59. It is noted that the progress of the scheme of Agro-Service Centres has not been satisfactory as the nationalised banks are still shy of advancing loans to the entrepreneurs who are selected for training.

7.60. It has been stated that the central cell in the Ministry of Agriculture has been pursuing constantly the cases of delay in the grant of loans by banking institutions. The Banking Department have issued necessary directions to the banks and Agro-Industries Corporations have been instructed to contact the Regional Branch of the Bank in cases of delay. The Banking Department have also sent lists of individual cases to the custodians of banks for eliminating procedural delays. The Agro-Industries Corporations must play a dominant role in making this scheme a success. These Corporations must render all possible help to the entre-

preneurs who have received training in their Training Cells. Serious efforts should be made by the Corporations to enable the trained personnel to get loans from the Banks.

7.61. A proposal is currently under consideration of the Ministry of Agriculture to place a revolving fund at the disposal of Agro-Industries Corporations to enable them to disburse loans at the rate of Rs. 70,000 per trained entrepreneur to cover the limited period between the completion of the training and the sanction of the loan by the Commercial Bank. Government should take a decision in the matter early so that money is provided to the Agro-Industries Corporations for disbursement among the trained entrepreneurs for setting up Agro-Service Centres. As the payments to be made from the proposed revolving fund will be for a limited period the procedure for recovery of the loan amount will have to be streamlined in order that the money is recovered from the entrepreneur as soon as it falls due. If arrears are allowed to accumulate then the whole purpose of having a revolving fund is likely to be defeated.

#### **F. Scheme for Tribal Development**

7.62. For the economic development of the tribal areas 6 Pilot Projects have been sanctioned in the States of Andhra Pradesh, Bihar, Madhya Pradesh and Orissa. The "Action Plan" furnished by the respective State Governments were approved by the Central Government during December, 1971 to January, 1972. The Tribal Development Agencies which have been made responsible for the execution of the projects have been registered during January, 1972 to March, 1972 under the Societies Registration Act, 1860 in all the project areas. The collector of the district where the project is located acts as the Chairman of the Agency. It has been stated that these projects will operate for a 5 year period beginning from April, 1972 and will continue to operate for the first three years of the Fifth Plan. The Ministry of Agriculture have stated that these projects have been taken up mostly in the hilly areas of Srikakulam, Singhbhum, Bastar, Ganjam and Koraput districts as tribal population are mostly to be found in the hilly tracts. But, for the present, no special scheme of tribal development has been taken up in the hilly areas of the Himalayan tract. Government should undertake periodic evaluation of work done in these pilot projects with a view to assess the impact made and to find out the deficiencies, if any, in the implementation of the programme and to take suitable remedial steps in the light thereof.

7.63. On the basis of experience gained in these pilot projects similar schemes for tribal development should be put into operation in other areas in the Fifth Plan with a view to provide facilities to tribal people and raise their standard of living. While drawing up any programme for expansion Government must keep in mind the interests

of tribal people living in the Himalayan tract and other hill areas and ensure that projects are set up in these areas as well.

7.64. The Planning Commission have frankly admitted in their document entitled "Approach to Fifth Plan 1974—79" that the schemes for economic development of backward classes have made little impact on the poverty, educational backwardness and social disabilities of backward classes. There is also the realisation that the benefits of development both in the general sector and especially in the backward classes sector have not percolated to the lower sections of these communities. As such, it is the duty of Government to take such remedial measures, which will bring about economic betterment of the weaker sections of the society. Government should try to achieve this objective not merely through a number of Centrally Sponsored Schemes but by impressing upon the State Governments the need to remove the economic disparities and social disabilities with which the tribal people suffer at present.

7.65. The halting progress made in implementation of the programme for tribal development underscores the need that the whole scheme should be examined by experts in consultation with local leaders and persons who are well-versed in tribal affairs in order to pin-point the difficulties which are coming in the way of implementation of the programme.

7.66. The desirability of evolving a package programme for development of agriculture and other ancillaries in tribal areas should be considered after thorough survey of the potentiality of the area. The facilities required for implementation of the package programme, such as improved seeds, fertilisers, assured water supply etc., should be made available to the farmers in a manner which would make the programme acceptable and capable of implementation.

7.67. It is suggested that local tribal leaders who command respect in the area may be taken on tour to developed areas either in the State or elsewhere which would raise their horizon and make them receptive to new ideas. In particular, visit of the tribal leaders may be arranged to research and extension centres so that they can see themselves the potentiality and relevance of the technological advanced made in agriculture for application to their own area. Earnest efforts should be made at all levels to understand the problems facing the tribal areas and evolve a realistic programme suited to their requirements.

7.68. The pace of rural electrification in the tribal areas of Baster district in Madhya Pradesh is very slow. It is regrettable that out of 3,000 villages in Baster district only 117 have been electrified and Rural Electrification Corporation have not sanctioned any scheme so far in Baster district. For the economic betterment of the tribal population it is of paramount importance that electricity is made available even to the

remotest village in the backward areas as otherwise the irrigation facilities can never be extended to them for increasing agricultural production. There should be special emphasis on rural electrification so far as the six pilot projects for tribal development are concerned. As in the case of Dantewada and Konta projects, provision has been made out of the Project Budget for extension of subsidiary lines for lift irrigation and rural electrification, similar Budgetary provision should also be made in other projects under the scheme of Tribal Development.

7.69. In Ganjam Tribal Development Project out of 11,519 acres of waste land, 8073 acres of land is available for reclamation. At present 3000 acres of waste land are proposed to be reclaimed for settlement of tribals. Reclamation work over a patch of 1022 acres of waste land has already commenced and 150 acres has been reclaimed so far which can be used for settling 50 tribal families. The Tribal Development Agency should make earnest efforts to reclaim all the 3000 acres of waste land so that 1,000 tribal families can be settled on the land by the end of the Fourth Plan. As 5,073 acres of additional waste land would still be available for reclamation, the Agency should make concerted efforts to reclaim it during the Fifth Plan period in the light of the decision taken by Government that these projects would continue to operate for the first three years of the Fifth Plan.

7.70. The Tribal Development Agency in Singhbhum Project should not only assist the construction of big diameter wells fitted with pumping sets but also help in the execution of other minor irrigation works like storage tanks etc. The construction of channels for which Rs. 50,000 are already earmarked should be completed early.

7.71. In Singhbhum district about 75 villages have been electrified and the State Electricity Board has furnished a scheme to electrify another 99 villages in the Project area and the scheme is at present under consideration of the Rural Electrification Corporation.

7.72. Unless electricity is provided to the villages in the Project area the tribal people who are predominantly agriculturists will not profit by the minor irrigation works which may be set up in the area through the efforts of Tribal Development Agency. As such, the proposal submitted by the State Electricity Board for electrifying 99 villages in the Project area deserves immediate attention of the Rural Electrification Corporation. The Scheme of Rural Electrification should be implemented soon so that the funds expended by the Agency in setting up big diameter wells and other minor irrigation works would prove beneficial to the tribal economy.

NEW DELHI;  
April 3, 1973

*Chaitra 13, 1895 (Saka)*

KAMAL NATH TEWARI,  
Chairman,

Estimates Committee.

**APPENDIX I***(Vide para 1.6 of the Report)*

List of Projects under SFDA/MFAL Schemes .

**A. SFDA PROJECTS**

Sl.	Name of State/Union Territory	District selected for S.F.D.A.
1	2	3
1.	Andhra Pradesh . . . . .	1. Cuddapah 2. Nalgonda 3. Srikakulam
2.	Assam . . . . .	1. Goalpara 2. Nowgong
3.	Bihar . . . . .	1. Champaran 2. Purnea 3. Patna
4.	Gujrat . . . . .	1. Junagadh 2. Surat 3. Sabarkantha
5.	Haryana . . . . .	1. Ambala 2. Gurgaon
6.	Himachal Pradesh . . . . .	1. Sirmur
7.	Jammu and Kashmir . . . . .	1. Anantnag 2. Jammu-Kathua
8.	Kerala . . . . .	1. Cannanore 2. Quilon
9.	Madhya Pradesh . . . . .	1. Bilaspur 2. Chhindwara 3. Ratlam-Ujjain
10.	Maharashtra . . . . .	1. Bhandara 2. Thana Nasik 3. Ratnagiri-Satara
11.	Mysore . . . . .	1. Bidar 2. Mysore 3. N. Kanara
12.	Nagaland . . . . .	1. Kohima-Mukokchung-Tuensung.
13.	Orissa . . . . .	1. Bolangir 2. Dhenkanal 3. Ganjam

1	2	3
14.	Punjab . . . . .	1. Amritsar-Ferozpur 2. Sangrur-Patiala
15.	Rajasthan . . . . .	1. Alwar 2. Bharatpur 3. Udaipur
16.	Tamil Nadu . . . . .	1. Madurai 2. South Arcot 3. Tirunelveli
17.	Uttar Pradesh . . . . .	1. Badaun 2. Fatehpur 3. Pratapgarh 4. Rae-Bareilly
18.	West Bengal . . . . .	1. Darjeeling 2. Hooghly 3. West Dinajpur
TOTAL		46



