FIRST REPORT

STANDING COMMITTEE ON AGRICULTURE (1999-2000)

(THIRTEENTH LOK SABHA)

MINISTRY OF AGRICULTURE (DEPARTMENT OF AGRICULTURE & COOPERATION)

DEMANDS FOR GRANTS (1999-2000)

[Action Taken by the Government on the Recommendations/ Observations contained in the Eighteenth Report of the Standing Committee on Agriculture (1998-99)]

Presented to Lok Sabha on 14th March, 2000

Laid in Rajya Sabha on 14th March, 2000

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

March, 2000/Phalguna, 1921 (Saka)

COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE (1999-2000)

Shri S.S. Palanimanickam — *Chairman*

MEMBERS

Lok Sabha

2 Shri Ram Tahal Chaudhari
3. Shri Shivraj Singh Chouhan
4. Shri Shamsher Singh Dullo
5. Shri Ramdas Rupala Gavit
6. Shri Thawar Chand Gehlot
7. Shri G. Putta Swamy Gowda
8. Shri Raghunath Jha
9. Shri Shivaji Vithalrao Kamble
10. Shri Abul Hasnat Khan
11. Shri Y.G. Mahajan
12. Shri Haribhau Shankar Mahale
13. Shri Savshibhai Makwana
14. Shri Jagannath Mallick
15. Shri M. Master Mathan
16. Shri Tarachand Shivaji Patel
17. Shri Prakash V. Patil
18. Shri Sharad Pawar
19. Shri G. Sukender Reddy
20. Shri N.R.K. Reddy
21. Shri Pyare Lal Sankhwar
22. Shri Adi Shankar
23. Shri Chhattrapal Singh
24. Shri Lakshman Singh
25. Shri Rampal Singh

26. Shri Tejveer Singh
27. Shri Zora Singh
28. Shri Bhal Chandra Yadav
29. Shri Mahboob Zahedi
30. VACANT

Rajya Sabha

31. Shri Oscar Fernandes
32. Shri Gufran Azam
33. Shri Ramji Lal
34. Shri Devi Prasad Singh
35. Dr. Ranbir Singh
36. Shri Khagen Das
37. Shri Yadlapati Venkata Rao
38. Shri H.K. Javare Gowda
39. Shri Naresh Yadav
40. Shri R. Margabandhu
41. Shri Korambayil Ahammed Haji
42. Shri Sharief-Ud-Din Shariq
43. Shri Devi Lal
44. Shri Kanshi Ram
45. VACANT

SECRETARIAT

1. Shri Harnam Singh	—	*Joint Secretary*
2. Dr. (Smt.) Paramjeet Kaur Sandhu	—	*Director*
3. Shri Raj Shekhar Sharma	—	*Deputy Secretary*
4. Smt. Anita Jain	—	*Under Secretary*
5. Ms. Amita Walia	—	*Reporting Officer*

INTRODUCTION

I, the Chairman of the Standing Committee on Agriculture (1999-2000) having been authorised by the Committee to submit the Report on their behalf, present this First Report on Action Taken by the Government on the recommendations/observations contained in the 18th Report of the Standing Committee on Agriculture (1998-1999) (Twelfth Lok Sabha), on Demands for Grants (1999-2000) of the Ministry of Agriculture (Department of Agriculture and Cooperation).

2. The Eighteenth Report of the Standing Committee on Agriculture (1998-99) on Demands for Grants (1999-2000) of the Ministry of Agriculture (Department of Agriculture & Cooperation) was presented to Lok Sabha on 22.4.99 and laid in Rajya Sabha on 23.4.99. The Ministry of Agriculture (Department of Agriculture & Cooperation) was requested to furnish action taken replies of the Government to recommendations contained in the Eighteenth Report. The replies of the Government to all the recommendations contained in the Report were received.

3. The Committee considered these action taken replies furnished by the Government in its sitting held on 28th February, 2000, approved the draft comments and adopted the First Report. Minutes of the sitting are placed in Appendix I.

4. An analysis of the Action Taken by the Government on the recommendations/observations contained in the Eighteenth Report (12th Lok Sabha) of the Committee is given in Appendix II.

NEW DELHI;
March, 2000
Phalguna, 1921 (Saka)

S.S. PALANIMANICKAM,
Chairman,
Standing Committee on Agriculture.

