

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:37
ANSWERED ON:23.02.2010
PARTICIPATION OF PRIVATE SECTOR IN AGRICULTURE
Chitthan Shri N.S.V.

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government proposes to encourage private sector participation in the agriculture sector;
- (b) if so, the details thereof;
- (c) whether a reasonable rise is likely to take place in farm production during the current year;
- (d) if so, the details thereof; and
- (e) the target fixed by the Government for agricultural growth?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a): Yes, Madam.

(b): The public sector and the cooperative sector have a dominant presence in Indian Agriculture. However, investment by the private sector is viewed as being complementary to public investment. Accordingly, private sector participation is being encouraged in a limited way in various areas including extension activities, soil testing, seed production and agricultural marketing.

A Policy Framework for Agricultural Extension (PFAE) is already in place with various key reforms in line with the PFAE being pushed through the Centrally Sponsored Scheme, "Support to State Extension Programmes for Extension Reforms". These reforms comprise, inter-alia, decentralized decision making through institutional arrangements, convergence of line departments in a gap filling mode, encouraging multi agency extension strategies including private sector participation. In order to promote multi-agency extension strategies, the scheme "Support to State Extension Programmes for Extension Reforms" provides for minimum 10% of allocation on recurring activities at district level to be used through non-governmental sector viz. NGOs, Farmers Organization (FOs), Panchayati Raj Institutions (PRIs), Para-Extension Workers, Agripreneurs, Input Suppliers, Corporate Sector etc.

Under the scheme 'National Project on Management of Soil Health & Fertility'(NPMSF) introduced from 2008-09 with an outlay of Rs.429.85 crore for 11th Five Year Plan, there is a provision for private sector participation for establishment of new Soil Testing Laboratories and Mobile Soil Testing Laboratories. The NPMSF also provides for setting up of Fertiliser Testing Laboratories in the private cooperative sector under PPP mode. Under the National Project on Organic Farming Scheme private organizations/NGOs are being encouraged to set up organic input units, imparting training and demonstrations on organic farming and also act as service providers for small and marginal farmer groups.

About 40% of the availability of certified/quality seed comes from private seed companies. Assistance for boosting seed production in the private sector is provided through credit linked back-ended capital subsidy at the rate of 25% of the project cost subject to a maximum limit of Rs.25 lakh per unit on seed infrastructure development. Private companies, individual entrepreneurs, self-help groups, seed cooperatives and partnership firms are eligible for subsidy. The Government of India has enacted a legislation for Protection of Plant Varieties and Farmers' Rights, which provides for the establishment of an effective system for Protection of Plant Varieties, the Rights of Farmers and Plant Breeders and to encourage the development of new varieties of plants. The legislation also aims to give boost to investment for research and development, both in public and private sector, for the development of new varieties to accelerate agricultural development in the country. The Act also facilitates the growth of the seed industry, which will ensure the availability of high quality seeds of new varieties to farmers.

In agricultural marketing, the Modern Terminal Market under Hub and Spoke model was conceptualized under assistance from National Horticulture Mission through active involvement of all stakeholders at various levels under PPP mode during Eleventh Five Year Plan. The subsidy would be up to 40% with a floor subsidy of 25% and with a subsidy ceiling of Rs. 50 crore. Maharashtra, Tamil Nadu and Bihar have issued bid document corresponding to Request for Qualification stage.

(c) & (d): A statement regarding the estimate of farm production is at Annexure.

(e): During the Eleventh Five Year Plan, the target of 4% agricultural growth has been fixed by the Government.