## B. M.F.A.L. PROJECTS

Sl. No.	Name of the State/Union Territory	District selected for M.F.A.L.
1	2	3
1.	Andhra Pradesh	1. Nalgonda 2. Visakhapatnam
2.	Assam	1. Mikir Hills 2. Kamrup
3.	Bihar	1. Ranchi 2. Shahabad
4.	Gujarat	1. Bulsar 2. Baroda
5.	Haryana	1. Ambala 2. Hissar
6.	Himachal Pradesh	1. Simla
7.	Jammu and Kashmir	1. Baramula 2. Poonch-Rajouri
8.	Kerala	1. Quilon 2. Cannanore
9.	Madhya Pradesh	1. Durg 2. Raisen-Sehore
10.	Maharashtra	1. Ratnagiri-Satara 2. Parbhani
11.	Manipur	1. Manipur
12.	Mysore	1. Tumkur 2. Bijapur
13.	Nagaland	1. Kohima-Mukok Chung-Tuensung
14.	Orissa	1. Cuttack 2. Keonjhar
15.	Punjab	1. (a) Hoshiarpur (b) Rupar 2. Jullundur-Kapurthala
16.	Rajasthan	1. Bhilwara 2. Ajmer
17.	Tamil Nadu	1. Salem 2. North Arcot
18.	Tripura	1. Tripura
19.	Uttar Pradesh	1. Mathura 2. Ballia
20.	West Bengal	1. Purulia 2. Bankura

1	2	3
21. Goa-Daman & Diu . . . . .		1. Goa
22. Meghalaya . . . . .		1. K. & J. Hills 2. Garo Hills
23. Pondicherry . . . . .		1. Pondicherry
24. Delhi . . . . .		1. Delhi
TOTAL		41

APPENDIX II

(Vide para 2.1 of the Report)

**List of 54 Districts selected for implementation of the Drought prone areas Programme**

Sl. No.	Name of State	Name of Districts
1	2	3
1.	Andhra Pradesh	1. Anantapur 2. Chittoor 3. Cuddappah 4. Kurnool 5. Mehboobnagar
2.	Bihar	1. Monghyr 2. Palamau 3. One unit for 3 sub-divisions, namely Nawada sub-division of Gaya district and Bhabhua and Sasaram sub-division of Shahabad districts.
3.	Gujarat	1. Amreli 2. Banaskantha 3. Jamnagar 4. Kutch 5. Panchmahals 6. Rajkot 7. Surendranagar
4.	Haryana	1. Mohindergarh
5.	Madhya Pradesh	1. Betul 2. Dhar 3. Jhabua 4. Sidhi
6.	Maharashtra	1. Ahmednagar 2. Nasik 3. Poona 4. Sangli 5. Satare 6. Sholapur
7.	Mysore	1. Belgaum 2. Bijapur 3. Chitradurga 4. Dharwar 5. Kolar
8.	Orissa	1. Boudh Phulbani 2. Kalahandi

1	2	3
9 Rajasthan . . . . .		1. Banswara 2. Barmer 3. Bikaner 4. Churu 5. Dungarpur 6. Jaisalmer 7. Jalore 8. Jodhpur 9. Nagaur 10. Pali
10. Tamil Nadu . . . . .		1. Dharmapuri 2. Ramanathapuram
11. Uttar Pradesh . . . . .		1. Allahabad 2. Banda 3. Hamirpur 4. Jalaun 5. Mirzapur 6. Varanasi
12. West Bengal . . . . .		1. Purulia 2. Bankura and Midnapur One Unit
13. Jammu & Kashmir . . . . .		1. Doda and certain parts of Udhampur district.
	Total	54

APPENDIX III

(Vide para 3.5 of the Report)

List of Pilot Projects under the Scheme of Integrated Dry Land Agricultural Development

State	ICAR Research Main and Sub-Centres	Pilot Projects taken up during 1970-71	Pilot Projects during 1971-74
1	2	3	4
1. Andhra Pradesh	1. Ibrahimpatnam (Hyderabad)	1. Hyderabad	..
	2. Anantpur	..	1. Anantpur
2. Bihar	3. Ranchi	..	2. Palamau
3. Gujarat	4. Anand		
	5. Rajkot	2. Rajkot	3. Amreli
4. Haryana	6. Hissar	3. Hissar	4. Mohindergarh (to be attached to IARI Centre)
			5. Udhampur
5. Jammu & Kashmir	7. Jammu	..	
6. Madhya Pradesh	8. Indore	4. Indore	6. Rewa
	9. Rewa		7. Akola
7. Maharashtra	10. Akola		
	11. Sholapur	5. Sholapur	8. Bangalore
8. Mysore	12. Hebbal		
	13. Bellary	6. Bellary	9. Bijapur
	14. Bijapur		..
9. Punjab	15. Ludhiana	..	
10. Rajasthan	16. Jodhpur	7. Jodhpur	10. Udaipur
	17. Udaipur		11. Chittore
11. Tamil Nadu	18. Kovilpatti	8. Tirunelveli	12. Tiruchirapalli
12. Uttar Pradesh	19. Jhansi	9. Jhansi	
	20. Varansi		13. Mirzapur
	21. Agra	..	14. Agra
	22. Dehra Dun	..	..
13. Orissa	23. Bhubaneswar	..	15. Mayurbhanj
	24. IARI, New Delhi	..	..

## APPENDIX IV

(Vide para 4.8 of the Report)

Statement showing expenditure under various categories of works under G.S.R.E. during 1971-72 (As on 31-12-1972)

(Rs. lakhs)

State/Union Territory	Agricultural Production								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Minor Irrigation	Land reclamation	Soil conservation	Water conservation and ground water recharging	Flood protection	Drainage and anti-water-logging	Community Orchards		
1. Andhra Pradesh	21.79	0.79	5.44	..	2.46	..	0.13	..	..
2. Assam	6.54	16.38	0.58	..	..	..	..	..	..
3. Gujarat	8.60	1.52	0.14	1.34	0.57	0.81	0.27	..	..
4. Haryana	10.31	..	4.28	..	3.46	5.46	..	..	..
5. Himachal Pradesh	16.84	..	..	..	..	..	..	..	..
6. Jammu & Kashmir	12.89	9.44	..	7.53	..	0.66	..	..	..
7. Kerala	34.54	1.07	4.26	..	..	1.41	..	..	..
8. Madhya Pradesh	8.28	..	0.65	..	..	..	..	..	..
9. Maharashtra	13.96	..	..	..	..	..	..	..	..
10. Meghalaya	1.19	0.80	0.20	..	..	..	..	..	..
11. Nagaland	5.49	..	..	..	0.32	..	..	..	2.49
12. Tamil Nadu	19.56	0.08	..	0.15	2.86	0.27	1.13	..	..
13. Uttar Pradesh	6.19	0.19	1.94	..	5.07	2.50	5.58	..	..
14. A. & N. Islands	..	..	0.05	..	..	..	..	..	..
15. Delhi	..	..	..	..	1.82	..	..	..	..
16. Goa, Daman & Diu	..	0.22	0.20	..	..	..	..	..	..
17. LMA Islands	..	..	0.45	..	..	..	..	..	..
18. Pondicherry	2.48	..	..	1.23	..	..	3.57	..	..
TOTAL :	168.66	30.49	18.19	10.25	16.56	10.51	10.68	2.49	..
PERCENTAGE TO TOTAL :	8.89	1.60	0.96	0.54	0.87	0.55	0.56	0.13	..

States/Union Territory	Agricultural production				Communications			Other works	Grand Total
	Panchayat Land Development	Pisciculture	Others (Tanks)	Others	Roads	Culverts			
							(10)		
1. Andhra Pradesh	..	..	3.24	242.77	0.58	15.31	292.51		
2. Assam	4.15	12.90	0.53	32.03	0.07	0.13	73.31		
3. Gujarat	0.01	..	0.17	59.77	..	8.64	81.84		
4. Haryana	..	..	4.63	57.91	..	..	86.05		
5. Himachal Pradesh	..	..	..	105.78	..	1.85	124.47		
6. Jammu and Kashmir	0.5	0.01	..	42.33	..	0.02	72.33		
7. Kerala	..	..	..	134.87	0.16	..	176.31		
8. Madhya Pradesh	..	5.25	..	67.19	..	14.77	96.41		
9. Maharashtra	..	..	..	110.60	..	..	24.56		
10. Meghalaya	..	0.05	..	21.60	..	..	23.84		
11. Nagaland	1.96	..	..	26.08	0.42	..	36.76		
12. Tamilnadu	0.45	0.27	0.68	249.12	15.35	2.84	292.76		
13. Uttar Pradesh	..	2.30	0.13	263.41	1.60	9.10	398.01		
14. A. & N Islands	..	..	0.78	1.56	..	..	2.39		
15. Delhi	..	..	..	1.91	..	..	3.73		
16. Goa, Daman & Diu	..	..	..	0.65	..	..	0.65		
17. LMA Islands	..	..	0.30	..	..	2.20	2.72		
18. Pondicherry	..	..	..	3.49	..	..	11.22		
<b>TOTAL :</b>	<b>6.62</b>	<b>20.78</b>	<b>10.46</b>	<b>1521.07</b>	<b>18.18</b>	<b>54.86</b>	<b>1899.80</b>		
<b>PERCENTAGE TO TOTAL :</b>	<b>0.35</b>	<b>1.09</b>	<b>0.55</b>	<b>80.06</b>	<b>0.96</b>	<b>2.89</b>	<b>100.00</b>		

APPENDIX V

*Statement showing summary of Recommendation*

Sl. No.	Reference to para No. of the Report	Summary of Recommendations
1	2	3
1	1.17	<p>The Committee note that the number of small holdings of 2 hectares and less comprises 62 per cent of the total number of agricultural holdings but the area cultivated is less than 20 per cent of the total cultivated area. Thus, the numerically strong but economically weak section of the rural community consists of small farmers with less than 2 hectares. Agricultural workers form 69.5 per cent of the total number of workers, out of which 16.7 per cent comprise landless agricultural workers.</p>
2	1.18	<p>The Committee further note that the dramatic success of the new agricultural technology has widened the gap between the rich farmers with access to inputs and services and the weaker section of small farmers. The approach to the problem of small but potentially viable farmers should consist not so much in developing a different technology as in providing them with the resources to participate in the available technology.</p>
3	1.19	<p>The Committee also note that Government have attached very high priority in the Fourth Plan and in the annual plans and budgets to measures specifically designed to enable the Weaker Sections of the rural population to participate in the benefits of economic growth in the rural sector. The principal objective is that employment and income opportunities for the rural poor and the productive potential of the economically weak farmer should be significantly increased.</p>



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The Committee note that both SFDA and MFAL agencies are required to identify the participants within the parameters laid down in this regard with a view to ensure that benefit of the activities both developmental and financial go to them only. The Committee cannot too strongly stress that every care should be taken to see that only those farmers, who are small and for whom the scheme is designed, get the developmental and other financial benefits.