CHAPTER I

REPORT

This report of the Committee on Agriculture deals with the action taken by the Government on the recommendations contained in the Eighteenth Report (Twelfth Lok Sabha) of the Standing Committee on Agriculture (1998-99) on Demands for Grants (1999-2000) of the Ministry of Agriculture, Department of Agriculture & Cooperation which was presented to the Lok Sabha on 22nd April, 1999 and laid in Rajya Sabha on 23rd April, 1999.

1.2 Action taken notes have been received from the Government in respect of all the 31 recommendations contained in the Report. These have been categorised as follows:

(i) Recommendations/Observations that have been accepted by the Government (Chapter—II of the Report)

Recommendation Nos. 3, 5, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20, 21, 23, 24, 25, 27, 28 & 31

Total 20

(ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies (Chapter—III of the Report)

Recommendation No. 22

Total 1

(iii) Recommendations/Observations in respect of which reply of the Government have not been accepted by the Committee (Chapter—IV of the Report)

Recommendation Nos. 2, 6 & 8

Total 3

(iv) Recommendations/Observations in respect of which final replies of the Government are still awaited (Chapter—V of the Report)

Recommendation Nos. 1, 4, 7, 15, 26, 29 & 30

Total 7

1.3 The Committee will now deal with the action taken by Government on some of their recommendations.

Need to Restore the Supremacy of Parliament in Financial matters

Recommendation (Sl. No. 2, Para No. 17.2)

1.4 The Committee in their recommendation had observed as under:

> "The Committee note that there is a growing tendency on the part of the Executive to cut down altogether all the allocations for the plan schemes and also to reduce allocations drastically to the Plan schemes at the revised estimates stage, although the Parliament has made available these funds to all those schemes in exercise of the constitutional powers granted to them in the constitution of India sanctioning expenditure and its appropriation. The Committee have come across several instances where the entire allocations for various new plan schemes of the Ninth Plan have been reduced to zero at the revised estimates stage by the Planning Commission and the Ministry of Finance and these schemes have become chronic non-starters, although we are in the third year of the Ninth Five Year Plan. The fact of these reductions come to the notice of the Parliament only through the Detailed Demands for Grants laid before the parliament at the fag end of a financial year, a stage at which the Parliament has to helplessly acquiesce itself into a state of acceptance of this matter, as no restoration of the originally sanctioned amounts at this stage can help due to the sheer lapse of time of almost eleven months of a financial year already during which these should have been utilised. The Committee feel that such reductions by the Planning Commission, which is only an adjunct of the main Executive without any constitutional sanction for its existence, amounts to exercise of powers, that can only be exercised by the passing of several Cut Motions for which the Parliament alone is empowered under the existing constitutional scheme of things. The Committee are aware that the expenditure budget is only an 'Estimate' and as such it has an inherent flexibility in it for 'reasonable' reductions or increases due to various factor. But such variations can be done only by the Parliament & by no other body under the existing provisions of the Constitution. The Committee feel that, ideally, once the Parliament passed a budget estimate for a purpose, sincere attempts

should be made by the Executive to spend the funds for that purpose and procedural formalities to be adopted for issuing administrative sanctions for those schemes should not be abused to stall the very implementation of the schemes. But the Committee find that the present system of accord of approval consisting of the various stages of sanctions by Expenditure Finance Committee, Standing Finance Committee, Cabinet Committee on Economic Affairs etc. has only led to strangulating delays in the process of implementation of schemes which have the seal of approval of popular will for them from the Parliament. The Committee cannot accept a position whereby the unending rigmaroles of procedural drills prescribed by the bureaucracy for accord of mere administrative approvals are sought to be used to put a spoke on the wheels of progress that should turn on the path delineated by the Parliament. The Committee are of the strong view that such practices are a negation of the basic principles of parliamentary democracy whereby extra-constitutional bodies, procedural devices and practices seek to undermine the supremacy of the Parliament over the Executive. They, therefore, recommend that the whole procedure prescribed for according post budget approval for plan schemes should be thoroughly overhauled in the light of the observations of the Committee made above so that the supremacy of the Parliament is re-established and the will of the people prevails. It must be remembered that every estimate in a budget raises a hope in the minds of the people for their legitimate development and, therefore, any disadvantageous variation in it would only lead to misleading the public, particularly the poorer sections of the society and as such would amount to committing a fraud on those innocent people."

1.5 The Government in that reply have stated that the observation of the Committee regarding supermacy of Parliament over the Executive in the matter of provision of Budget/Expenditure on various schemes is absolutely valid and accepted. Once a scheme is approved, budgetary allocations stipulated and Parliamentary sanction received, there is no question of reducing the expenditure for that approved scheme below the levels approved by Parliament.