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1.21

The Committee understand that under the Scheme of Small Farmers Development Agency the emphasis is on improved and intensive agriculture and the limit of 1 to 3 hectares of land holdings has generally been adopted in identifying such farmers. The marginal farmers on the other hand are those below this level whose agriculture can be improved but who would rely on mixed farming with subsidiary occupation like dairy, poultry and off-season employment for raising their standard of living. The Scheme of Marginal Farmers and Agricultural Labourers Agency is intended to take care of marginal farmers and agricultural labourers. The agricultural labourers have been defined as those having a homestead and deriving more than 50 per cent of their income from agricultural wages.

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1.22

The Committee further note that SFDA/MFAL agencies are in position in 87 project areas all over India (46 SFDAs and 41 MFALs). All except 3 of the 46 SFDA projects were sanctioned during 1970-71 and it was only in 1971-72 that the progress under the various programmes picked up. In the case of various programmes picked up. In the case of MFALs, the sanctions were completed in 1971-72. Upto the 31st October, 1972 various SFDAs have identified 20.93 lakh participants which include 4.89 lakh marginal farmers. On MFAL side, the Agencies have identified 9.71 lakh marginal farmers and agricultural labourers.

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1.23

The Committee would like Government to review the two schemes in the context of the actual experience gained in the implementation of the projects most of which were sanctioned in 1970-71 and 1971-72. The Committee would like Government to bring about the necessary improvement in the schemes to achieve the objective of helping the small farmer and marginal farmer and agricultural labour to break the shackles of poverty. The Committee trust that after making an objective assessment of the working of these schemes Government will consider their expansion to other areas in the country to provide coverage to the weaker sections of the society within the shortest possible time.

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1.32

The Committee note that the Fourth Five Year Plan has already drawn attention to the need of distribution of surplus land to landless agricultural workers on a systematic basis. Although land reform including distribution of Government waste land and surplus land is a State Subject, the Government of India has suggested time and again to the State Governments for speedy and effective implementation of land reforms and for quick distribution of surplus land to the landless agricultural labourers giving priority to members of Scheduled Castes and Scheduled Tribes. The Committee further note that the process of re-distribution of land has accentuated fragmentation of land. On the one hand attempts are being made to raise the economic standard of small and marginal farmers through SFDA/MFAL schemes on the other, land allotted by Government is creating new farming units which are not of economic size.

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1.33

The Committee feel deeply concerned about the problem of fragmentation of land. They suggest that Central Government should impress upon the State Governments the desirability of taking expeditious steps to discourage fragmentation of land and to ensure that viable and economic sized plots are initially allotted to landless population on a systematic basis. The Government of India should also impress

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		upon the State Governments to enact suitable legislation to prevent fragmentation of land wherever it has not been done so far.
10	1.34	The Committee note that the progress of consolidation of holdings is not uniform in all the States. While in some States like Punjab and Haryana, the progress is appreciable, in other States like Andhra Pradesh, Bihar, Mysore, Jammu and Kashmir, the progress is negligible. The Committee need hardly stress that consolidation operations should be accorded a high priority. The Central Government should take up the issue of consolidation of holdings with the State Governments at the highest level and impress upon them the desirability of completing the work of consolidation of holdings expeditiously so that whatever harm has been done through fragmentation of land may be mitigated through curative measures of consolidation of holdings.
11	1.35	The Central Government should also undertake periodically in future evaluation of work done in respect of consolidation of holdings in each State to assess the actual progress made in this regard and advise the States about concrete measures which could be taken to accelerate the process of consolidation in the interest of having viable farms.
12	1.51	The Committee note that 87 SFDA/MFAL projects have been established in the country. Under the Scheme the SFDA/MFAL Agencies are to act as catalysts activating the existing institutions, providing support for them and creating new organisations wherever necessary to cater to the participants. The Agencies can also undertake directly such activities as promote the economic interest of the participants like setting up infrastructural facilities.
13	1.52	The Committee further note that the State Governments are expected to provide these Agencies with requisite staff support in the technical departments and blocks, provide infrastructural require-

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		ments and strengthen cooperative credit institutions under their normal plan schemes and provisions.
14	1.53	The Committee trust that State Governments will ensure that necessary staff support and infrastructural facilities are provided to these agencies so that they are able to perform the role assigned to them satisfactorily. The Committee also hope that State Plan Programmes and Agencies' programme activities are dovetailed to form an integrated scheme of economic development.
15	1.54	It has been stated that these projects though mentioned for the Fourth Five Year Plan will continue in the Fifth Plan and complete their five year period within the plan period. The view now is that the programmes for small and marginal farmers and agricultural labourers not only will continue under these agencies, but will be expanded. These will be strengthened and more resources would be made available. The amount of Rupees 103 crores allocated for these projects during the Fourth Plan period will be spent by the end of the fifth year of these projects.
16	1.55	The Committee also note that it has been decided to make provision in the Fifth Plan for the programme for the weaker sections including small and marginal farmers.
17	1.56	The Committee trust that sufficient funds will be provided for these schemes in the fifth Plan in order to continue them uninterruptedly till successful achievement of objective.
18	1.57	The Committee further note that Government are not, for the present, in favour of merger of SFDA/MFAL agencies into a single agency, as in the opinion of Government SFDA was credit oriented while MFAL was essentially market oriented. The Committee, however, feel that with the completion of five years of the project, enough experience would be

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gained in the working of these schemes. Government may, therefore, undertake timely evaluation of these schemes to assess whether these should continue to be implemented separately or their integration into a single scheme would be desirable to achieve better results. This evaluation should, in particular, help Government to decide the best set up for extension of the scheme to other areas to cover small farmers, marginal farmers and agricultural labour.

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1.58

The Committee note that SFDA programme is not just area development. There is a particular focus on the development of participant small farmers. While SFDA is credit oriented MFAL is more market based. The MFAL projects have a small component of rural works which is intended to provide wage employment primarily to agricultural labourers and small marginal farmers during off-season. The Committee further note that MFAL Agencies provided employment to 2664 agricultural labourers and marginal farmers during the year 1971-72. The Ministry of Agriculture have stated that the Agro-Economic Research Centres have undertaken a study in few SFDA/MFAL Projects to assess the quantum of employment generation and their report is awaited.

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1.59

The Committee would like Government to carefully analyse the data brought out by these studies in order to make sure that the benefit is going in fact to the agricultural labourers and smaller marginal farmers and that the work done forms part of the integrated effort to increase the output and is in fact contributing towards it and that in general the benefit derived is commensurate with the expenditure incurred. The Committee need hardly stress that where modifications are necessary these would be effected without delay in the interest of successful implementation of the programme.

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- 21            1.60            The Committee also hope that as the implementation of these programmes is entrusted to the respective State Governments, steps will be taken to achieve necessary coordination between the Centre and the States.
- 22            1.61            The Committee are convinced that in order to derive maximum benefit from developmental effort, it is essential that there should be integrated planning. This has got to start from the grass root, viz., the village level. The Committee would therefore urge the Government that the concept of planning, taking village as a basic unit, should be given concrete shape in the Fifth Plan, particularly in respect of areas which are inhabited by small farmers, marginal farmers or agricultural labour. It is obvious that however great an effort may be made to improve agricultural production, it would not be possible to make the economy of the weak section of our community viable purely on the basis of agricultural production; their income has essentially to be supplemented by industrial activity however small in scale or agro-based it may be for which necessary infrastructure is essential.
- 23            1.62            The Committee also feel that the type of planning envisaged by them cannot be achieved without laying down guidelines and extending technical and other assistance in the formative period so as to prepare meaningful reliable blueprints of growth. The Committee need hardly point out that in preparing the blueprint, special attention should be paid to the lot of small and marginal farmers and agricultural labour and concrete measures should be spelt out so that they serve as a plan of action. The Committee realise that it would not be possible to implement the plan at the village level in entirety. But what the Committee are keen on is availability of reliable data at grass root level which would provide basic data to the planners to decide the strategy of develop-

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ment and make a selective approach taking all factors into account.

- 24            1.71            The Committee note that S.F.D.A. can extend subsidies to individuals upto 25 per cent towards capital expenditure on minor irrigation, land improvement etc. In M.F.A.L. Agency the rate of subsidy is 33-1/3 per cent. The Committee further note that the subsidies are not paid in cash to the participants and these are passed through the financial institutions which give loans to the farmers.
- 25            1.72            The Committee further note that the commercial banks while giving loans to farmers ask for margin money upto 20 or 25 per cent of the loan amount depending upon the nature of the scheme. The commercial banks like cooperative Institutions also receive subsidies on behalf of the participants which may cover the margin money required to be furnished by the farmers. It has been stated that it takes a farmer from 2 to 3 months to get the loan.
- 26            1.73            The Committee note that Government have expressed the view that the present rates of subsidy are adequate. The Committee however feel that the rates of subsidy should vary according to the nature of work to be executed and the condition of the area and the farmers etc. The Committee trust that the progress of various programmes in SFDA/MFAL projects would be kept under constant review and the rates of subsidy would be modified, if necessary, for their speedy implementation.
- 27            1.74            The Committee cannot but stress the fact that it should be ensured that the maximum benefit of the money expended goes to the farmers and that the Project Officers should through field visits exercise proper check that the subsidies granted are properly utilised by the identified beneficiaries.
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- 28**            **1.85**            The Committee note that 14 Intensive Cattle Development Projects out of a total of 55 projects are located in SFDA/MFAL areas. The Committee also note that in addition to Intensive Cattle Development Projects, a "Key Village Scheme" is also operating which aims at creation of improved cattle/buffalo pockets throughout the country. As many as 96 key village Blocks are in operation in 53 SFDA districts and 52 MFAL districts.
- 29**            **1.86**            As Dairy Farming is one of the important programmes under SFDA/MFAL schemes Government must make concerted efforts to improve the breed of cattle and thereby increase the supply of milk. In order to achieve this objective, the Committee suggest that all SFDA/MFAL Projects should be brought under the purview of "Key Village Scheme" as early as possible.
- 30**            **1.87**            The Committee need hardly stress that the difficulties of participants both in SFDA and MFAL projects will have to be identified in all spheres by periodic evaluation and necessary steps taken to ensure maximum benefit accruing to them under various programmes. In particular Government must ensure that the farmers in SFDA and MFAL projects who take to dairying, are provided assured marketing facilities for sale of milk etc.
- 31**            **1.88**            The Committee further note that Intensive Cattle Development Projects provide credit facilities to farmers for purchase of milch animals to augment milk production. Under the SFDA/MFAL Schemes subsidies are also provided to the farmers for purchase of cattle. The Committee need hardly stress that there should be a coordinated approach for provision of credit facilities to small/marginal farmers and agricultural labourers for purchase of cattle and



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as such the Committee would like that the Scheme of Intensive Cattle Development in the State Sector should be implemented in close coordination with the Central Schemes of SFDA/MFAL Projects.

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1.96

The Committee note that both under SFDA and MFAL schemes a subsidy of 25 per cent and 33-1/3 per cent respectively on the capital cost is available for minor irrigation works. For community minor irrigation works the subsidy is raised to 50 per cent. The Committee also note that rigs are maintained by the respective State Governments and no assessment has been made either regarding requirement of rigs or about the tubewells to be sunk in SFDA/MFAL areas.

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1.97

The Committee need hardly stress that minor irrigation programme must be given top-priority in all schemes meant for the farmers in the rural areas and unless this is realised and followed up with practical steps, the chances of economic betterment of the farmers through higher agricultural production are remote.

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1.98

As such, the Committee recommend that the following steps may be taken by Government for the effective implementation of minor irrigation works in the rural areas of the country which are covered by SFDA/MFAL Projects:—

- (a) The necessity of maintaining adequate number of serviceable rigs for digging tubewells may be impressed upon the State Governments where the SFDA/MFAL projects are located, with a view to ensure supply of water to farmers on sustained basis.
- (b) Backward States should be provided financial help by the Central Government by way of loans and grants for the purchase of equipment necessary for minor irrigation works particularly rigs.

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(c) In each SFDA/MFAL project an assessment may be made regarding requirement of tubewells so that advance planning is done both in respect of funds and equipment.

(d) Sinking of community tubewells for which the rate of subsidy is 50 per cent should be encouraged.

(e) It should be ensured that minor irrigation works are of a durable nature so that the money invested on them is well-utilised for the benefit of the small and marginal farmers.

35

1.102

The Committee trust that expeditious action will be taken by Government to set up Farmers' Service Societies in some selected S.F.D.A./M.F.A.L. Project areas and details about their functioning will be settled in consultation with the Reserve Bank of India, Planning Commission and the concerned State Governments. The Committee hope that after watching the results of this new experiment, Farmers' Service Societies will be set up in each of the Project areas.

36

1.121

The Committee take note of the fact that Agricultural Refinance Corporation is insisting on getting security to the extent of twice the loan advanced by a Bank or State Government guarantee for reimbursement of loans advanced by the Commercial Banks. As the S.F.D.A. and M.F.A.L. Schemes are credit linked, their success is largely dependent upon the un-interrupted flow of credit from the credit institutions.

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1.122

As such, the Committee recommend, that the Reserve Bank of India which controls the credit institutions should examine the whole matter in depth and take such remedial measures which may be necessary for ensuring un-interrupted and easy credit flow through all the channels of credit including the cooperatives. The Committee feel that unless this

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is done, targets may not be achieved as programmed and the programmes might have to be rephased according to the available credit flow, thus affecting the results adversely. In the Committee's opinion it is also necessary to extend the credit guarantee scheme to the cooperative sector to facilitate easier and quicker credit flow to the small farmers.

- 38            1.123            The Committee having taken note of the fact that the credit limits sanctioned by the Reserve Bank of India to the District Cooperative Central Banks are generally far below the requirements of the Agencies' programme of loaning, suggest, that the problem should be studied by the Reserve Bank with a view to devise such procedures that District Cooperative Central Banks in SFDA/MFAL areas are provided adequate credit limits commensurate with the requirements of the Agencies' loaning programmes.
- 39            1.124            The Committee note that the question of charging differential rates of interest from small and marginal farmers was being considered by Government on pilot basis. They hope that an early decision will be taken in the matter keeping in view the paying capacity of each category of farmer.
- 40            1.125            The Committee are of the view that the possibility of introducing a "crop insurance scheme" for the benefit of the marginal farmers might be examined by Government and a decision should be taken in the matter early.
- 41            1.126            The Committee need hardly stress that credit-oriented schemes like SFDA and MFAL Schemes cannot make any headway unless credit facilities by the banking institutions are forthcoming to the small and marginal farmers who are the beneficiaries under these schemes. As such, it is quite essential to assess from time to time whether the nationalised banks are opening new branches in the SFDA/MFAL Project
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areas to cater to the needs of small and marginal farmers. A close watch may be kept in this direction and if any project areas are found to be suffering on account of the fact that banking facilities are not available to the farmers the matter should be pursued at the highest level to ensure that new branches are set up in those areas.

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1.131

The Committee note that Rs. 5 lakhs has been provided in each SFDA/MFAL Project for Rural Artisans Programme. The Committee further note that there is a Programme for giving training to the village artisans so that they can improve their skills and after the training is over they are provided subsidy also for getting the tools and implements.

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1.132

The Committee feel that the allocation of Rs. 5 lakhs for Rural Artisans Programme in each project is too meagre an amount to bring about any tangible results. The Committee would like Government to evaluate the progress of this programme and, if necessary, the allocation for this programme may be increased suitably for providing greater coverage during the next Plan period. The Committee also emphasise that steps should be taken to modernise the tools and implements used by village artisans so as to improve their technical skills, and increase their earning capacity.

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1.133

The Committee need hardly stress that electrification of villages in SFDA/MFAL project areas will hasten the economic progress of the village artisans and improve their efficiency. As such, the villages in the project areas should be provided electricity on priority basis so that the money invested under SFDA/MFAL schemes can show some positive results.

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1.139

The Committee note that a centrally sponsored scheme for Rural Industries Projects Programme which was launched in 1962-63 is still in operation and 49 projects under that scheme are functioning all

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over India. The Committee further note that out of 49 projects 19 are such which cover the areas which were selected for SFDA/MFAL Schemes.