The Department of Agriculture & Cooperation had accordingly taken up the matter with the Ministry of Finance & Planning

Commission. The response of the Ministry of Finance and Planning Commission are paraphrased below:

The schemes included in a Plan can be categorised broadly into three categories—spill over from the previous Five Year Plan, new schemes with firm requirement of funds, and schemes that require further studies and investigation.

Taking into consideration the overall kitty available in a particular year and the competitive claims of different Ministries, outlays are recommended which get reflected in the Budget of the respective Ministries. It is thus evident that budget proposals presented to Parliament are indications of likely requirements of funds for individual schemes on the assumption that the assessment made about the likely progress of physical targets and the financial expenditure would come through and that in respect of the other projects, the Ministries would be able to tie up all the loose ends and come up for investment decisions within the time frame envisaged at the time of the finalisation of details. In actual practice, while the progress of expenditure on on-going schemes by and large remains as approved in Annual Plan, the expenditure on new proposals which were not having investment approval at the time of finalisation of annual Plan outlay depends upon the time the Ministries take in formulating the investment proposals and in obtaining the required clearances/approvals. After finalisation of the outlays and approval of budget by Parliament, it becomes the responsibility of the Ministry to obtain approval of the competent authority for the new schemes and also for the continuing schemes where parameters are to be changed. In case a decision is taken that only those projects would be included in the Annual Plan for which investment approval has already been obtained, it is likely to slow down the progress of development, as it may not be possible for the Ministries to formulate and seek approval of the competent authority for all projects proposed to be taken up during the course of the next year. Therefore, it is felt that we should continue with the present system.

Over and above, the Appropriation Act passed by the Parliament authorises the Government to include expenditure on a *not exceeding basis*. In other words, the Appropriation Act, sets the upper limit of expenditure. Therefore, by spending less than what is the authorised by Appropriation Act, there is no breach of Act. Further, the expenditure estimates included in the budget are based on certain estimates of the resources like tax revenues collected, recovery of loans effected, net

borrowings, etc. So, if during the course of the year, the estimates of resources do not come up to the expectation, it may be necessary for the Government to slow down the spading programme. further, there may be cases where the Ministries are permitted to spend more than the Revised Estimates (RE) in case the post RE estimates require such dispensation. There, RE being less than Budget Estimates, can be a manifestation of the slow progress rather than a cause of slow progress. Besides, when the Parliament approved the budget, it also casts a responsibility on the Government to see that the expenditure is incurred with due observance of the Statutory Rules. The pre-approval proposal procedure seeks to ensure that the expenditure is incurred with economy and effectiveness as otherwise it would invite strictures from the Audit and from the Public Accounts Committee of the Parliament. Therefore, these procedures need not be viewed as obstacles to expenditure, much less an attempt to defy the will of the Parliament. However, drawing inspiration from the observations of the Committee, the Department of Agriculture & Cooperation will continue to strive to ensure to live upto its expectations.

Comments of the Committee

1.6 The Committee had expressed distress over the large number of important schemes of the Ninth Plan, which has not been taken up for implementation so far. This has happened due to delay in procedural formalities for issuing administrative sanctions. The Committee had, therefore, felt that the present system to accord approval consisting of various stages of sanction by Expenditure Finance Committee, Standing Finance Committee, Cabinet Committee on Economic Affairs which has only led to inordinate delays in the process of implementation of schemes should be reviewed and overhauled so that the schemes approved by Parliament are put into operation without any delay. In this connection the Ministry have not given any satisfactory reply so far. The Committee, therefore, reiterate that the whole procedure prescribed for according post-budget approval for plan schemes be thoroughly streamlined and made less time consuming so that the schemes approved by Parliament in the budget are started immediately so as to fulfil the hopes and aspirations of the people arising out of the budget proposals.

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

Recommendation (Sl. No. 6, Para No. 17.6)

1.7 The Committee had recommended as under:

"The Committee have recommended last year that the Department of Agriculture and Cooperation should draw up more

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

1.8 The Government have stated in their reply that the Department has decided that for the current year the concerned Divisions should allocate at least 12% of the provisions, for schemes in the North East region. In the past, it has not been possible to make 10% allocation for all the states in the North East region in the past because of the fact that all the schemes are not operational in that region. Consequently, the Department has agreed to surrender about 5% of its allocation to the Non-lapsable Central Resource Pool for the North East region for 1998-99 to meet the shortfall in allocation for these states for that year.