- 46            1.140            The Committee trust that while expanding the rural industries programme in the next Plan, special attention will be given to those projects which cover the areas where SFDA/MFAL Projects have been located. The Committee feel that the subsidies provided under SFDA/MFAL schemes can by themselves bring about the economic betterment of the weaker sections of society unless these schemes are properly linked with other programmes of setting up small industries in the rural sectors.
- 47            1.141            The Committee would also like to stress the need for setting up small industries in the hill areas of the country where the people cannot take to agriculture on an extensive scale because of the difficulty of terrain and rocky soil.
- 48            1.145            The Committee note that six Projects for Land Development are being set up in 6 States for the benefit of landless agricultural workers. The Committee further note that 32.396 thousand hectares of barren land and 39.571 thousand hectares of cultivable land is available in the whole country for land colonisation. The Committee trust that the remaining States which have not so far evinced any interest in the Scheme will be persuaded to take up similar projects in their respective States for the benefit of landless agricultural workers.
- 49            1.146            The Committee hope that the responsibility of reclaiming the land and provision of requisite facilities to the settlers will be discharged by Government expeditiously so that these projects can help to raise the standard of living of the landless agricultural workers.
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|----|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 50 | 1.147 | The Committee are of the view that there is need for most careful planning to make sure that land reclaimed/developed can sustain the new allottees. In fact a sustained programme which will ensure all necessary inputs and subsidiary services to the new allottees till they are able to stand on their own is the real need of the hour.                                                                                                                                                                                                                           |
| 51 | 1.148 | As the MFAL Schemes also takes care of Agricultural labourers on a large scale the Committee are of the view that the two schemes should be worked in close coordination. In fact, wherever, MFAL Agency has been set up, an attempt should be made to provide land to landless agricultural labourers through a land development project provided it is feasible and surplus land is available in the vicinity of MFAL project area.                                                                                                                                   |
| 52 | 1.153 | The Committee understand that no SFDA/MFAL project has been set up to cover the hill areas of U.P. As the hill areas are backward and the people have to face peculiar difficulties like shortage of cultivable land, higher cost of transport etc., SFDA and MFAL schemes may have to be applied to these areas with necessary modifications. The Committee trust that Government will examine the matter and set up some SFDA/MFAL projects in the hill areas of the country with certain modifications which may be necessary to suit the conditions in those areas. |
| 53 | 1.154 | The Committee note that in regard to the sheep breeding programme "a beginning has been made" and much remains to be done to achieve more progress in the development of this important industry to step up wool production.                                                                                                                                                                                                                                                                                                                                            |
| 54 | 1.155 | The Committee trust that Government will provide necessary assistance and funds for setting up more sheep breeding farms in the hill regions of the country.                                                                                                                                                                                                                                                                                                                                                                                                            |

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**55****1.156**

The Committee are of the view that cheap transport should be provided in the hill districts for carriage of perishable fruits to the plains. But where the transport cost is high the feasibility of setting up fruit preservation centres in such hill districts where fruits are grown in plenty should be examined by Government with a view to ensure their early establishment.

**56****2.15**

The Committee note that field implementation of schemes under Drought Prone Areas Programme is the responsibility of the respective State Governments. The Committee also note that the programme is being implemented by various State Technical Departments concerned. In order that the different schemes under the programme are executed smoothly, efficiently and in a coordinated manner, the State Governments may be requested to take expeditious action to set up coordination bodies both at State and district levels, to oversee the implementation of the programme.

**57****2.16**

The Committee note that the programme for drought prone areas which was taken up in 1970-71 for the first time has made some progress. The Committee, however, is seriously concerned to note that the programme was conceived in isolation and that the operations were locationally dispersed. The Committee cannot too strongly emphasise that if a long term solution is to be found to the problem of drought prone areas, development will have to be carried out on a systematic basis and as an integral part of the general developmental programme in that area. The Committee note that the Planning Commission's draft approach to the Fifth Plan 1974—79 recognises these shortcomings. The Committee cannot too strongly stress that this lacuna can only be removed if detailed surveys and investigations of schemes are undertaken and these are evolved in an integrated manner at the ground level.

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58	2.17	<p>The Committee note that Government have a scheme of allowing State Governments Rs. 1 lakh per district for survey and investigation work. The Committee feel that State Governments should gear up their machinery to undertake survey and investigation work on scientific basis so as to facilitate decisions being taken on <i>inter se</i> priority for implementation of schemes, their feasibility and economic return by way of development, etc. The Committee would also suggest that the Central Government should lay down guidelines and essential points which should be gone into at the time of investigation and survey. The Committee attach great importance to proper planning and survey and would like to be informed of the action taken within three months.</p>
59	2.18	<p>The Committee note that the progress of schemes has not been even among the different States. The progress is stated to be slow in Bihar, Jammu and Kashmir, West Bengal and to a lesser extent in Madhya Pradesh and Uttar Pradesh. The Committee have, however, not been informed of the precise reasons which are holding up work in these States particularly in Bihar and West Bengal which are prone to droughts. The Committee would like Government to devise a Proforma by which they get periodical reports from the State authorities about the progress made. There should be an arrangement for critical review of these returns as also for a visit to the site to understand and resolve the problems coming in the way of expeditious implementation of the scheme. This two-way interchange of ideas would make for realistic planning and implementation.</p>
60	2.19	<p>The Committee are concerned to note that no concerted effort has been made to extend dry farming technology to all the drought prone areas. The Committee feel that problems of the drought prone areas should receive special attention of the Research Organisation so as to develop seed technology and</p>

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other agricultural practices which would be best suited to the drought conditions prevailing in the areas. The Committee would, therefore, like this matter to be examined at the highest level between the Ministry of Agriculture and the Indian Council of Agricultural Research so as to have well coordinated and integrated approach not only in the matter of research but also in the matter of making this information available effectively to the farmer in the field, so that he may avail of the improved techniques instead of continuing with age-old practice of cropping.

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2.22

The Committee note that 54 per cent of the total outlay is at present earmarked for minor irrigation schemes. The Committee have not been informed of the precise success achieved in implementation of these minor irrigation schemes. They need hardly stress that the pre-requisite condition for any programme for minor irrigation is careful survey of ground water resources. The Committee would suggest that the help of the exploratory Tubewell Organisations and other similar agencies which have expertise in the field should be taken in order to locate the sites where tubewells could be sunk with advantage. Apart from sinking of tubewells it is of the utmost importance that they are kept in repair and that the water resources are equitably made available to all concerned. The Committee would like Government to make sure that not only these tubewells are sunk but they subserve the purpose of developing agriculture on an assured basis so as to reverse periodic visitation of droughts. The Committee would stress that the progress made in this behalf should be critically reviewed at least once every quarter so that more funds within the existing resources could be diverted to schemes which are showing progress and promise.

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- 62            2.23            The Committee would like Government to pay equal attention to other sources for minor irrigation such as storage tanks, dugwells, lift irrigation from surface water resources where available etc.
- 63            2.28            The Committee have earlier in this Chapter focussed attention on the need for developing tubewells on priority basis. The Committee are concerned to note that serious difficulties are being experienced by the State Governments in the matter of getting adequate number of rigs. The Committee feel that as for some years to come there would be heavy requirement of rigs for sinking tubewells, Government should review the position in consultation with all Ministries concerned, including the Ministry of Industrial Development so that the rigs can be made available without undue delay in adequate numbers and of the requisite capacity. The Committee need hardly stress that the rigs should be sturdy and well-suited to the conditions encountered in the areas so as to make progress in the shortest possible time. The Committee are also concerned to note that difficulties are also being experienced in the procurement of Road Rollers. The Committee feel that as adequate capacity has been developed in the country for manufacture of heavy machinery and diesel engines, it should not be difficult to have a well coordinated programme for manufacture of Road Rollers to meet effectively and in time the requirement for construction of roads particularly in drought prone areas.
- 64            2.29            The Committee would like Government to examine in detail the requirements for other plants and machinery like trawler, tractors etc., which are required for implementation of programme in drought prone areas so as to ensure that these plants and machinery are available in adequate quantity, quality and in good time for implementation of the programme.

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The Committee take note of the fact that some financial difficulties are being experienced by State Governments in purchasing machinery and plants for this programme. While the Committee would like Central Government to review the matter in all its aspects so as to make available adequate financial resources to the State Governments for purchase of absolutely essential plants and machinery for implementation of the programme, they would like to emphasise that the matter should be kept under careful review so as to obviate investment of scarce resources in building up inventories which may later on be found to be surplus to requirements.

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3.14

The Committee note that the main objective of the Scheme for Integrated Dry Land Agricultural Development is to develop and demonstrate the use of technology suitable for increasing productivity and the total production in dry areas, so that they also benefit from the break-through in agricultural practices which has already been achieved in an impressive manner in irrigated areas. It is of the utmost importance, therefore, that the technology to be encouraged should be ideally suited to the conditions obtaining in the dry areas. The Committee are greatly concerned that it is only recently that a study team has been constituted by Government to undertake study of the existing levels of dry farming technology in selected districts and critically consider them in the light of the latest knowledge and technology developed in the laboratory and research institutes. The Committee would like Government to evolve package programmes on the basis of these reports, so that these could be implemented in an integrated manner, to help the farmers in dry areas, particularly those who have small and marginal farms, or work as agricultural labour with small homesteads. The Committee feel that unless the package programme is evolved with reference to ground conditions and other relevant factors, it is

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not realistic to expect any marked improvement from an investment of Rs. 20 crores, earmarked in the Fourth Five Year Plan for development of 24 pilot projects in 12 States.

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3.15

The Committee are perturbed to note that though the projects were sanctioned in 1970-71 and 1971-72, the Annual Reports have not been compiled so far, to enable a critical evaluation being made of the progress achieved in the field. The Committee would urge Government to finalise the proforma for calling annual returns without further delay so that meaningful data could be collected and critically analysed in order to identify factors impeding progress and taking suitable remedial measures to overcome them.

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3.16

In view of the fact that the Scheme is entirely new in concept and technology, it is of the utmost importance that it receives the constant attention of those who are responsible for giving directions, so that shortcomings or difficulties are brought to notice contemporaneously and solutions found without delay.

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3.17

The Committee are concerned to note that apart from late start of the scheme, non-availability of loan components, non-availability of transport for proper coordination and supervision, delays in appointment of the staff, much progress could neither be made nor the entire areas as envisaged covered under the programme.

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3.18

The Committee regret that no advance planning for providing the requisite staff and all other infra-structural facilities was done. They hope that expeditious action will now be taken by Government to remove these deficiencies so that the targetted coverage of areas in each project during Fourth Plan period as also in the Fifth Plan period are realised.

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71	3.19	<p>The Committee would also suggest that periodic evaluation of the Scheme should be undertaken by Government for proper assessment of its working and impact and to take suitable remedial action in the light of deficiencies noticed.</p>
72	3.20	<p>The Committee note that under the scheme of Integrated Dry Land Agricultural Development, the assistance for soil conservation and land development works is 75 per cent loan and 25 per cent grant. The Committee also note that some State Governments give higher subsidy for identical works of soil conservation and land development under their own schemes. The subsidies given by State Governments for Irrigation Programme and Animal Husbandry Programme are also stated to be higher than the subsidies provided under the present scheme. It is also stated that these differential rates of subsidy have retarded the progress of various programmes in the dry areas.</p>
73	3.21	<p>The Committee would like Government to examine this basic question of differential rates of subsidy provided under the Central Scheme and the State Schemes and take such remedial measures which may be necessary to narrow the gap between the two kind of subsidies. In the Committee's opinion this will help to accelerate the progress of various programmes in the dry areas. The Committee need hardly stress that the farmers deserve all possible help and encouragement to benefit from the present scheme through provision of sufficient funds so that they can increase production by the application of dry farming techniques.</p>
74	3.24	<p>The Committee are convinced that Master Plans for area development are absolutely essential, if agriculture is to be developed in an integrated and systematic manner. In preparing these Master Plans, while greater attention should be given to the needs of areas which are un-irrigated, the problems of irri-</p>

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gated land situated in the same area should not be overlooked. In fact, the effort should be to have an over-all plan, which would cover all types of area falling in it, so that measures could be taken to develop the best suited agricultural practices, with particular reference to the requirements of small farmers, marginal farmers and agricultural labour.

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3.27

The Committee are puzzled as to how the Indore Project came to be located at a distance of 59 Kms. from the main centre, in an inaccessible area which remains cut off from the Centre for about 5 months, because of lack of village roads and standing water. It would be pertinent in this connection to recall that, according to the Study Team which reviewed the matter, there was typical dry farming area available within 8 to 15 Kilometres of the main Centre and, therefore, there was no particular reason for locating it in an inaccessible area. The Committee also are unable to appreciate as to what purpose is served by locating the staff for extension work at Indore, when their field of work is 39 Kms. away and that too, in an area which is not accessible for about 5 months. The Committee would like Government to take immediate action to re-locate the area for the Indore Project, keeping in view all relevant factors. The Committee would like Government to ensure that, in future, all aspects of the matter are gone into fully by a study team of experts, so as to select the best suited area for demonstration of dry farming technology in the interests of having maximum impact on the agricultural scene.

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3.35

The Committee note that a number of crop improvement research schemes have been implemented by ICAR on important crops in the country and that higher production has been obtained at the Research Centres. The Committee attach the highest importance to evolving of suitable seeds, agricultural practices and other inputs for achieving best production results in dry farm areas. The ICAR should take a lead in this respect and ensure that the results

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of existing experience are carefully evaluated, so as to evolve most suitable package programmes for application to dry farms situated in various parts of the country. The Committee stress that ICAR should play a more positive role in developing seeds suitable for dry areas. Government should also ensure that the suitable seeds of proven quality are made available at reasonable rates and on assured basis to the farmers in the dry areas through the extension centres of Research Institutes or through the sales offices of National Seeds Corporation.

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3.39

The Committee note that Co-operative as well as Commercial Banks are not agreeable to provide loans in the dry areas owing to greater risk involved and consequently Government have decided to provide long-term/medium-term loans during 1972-73 and 1973-74. The Committee further note that short-term loans have to be provided by the State Governments but certain difficulties have been experienced due to the non-functioning of service cooperative societies in the project areas.

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3.40

The Committee need hardly stress that long-term/medium-term loans should continue to be provided by Government even beyond the year 1973-74, so that the small farmers, marginal farmers and agricultural labour, who have taken to improved practices, do not lose the impetus till the position gets consolidated. The Committee feel that the Central Government in conjunction with the State Governments, should see that a systematic and sustained effort is made to ensure that the requisite long-term/medium-term loans become available to the small farmers, marginal farmers and agricultural labour through either commercial banks or cooperative societies, by a suitable institutional mechanism. It need hardly be pointed out that where such commercial banks and cooperative societies do not exist, special efforts should be made to encourage their establishment, so that they could act as the service agency for providing this essential credit facility.

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- 79            4.10            The Committee note that the Crash Scheme for Rural Employment was put into operation in April, 1971 on the basis of 100 per cent grant from the Central Government and with an annual allocation of Rs. 50 crores. Each district is allotted on an average Rs. 12.50 lakhs per annum. The scheme has two basic objectives namely (i) direct generation of employment in all the districts of the country through the execution of projects which are essentially labour intensive, and (ii) production of assets of a durable nature in consonance with the local development plans so that all round development of the districts is assisted. The scheme intends to generate employment for 1000 persons on an average per year in every district.
- 80            4.11            The Committee further note that the projects undertaken under the Crash Scheme include construction of roads, soil conservation, reclamation and development of land, drainage, flood protection, anti-water logging measures, water conservation and ground water recharging, construction of classrooms for Primary School Buildings etc.
- 81            4.12            From the material furnished to the Committee it is noticed that during 1971-72 81 per cent of the total expenditure incurred in 13 States and 5 Union Territories relates to one item alone namely "Construction of roads". The expenditure incurred on minor irrigation is only to the tune of 8.89 per cent and for land reclamation it is as low as 1.60 per cent. Government have explained that the State Governments have been given discretion to select projects with due regard to the needs of different local areas.
- 82            4.13            The Committee feel concerned that the projects relating to agricultural production should have been given such a low priority by the State Governments and 81 per cent of the total expenditure during 1971-
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73 should have been on "Construction of roads". As agriculture is the backbone of rural economy, rural projects relating to agricultural production should have received higher priority.

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4.14

The Committee would like the Central Government to investigate how much money has been spent by State Governments for construction of "pucca" roads and how much money has been spent on construction and maintenance of kachha roads. As production of durable assets is one of the basic objectives of the scheme, Government must ensure that the roads which have been constructed remain serviceable. It is no use building "kachha" roads only which are liable to disappear after one or two rainy seasons and therefore provision should be made to make all "kachha" roads "pucca" which will also create additional employment.

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4.15

The Committee is equally concerned to note that there is no clear indication in the data furnished by the Ministry regarding expenditure incurred on construction of classrooms for primary schools although it is one of the items mentioned in the schemes. The Committee, therefore, recommend that construction of classrooms for primary schools in the villages should receive higher priority under the Crash Scheme for Rural Employment. Besides serving the dual purpose of creating employment opportunities as well as production of durable assets it will serve the purpose of providing educational facilities for children in the villages.

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4.16

The Committee feel that as the entire funds for the scheme are provided by the Central Government it is but appropriate that limits of expenditure which may be incurred on projects of various kinds may be laid down for the guidance of the State Governments.

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**86****4.17**

The Committee need hardly point out that the Crash Scheme for Rural Employment is largely based on the experience that had been gathered in the earlier Plan period in the implementation of the Rural Works Programme. The Committee regret to have to point out that the lessons of implementation of the Rural Works Programme have not been borne in view while working out the Crash Scheme for Rural Employment. The essence of the matter is that there should be a detailed planning in each area so that labour intensive schemes for generating employment are taken up in building up assets which would be of a lasting value. While the Committee agree that roads provide an essential infra-structure for communication, they are unable to appreciate why as much as 81 per cent of the outlay should be devoted to the construction of roads. This, however, is not synonymous with the building up of permanent assets which would have the effect of regenerating the economy and creating greater employment opportunities.

**87****4.18**

The Committee would, therefore, emphasise that Government should have a master plan prepared for each area being taken up for Crash Scheme and ensure that the funds are utilised for creating assets which would help improve the economy of the areas besides providing employment opportunities.

**88****4.25**

The Committee note that the ceiling on the cost of field staff for supervision of the projects under the Crash Scheme for Rural Employment has been raised from 3 per cent in 1971-72 to 5 per cent in 1972-73 in the interest of the durability of the projects. The Committee further note that Government have taken this step at the instance of the State Governments to provide them with more funds for supervision of the projects. Government have also stated that the assessment of the work can be done

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only at the end of 1972-73 and only then they will be in a position to say whether any improvement has taken place.

**89****4.26**

The Committee trust that Government will keep a close watch on the results achieved in various projects during 1972-73 and review the position whether the enhancement of the ceiling on the cost of field staff from 3 per cent to 5 per cent has brought about the desired improvement in the implementation of the Scheme.

**90****4.27**

While the Committee appreciate the need for proper supervision, they would like to caution against large expenditure being incurred on merely administrative account. The Committee feel that if guidelines are laid down properly and if the criteria for employment of persons are applied objectively, it should be possible to keep the administrative overheads to the minimum. The Committee stress that the funds should be so expended as to generate maximum employment opportunities and every care should be taken to see that the expenditure on supervision is kept to the minimum.

**91****4.32**

The Committee note that the Crash Scheme for Rural Employment introduced during the Fourth Plan differs from the Rural Works Programme taken up during the Third Plan period in two respects. Firstly, the Rural Works Programme of the Third Plan did not have all-India coverage and it roughly covered one-fifth of the country by the end of the Third Plan. Crash Scheme on the other hand extends to all districts of the country. Secondly, in the Third Plan, no specific financial outlay was provided in the Plan itself for the Rural Works Programme with the result that the Central Government could not give the State Government any assurance at any point of time that a particular amount would

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be available to them in future for the Rural Works Programme. But under the Crash Scheme the State Governments know their financial allocation and they can plan ahead for various projects.