Comments of the Committee

1.9 The Committee note that the Ministry have not addressed the issues raised in the recommendation. The reply of the Ministry is also silent about the issue of making all schemes of North East

States 100% centrally funded. The Ministry in their reply have also not indicated any strategy/plan that has been worked out to make more schemes operational in the North East region so that the 12% allocation of the provision by the concerned divisions to the region during the year is fully utilised. The Committee would like to be apprised of the details of the same. The Committee would also like to know if their recommendation to make all schemes of North East States 100% centrally funded has been complied with.

Non-Availability of Quality Seeds

Recommendation (Sl. No. 8, Para No. 17.8)

1.10 The Committee had recommended as under:

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

1.11 The Government in their reply have stated that it is true that farmers were finding it difficult to get quality seeds in time from Governmental agencies and quality of seeds supplied by the private

sector is also not realiable. To overcome this problem, Government has taken some initiatives in the IXth Plan, which will ensure timely availability of quality seeds to our farmers. Some of these steps are:

— Formulation of a Scheme for Establishment of Seed Bank with the object of maintenance of breeder foundation & certified seeds of different crops; and

— Pilot Scheme for Seed Crop Insurance. Some of the ongoing schemes like Production of foundation & certified seeds to North-Eastern States have been further strengthened keeping in view the objective of ensuring timely availability of quality seeds to farmers.

— The availability of Seeds is reviewed by the Ministry before every sowing season with the officers of State Government and Seed producing agencies *i.e.* N.S.C. and State Seed Corporations to make tie-up arrangements for the needy states. This Department has also initiated action for Seed Policy Reforms under which existing provisions of Seeds Legislation such as Seed Act 1966, Seed Quality (Control) Order 1983, now Policy on Seed Development for Import of Seeds and other issues relating to production, distribution of seeds and maintenance of their quality are being reviewed to ensure timely availability of quality seeds to farmers.

Further it is stated that under the Oil-seeds Production Programme and National Pulses Development Project (Centrally Sponsored Schemes of this Department), assistance is provided to the Seed Producing agencies for the production of certified seeds under the Seed Village Scheme. The Seed Village Scheme is an approved component for both Eighth & Ninth Plan. An assistance of Rs. 200/- per quintal was being provided during Eighth Plan whereas the rate of assistance is proposed to be revise to Rs. 500/- per quintal during Ninth Plan which is awaiting the approval of Cabinet Committee on Economic Affairs (CCEA).

Comments of the Committee

1.12 The Committee are disappointed to note that Government have not positively replied to their recommendation of making available location specific quality seeds to the farmers. The Government had admitted that farmers are finding it difficult to get

quality seeds in time from Government agencies and quality of seeds supplied by private sector is also not reliable. The Committee are of the view that steps taken by Government in 9th plan, as enumerated in their reply, to ensure timely availability of quality seeds to farmers are not adequate and do not fully address to the needs of the farmers in regard to location specific seeds. The Committee, therefore, reiterate that the Government should have a relook at their proposal and at least on experimental basis implement it on a pilot basis in some of the blocks of the country.

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

Recommendation (Sl. No. 12, Para No. 17.12)

1.13 The Committee had recommended as under:

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

1.14 The Government in their reply have stated that a Committee was constituted to screen the technical proposals and financial bids of the short-listed consultants for revitalising and reorganising SFCI. The Committee has decided to award the consultancy to M/s. SBI Capital Markets Ltd., Mumbai. The firm is likely to submit the draft report within a month.

Comments of the Committee

1.15 The Committee hope that the consultants M/s SBI Capital Markets Ltd., Mumbai might have submitted its report by now. The Committee would like to know the salient recommendations made by the consultants and action taken thereon by the Ministry.

Cashew Plantations in Goa

Recommendation (Sl. No. 24, Para No. 17.24)

1.16 The Committee had recommended as under:

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

1.17 The Government in their reply have stated that the recommendation relating to the cutting down of unproductive trees in the areas under the forest sector has been taken up with Ministry of Environment & Forests. The reply of Ministry of Environment & Forests (No. 11-7/99-FC dated 3rd June, 1999), which is enclosed at Annexure-I, indicates that special exemption in favour of Goa to enable them to cut down the unproductive senile trees in the forest areas of Goa and replanting them, is not required and desirable, since cashew is an indigenous species in the Goa forest, the senile cashew trees need to be cut and replanted. The Conservator of Forests, Goa has, therefore, been requested to deal with this by way of incorporating it in the concerned working plans.