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4.33

The Committee further note that the Scheme envisaged an expenditure of Rs. 50 crores to generate 875 lakh mandays of employment in a full working season of 10 months during 1971-72. It has been stated that as the work could start only in October, 1971 the actual expenditure on the scheme during 1971-72 was Rs. 31.27 crores which has resulted in the generation of 799.34 lakh mandays of employment. Government have also claimed that the basic objective of the scheme to provide a certain minimum quantum of employment in every district of the country has been fulfilled and "for a broader and more comprehensive employment programme other criteria will have to be adopted."

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4.34

The Committee would like Government to most carefully review the progress made so far in implementing the Crash Programme so as to see whether the underlying objective of spending Rs. 50 crores on creation of employment opportunities and durable assets has really been achieved. The Committee feel that there is need for most carefully selecting the schemes as stressed earlier in this Chapter so that lasting assets which would make for development are created and the money is not directed to ventures which do not actually contribute towards growth and development.

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4.45

The Committee note that with effect from October, 1972 a new scheme entitled Pilot Intensive Rural Employment Project is being implemented in 15 selected Blocks in the country with the larger objective of providing employment to everyone in the age group of 15 to 59 who may seek employment. The Committee further note that the existing scheme

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of CSRE has the limited objective of providing a certain minimum quantum of employment in every district of the country and Government are of the view that this scheme cannot solve the problem of unemployment in the country all by itself.

**95****4.46**

The Committee on Unemployment have also expressed the view that the Crash Scheme for Rural Employment as at present conceived is not likely to throw sufficient light on the magnitude and nature of the problem in the rural areas and the size of resources needed for providing adequate employment for all persons seeking work.

**96****4.47**

The Committee hope that the results of the new scheme of PIREP which has been implemented in 15 Blocks only in October, 1972 will be carefully watched by Government and on the basis of the studies made a decision will be taken for its expansion to more areas of the country in the Fifth Plan period. The Committee need hardly stress that the problem of unemployment is becoming acute day by day and Government will have to take some long term measures to solve the problem.

**97****4.48**

As the Intensive Rural Employment Project Scheme has been taken up on a pilot basis only and is meant to provide Government with experience in depth of the dimensions of the problem of unemployment and the efficacy of various measures like imparting of new skills, employment of men and women of different age groups for varied periods, creation of durable assets of diverse natures, the Committee would refrain from expressing any hasty conclusion. They would, however, like Government to evaluate the pilot projects most critically so as to identify the weaknesses and the challenges which the programme may have to meet at various levels to achieve the objective. The Committee need hardly point out

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that it is of the utmost importance that the money spent for generating rural employment in fact results in creation of infra-structure and other durable assets also which would lift the rural area from the bane of crushing poverty and make its economy viable on a permanent basis.

**98****4.49**

The Committee would suggest that Government should bring out a White Paper containing full details of the various programmes devised by them to generate employment indicating details of various durable assets being created.

**99****5.15**

The Committee note that a scheme was drawn up by the Ministry of Agriculture in 1970 for setting up 5,000 Agro-Service Centres during the Fourth Plan period with a view to provide self-employment opportunities for engineers, diploma holders, agricultural graduates etc. and to encourage them to settle in rural areas. The scheme was formulated in consultation with the Department of Banking and the scheme was purely a financing scheme. The scheme when fully implemented was expected to provide self-employment opportunities to about 50,000 unemployed engineers etc. It was also expected that with the establishment of 5,000 Agro-Service Centres 30,000 to 50,000 persons would be employed in related activities in the rural areas.

**100****5.16**

The Committee further note that the scheme which was primarily a scheme to be financed by the Nationalised Banks with no other incentives did not make any headway and the Ministry had to introduce certain modifications. Under the revised scheme, the entrepreneurs were provided interest subsidy on loans equivalent to the difference between the normal lending rate of the bank and 5 per cent maximum payable by the borrower. In addition, it was decided to set up 14 Training Cells in various States by the Agro-Industries Corporations for giving training to

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		<p>the entrepreneurs and funds were providedd to these Corporations to meet the expenditure on their training programme.</p>		
101	5.17	<p>The Committee also note that 95 Agro-Service Centres were set up during 1971-72 under the original scheme and an additional 165 centres were set up later under the revised scheme thus raising the total number of centres set up so far to 260. The Committee are concerned to note that against the targets of 240 centres during 1971-72 and 1000 centres during 1972-73, the scheme has made somewhat tardy progress with only 260 centres to its credit. The Ministry have also admitted that the target of 1,000 centres fixed for 1972-73 is not likely to be achieved.</p>		
102	5.18	<p>The Committee are greatly concerned to note that against the target of setting up 2500 Agro-Service Centres during the Fourth Plan period, only 260 centres have been set up so far. The Committee find that the progress made has been far short of the targets fixed for 1971-72 and 1972-73. This underlines the need for most careful investigation and detailed planning so that the Agro-Service Centres are located in such places where there is a genuine need for these services on sustained basis. The Committee need hardly point out that Agro-Service Centres like small scale industries cannot be arbitrarily located lest they wither away soon thereafter for want of sustained demand. The Committee also would like to point out that the requirements for facilities for each Agro-Service Centre would vary from area to area, and, therefore, there is need for detailed and specific planning for each centre. Once this having been done, it should be possible for the authorities concerned to see that the requisite facilities by way of trained personnel, necessary finance for purchase of machinery, availability of power for</p>		

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running the machines etc., are provided. The Committee would like Government to review the progress made so far in the setting up of the Agro-Service Centres through technically and qualified task forces so as find out how far these are functioning successfully and meeting the requirements of the area. The deficiencies and shortcomings noticed in their functioning should be rectified without delay and necessary improvements made right from the beginning in the setting up of new centres.

**103****5.19**

The Committee would like to emphasise that while they appreciate the objectives underlying the concept of Agro-Service Centres, they want Government to proceed in the matter with the utmost care so that these Agro-Service Centres not only serve the needs of the area, but become focal point of development, while providing employment opportunities to unemployed technocrats and inducing them to settle in rural areas.

**104****5.26**

The Committee note that 14 Agro-Industries Corporations have been selected to set up training cells in their respective States. The Committee also note that Government have taken some emergent measures to develop training facilities at Budni and Hassar Stations to provide training to unemployed personnel drawn from the rank of graduates in agriculture, technology and other subjects. These centres have trained 242 personnel up to 31st March, 1972 and 100 entrepreneurs are undergoing training at present. The Ministry have stated that the number of trainees trained so far in various training cells is 550 and have also claimed that the target of 1000 persons to be trained during 1972-73 is likely to be achieved.



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105	5.27	The Committee feel that the training should be related to the type of service which these entrepreneurs would be required to render in the field. The Committee would, therefore, like Government to review urgently the course of training at present provided to make sure that it is sub-serving the purpose. The Committee need hardly point out that modifications in the training programme should be made if necessary to make it more meaningful to the type of service these personnel would have to render in the field.
106	5.28	The Committee would also suggest that these training courses should be carried out on decentralised basis in other regions so that the persons are given training in areas which are actually representatives of the place where they would have to serve.
107	5.32	The Committee note that there is no yard stick employed by Government for selecting personnel for manning Agro-Service Centres except that persons having the basic engineering degree or diploma or an agriculture degree are selected and given training for the purpose.
108	5.33	The Committee hope that the training courses will be so devised as to equip the entrepreneurs with basic knowledge about the practical working of the Agro-Service centres and make them fit in all spheres to render service to the small and marginal farmers in the rural areas who generally suffer badly for want of essential technical supporting services.
109	5.38	The Committee note that the progress of the scheme of Agro-Service Centres has not been satisfactory as the nationalised banks are still shy of advancing loans to the entrepreneurs who are selected for training. The Committee further note that most of the entrepreneurs belong to the middle-class families and they are unable to furnish margin money to the bank or provide guarantee for the loan amount.

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110	5.39	<p>It has been stated that the central cell in the Ministry of Agriculture has been pursuing constantly the cases of delay in the grant of loans by banking institutions. The Banking Department have issued necessary directions to the banks and Agro-Industries Corporations have been instructed to contact the Regional Branch of the Bank in cases of delay. The Banking Department have also sent lists of individual cases to the custodians of banks for eliminating procedural delays.</p>
111	5.40	<p>The Committee feel that the Agro-Industries Corporations must play a dominant role in making this scheme a success. These Corporations must render all possible help to the Entrepreneurs who have received training in their Training Cells. Serious efforts should be made by the Corporations to enable the trained personnel to get loans from the Banks.</p>
112	5.41	<p>The Committee note that a proposal is currently under consideration of the Ministry of Agriculture to place a revolving fund at the disposal of Agro-Industries Corporations to enable them to disburse loans at the rate of Rs. 70,000 per trained entrepreneur to cover the limited period between the completion of the training and the sanction of the loan by the Commercial Bank.</p>
113	5.42	<p>The Committee trust that Government will take a decision in the matter early so that money is provided to the Agro-Industries Corporations for disbursement among the trained entrepreneurs for setting up Agro-Service Centres.</p>
114	5.43	<p>The Committee need hardly stress that as the payments to be made from the proposed revolving fund will be for a limited period the procedure for recovery of the loan amount will have to be stream-</p>

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- lined in order that the money is recovered from the entrepreneur as soon as it falls due. If arrears are allowed to accumulate then the whole purpose of having a revolving fund is likely to be defeated.
- 115            6.17            The Committee note that for the economic development of the tribal areas 6 Pilot Projects have been sanctioned in the States of Andhra Pradesh, Bihar, Madhya Pradesh and Orissa. The "Action Plans" furnished by the respective State Governments were approved by the Central Government during December, 1971 to January, 1972.
- 116            6.18            The Committee further note that the Tribal Development Agencies which have been made responsible for the execution of the projects have been registered during January, 1972 to March, 1972 under the Societies Registration Act, 1860 in all the project areas. The collector of the district where the project is located acts as the Chairman of the Agency. It has been stated that these projects will operate for a 5 year period beginning from April, 1972 and will continue to operate for the first three years of the Fifth Plan. The Ministry of Agriculture have stated that these projects have been taken up mostly in the hilly areas of Srikakulam, Singhbhum, Bastar, Ganjam and Koraput districts as tribal population are mostly to be found in the hilly tracts. But, for the present, no special scheme of tribal development has been taken up in the hilly areas of the Himalayan tract.
- 117            6.19            The Committee would suggest that periodic evaluation of work done in these pilot projects should be undertaken by Government with a view to assess the impact made and to find out the deficiencies, if any in the implementation of the programme and to take suitable remedial steps in the light thereof.
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- 118            6.20            The Committee trust that on the basis of experience gained in these pilot projects similar schemes for tribal development will be put into operation in other areas in the Fifth Plan with a view to provide facilities to tribal people and raise their standard of living. While drawing up any programme for expansion Government must keep in mind the interests of tribal people living in the Himalayan tract and other hill areas and ensure that projects are set up in those areas as well.
- 119            6.21            The Committee also note that the Planning Commission have frankly admitted in their document entitled "Approach to Fifth Plan 1974—79" that the schemes for economic improvement of backward classes have made little impact on the poverty, educational backwardness and social disabilities of backward classes. There is also the realisation that the benefits of development both in the general sector and especially in the backward classes sector have not percolated to the lower section of these communities.
- 120            6.22            The Committee need hardly stress that it is the duty of Government to take such remedial measures, which will bring about economic betterment of the weaker sections of the society. Government should try to achieve this objective not merely through a number of Centrally Sponsored Schemes but by impressing upon the State Governments the need to remove the economic disparities and social disabilities with which the tribal people suffer at present.
- 121            6.23            The Committee are greatly concerned at the halting progress made in implementation of the programme for tribal development and they feel that the whole scheme should be examined by experts in con-

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sultation with local leaders and persons who are well-versed in tribal affairs in order to pin-point the difficulties which are coming in the way of implementation of the programme.

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6.24

The Committee would also suggest that the desirability of evolving a package programme for development of agriculture and other ancillaries in tribal areas should be evolved after thorough survey of the potentiality of the area. The facilities required for implementation of the package programme such as improved seeds, fertilisers, assured water supply, etc., should be made available to the farmers in a manner which would make the programme acceptable and capable of implementation.

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6.25

The Committee would also suggest that local tribal leaders who command respect in the area may be taken on tour to developed areas either in the State or elsewhere which would raise their horizon and make them receptive to new ideas. In particular, the Committee would suggest that visit of the tribal leaders may be arranged to research and extension centres so that they can see themselves the potentiality and relevance of the technological advance made in agriculture for application to their own area. The Committee have no doubt that if earnest efforts are made at all levels to understand the problems facing the tribal areas and evolve a realistic programme suited to their requirements, it should be possible to make a significant impact in the area with the willing cooperation of tribals for the implementation of the programme in letter and spirit in the interest of economic development.

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6.29

The Committee note that 20,689 and 10,541 hectares of surplus land is available in Dantewada and Konta Tehsils respectively which can be used for cultivation. The Committee further note that this surplus land is under encroachment by tribals as well

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as non-tribals at present. The State Government has not indicated the precise steps which are being taken to get the land vacated from unauthorised occupants. The Committee trust that the State Government will take necessary action to get the land released so that the surplus cultivable land can be utilised for settlement of landless agricultural labourers living in these project areas.

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6.32

The Committee are not happy about the slow pace of rural electrification in the tribal areas of Bastar district in Madhya Pradesh. It is regrettable that out of 3,000 villages in Bastar district only 117 have been electrified and Rural Electrification Corporation have not sanctioned any scheme so far in Bastar district. The Committee need hardly stress that for the economic betterment of the tribal population it is of paramount importance that electricity is made available even to the remotest village in the backward areas as otherwise the irrigation facilities can never be extended to them for increasing agricultural production.

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6.33

The Committee, therefore, suggest that there should be special emphasis on rural electrification so far as the six pilot projects for tribal development are concerned. The Committee hope that as in the case of Dantewada and Konta projects, provision has been made out of the Project Budget for extension of subsidiary lines for lift irrigation and rural electrification, similar Budgetary provision will also be made in other projects under the scheme of Tribal Development.

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6.38

The Committee note that the total cropped area in Dantewada and Konta projects is 376444 acres out of which 228999 acres are under paddy cultivation. The 'Action Plan' for these projects envisages a coverage of 60 per cent of paddy fields by improved seed and application of fertilisers and pesticides during a 3 year period. The Committee further note that during 'Kharif' 1972, 808 acres only were brought

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		under improved seeds in these two projects which works out to only 0.4 per cent of the total area under paddy cultivation.
128	6.39	<p>The Committee regret that the progress of the scheme is quite negligible and they have their own doubts if the target of bringing 60 per cent of paddy fields under improved seeds and application of fertilisers and pesticides would materialise even 3 years after the commencement of the scheme. The Committee need hardly stress that the target fixed for any plan should be realistic which is capable of being achieved. The Committee are also aware that the farmers in the backward areas have always shown reluctance to take to improved farming techniques and to educate them about the efficacy and utility of new cropping patterns on scientific lines, a lot of sustained extension work is called for. The Committee trust that the State Governments will pay due attention to this aspect in the interest of successful implementation of the scheme.</p>
129	6.43	<p>The Committee note that in Ganjam Tribal Development Project out of 11,519 acres of waste land, 8,073 acres of land is available for reclamation. At present 3,000 acres of waste land are proposed to be reclaimed for settlement of tribals. Reclamation work over a patch of 1,022 acres of waste land has already commenced and 150 acres has been reclaimed so far which can be used for settling 50 tribal families.</p>
130	6.44	<p>The Committee hope that earnest efforts will be made by the Tribal Development Agency to reclaim all the 3,000 acres of waste land so that 1,000 tribal families can be settled on the land by the end of the Fourth Plan. As 5,073 acres of additional waste land would still be available for reclamation, the Agency should make concerted efforts to reclaim it during the Fifth Plan period in the light of the decision taken by Government that the Projects would continue to operate for the first three years of the Fifth Plan.</p>

1	2	3
131	6.48	The Committee note that in Singhbhum TDA Project there is a provision of Rs. 40 lakhs for minor irrigation works and Rs. 50,000 for construction of channels. The Agency can subsidise big diametre wells upto 75 per cent of the cost. So far, 4 big diametre wells have been constructed in the Project area with Agency's assistance and agreement for construction of 40 more wells are being executed. The big diametre wells are also proposed to be fitted with pumping sets.
132	6.49	The Committee hope that the Tribal Development Agency will not only assist the construction of big diametre wells fitted with pumping sets but also help in the execution of other minor irrigation works like storage tanks etc. The Committee also suggest that construction of channels for which Rs. 50,000 are already earmarked should be completed early.
133	6.50	The Committee further note that in Singhbhum district about 75 villages have been electrified and the State Electricity Board has furnished a scheme to electrify another 99 villages in the Project area and the scheme is at present under consideration of the Rural Electrification Corporation.
134	6.51	The Committee need hardly stress that unless electricity is provided to the villages in the Project area the tribal people who are predominantly agriculturists will not profit by the minor irrigation works which may be set up in the area through the efforts of Tribal Development Agency.
135	6.52	The Committee, therefore, feel that the proposal submitted by the State Electricity Board for electrifying 99 villages in the Project area deserves immediate attention of the Rural Electrification Corporation. The Committee hope that the Scheme of Rural electrification will be implemented soon so that the funds expended by the Agency in setting up big diametre wells and other minor irrigation works would prove beneficial to the tribal economy.



## APPENDIX VI

(Vide Introduction)

*Analysis of Recommendations contained in the Report.*

### Classification of recommendations

#### A. Recommendations for improving the organisation and working :

Serial Nos :

2, 3, 4, 7, 8, 9, 10, 11, 14, 17, 18, 20, 21, 22, 23, 26, 27, 29, 30, 31, 33, 34, 35, 37, 38, 39, 40, 41, 43, 44, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 78, 81, 82, 83, 84, 85, 86, 87, 88, 89, 92, 95, 96, 97, 100, 101, 102, 104, 105, 107, 110, 111, 112, 113, 116, 117, 119, 120, 121, 122, 123, 124, 125, 126, 127, 129, 131, 132, 133, 134, 135.

#### B. Recommendations for effecting :

*Economy :*

Serial Nos. 65, 90, 114.

#### C. Miscellaneous Recommendations :

Serial Nos.

1, 5, 6, 12, 13, 15, 16, 19, 24, 25, 28, 32, 36, 42, 45, 77, 79, 80, 91, 93, 94, 98, 99, 103, 106, 108, 109, 115, 118, 128, 130.

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