As regards support to cashew farmers of Goa, assistance is provided under the Centrally Sponsored Scheme on Integrated Development of Cashew for rejuvenation/replanting of old senile

plantations @ Rs. 7,000/- per hectare over a period of 5 years in addition to Rs. 2100/- per hectare as compensation for cutting down the old senile trees.

Comments of the Committee

1.18 The Committee would like to be apprised of whether cutting down of unproductive senile cashew trees and replanting them has since been incorporated by the Conservator of Forests, Goa in the concerned working plans.

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

Recommendation (Sl. No. 27, Para No. 17.27)

1.19 The Committee had recommended as under:

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

1.20 The Government have stated in their reply that the proposal from the Indian Institute of Management, Ahmedabad, has been received indicating that the study will be completed within six months. The proposal is under consideration of the Government and it should be possible to complete the study within the current financial year.

Comments of the Committee

1.21 The Committee hope that the Indian Institute of Management, Ahmedabad would complete the study expeditiously

and within the stipulated time of six months. The Committee would like to know the outcome of the survey of the existing training/ testing facilities for agricultural machinery available in a State under various sectors in order to identify the gaps and additional requirements for training and testing facilities in various states.

Agricultural Credit

Recommendation (Sl. No. 31, Para No. 17.31)

1.22 The Committee had recommended as under:

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

1.23 The Government in their reply have stated that the matter relating to priority sector lending by Commercial banks and establishment of more branches of the banks in rural areas comes under the purview of Ministry of Finance (Banking Division). However, the recommendation has been examined on the basis of information received from Reserve Bank of India (RBI).

The RBI has stipulated that 18% of the outstanding of the Net Bank Credit (NBC) shall represent advances to agricultural sector in the case of Commercial banks. Any shortfall in achieving the target are to be deposited with National Bank for Agriculture and Rural Development (NABARD) in Rural Infrastructure Development Fund (RIDF) (not exceeding 1.5% of NBC). The target of 18% for lending to agriculture was fixed at a time when the reserve requirements were as high as 63%. These have progressively been reduced and the resources of the banks after pre-emption considerably increased over the years. The base on which the target of 18% is calculated almost doubled during the period 1992—96 requiring banks to double their credit to agriculture even to maintain the same share in net bank credit. Outstanding credit to agriculture by Public Sector Banks in quantitative term increased from 26,351 crore in March, 1996 to Rs. 35,697 crore in September, 1998 although the percentage to net bank credit was 16.06 as on September, 1998. Notwithstanding this, RBI has advised all the scheduled Commercial Banks to make every effort to achieve the stipulated target and sub-targets for lending to priority sector.

Regarding recommendation of the Committee for the opening of more bank branches in rural areas, it may be mentioned that by the end of Branch expansion programme 1985—90 of RBI, adequate banking infrastructure with a network of over 60,000 branches has been achieved. No specific branch expansion plan for rural areas, therefore, was chalked out by RBI since 1990. The decision for opening of rural branches has been left to the judgement of individual banks by assessing the need and viability of the proposed branches on the following basis:

(i) service area allocated to a bank branch may be found to be unmanageable due to large number of villages allocated, number of constituents to be catered to and long distances/ difficult terrain involved in serving the area.

(ii) The increase in business of rural branch justifiably warranting an additional bank branch could be viable.

Most of the recommendations of the R.V. Gupta Committee on agriculture appointed by Reserve Bank of India have been accepted which include simplification of procedures regarding loan applications, delegation of powers to branch managers, introduction of composite cash credit limits to farmers, introduction of new loan products with

savings component, cash disbursement of loans, discretion to banks on matters relating to margin/security requirements for loans above Rs. 10,000 and dispensing with "No Dues Certificates" as a compulsory requirement etc.

Besides, a number of steps have been taken to increase the flow of credit to agriculture sector. Some of these are:

— A Kisan Credit Card Scheme which aims at providing adequate and timely support from the banking system to the farmers for their cultivation needs in a flexible and cost effective manner, has been launched. As on 30.6.1999, banks have issued 870107 Kisan Credit Cards (KCCS) and they are required to issue 20 lakhs KCCs by the end of this financial year.

— Banks have been advised to open specialized agricultural branches to take care of financing of high technology agricultural projects.

— Rural Infrastructural Development Fund (RIDF) has been established with NABARD for assisting State Governments and State-owned Corporations in a quick completion of on-going projects relating to rural infrastructure.

Comments of the Committee

1.24 The Committee note that the Government is taking some steps to increase the flow of credit to the priority sector, but the Committee are very much concerned about the small and marginal farmers who are in the clutches of private money-lenders. The Committee are of the view that lack of adequate institutional credit to small and marginal farmers drives them to borrow funds at very high rates from usuaries which in turn results in debt trap for such small farmers. Hence, the Committee desire that Government should put in place such an institutionalised credit system so as to ensure easy, adequate and timely availability of funds to the farmers.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Need to Improve the Expenditure of Funds

Recommendation (Sl. No. 3, Para No. 17.3)

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

(Rupees in crores)

Year	Budget Estimates	Actuals
1992-93	1049.75	1214.88
1993-94	1330.00	1183.50
1994-95	1419.00	1279.43
1995-96	1505.50	1246.42
1996-97	1487.25	1378.61
1997-98	1431.00	1222.41
1998-99	1956.00	1378.41

The Committee feel that unless the Ministry improves the utilisation of funds to the fullest extent possible, they cannot demonstrate their ability to absorb funds, while seeking higher allocations from the

Planning Commission. As the turned of expenditure is one of the determining factors for fund allocation and is also a performance indicator, every effort should be made to impress upon the State Governments also to improve the utilisation of funds by according the due priority to the irrigation sector. Since large investments are made by the Union Government in various States, the monitoring mechanism should be strengthened and the number of periodical reviews in a year should also increase. The Committee desire that the details of such reviews taken by the Ministry, the level at which they were taken, the outcome of the reviews should be indicated briefly in a tabular form and this information should be included in the Annual Report and in the Performance Budget Document to enable proper Parliamentary scrutiny.

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

Reply of the Government

2.2. The observations of the Committee have been noted for compliance. The recommendation of the Committee regarding monthly reviews has been followed and is found very useful. In order to improve the utilisation of funds by the State Governments, periodical reviews are being done by the Department. Apart from the Area Officers, other technical Officers of the Department are also regularly visiting different States to ensure proper utilisation of funds under various schemes. Secretary (A&C) has also been addressing the Chief Secretaries of the States Governments for fuller utilisation of funds. In addition to this, annual conferences are also held with the State Governments to review the progress of schemes in which representatives of the State Governments bring out the progress of various schemes implemented in their respective States.

Formulation of National Agriculture Policy

Recommendation (Sl. No. 5, Para No. 17.5)

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

Reply of the Government

2.4 A fresh draft of the National Policy on Agriculture has been prepared. The thrust of the National Policy on Agriculture is on augmenting farmers' income, self-reliance in food, sustainable agriculture with emphasis on rainfed farming, protection and conservation of resources and bio-diversity, strengthening of research and extension and their linkages, improved post-harvest interventions, revitalization of rural support services, equity and gender concerns

and enabling environment for capital formation. Thus the concern for a sustainable development strategy have been taken due care in the preparation of the draft.

The draft National Policy on Agriculture, currently under finalization, is in consonance with the recommendations of the Inter-Parliamentary Conference held at Rome in September 1998 on attaining the World Food Summit's objectives through a sustainable development strategy.

The draft is likely to be finalized shortly. The intention is to go in for a public debate on the various policy initiatives proposed. The observations of the Committee for early finalization of the policy will be complied with as far as possible.

Establishment of Seed Bank

Recommendation (Sl. No. 9, Para No. 17.9)

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

Reply of the Government

2.6 As the EFC Memo. as the Scheme was not finalised during 1998-99, the budget provision for the Scheme was reduced at R.E. Stage. The IX Plan Outlay for the Scheme has been enhanced from Rs. 40.00 crores to Rs. 49.80 crores. During 1999-2000, a provision of Rs. 14.96 crores is available. EFC Memo, for the scheme was approved on 13.7.99. After circulation of the minutes, implementation of the scheme and release of funds would be speeded up.

Setting-up of National Seed Training Centre

Recommendation (Sl. No. 10, Para No. 17.10)

2.7 The Committee find that the scheme for setting up of National Seed Training Centre at Varanasi had been pending for a very long time. Every year the Government have been making provisions in the Demands for Grants for this purpose but no significant progress could be made in the setting up of the Centre. During 1998-99, against a provision of Rs. 274 lakhs for this purpose, the revised estimate made is only Rs. 75 lakhs, as the CPWD, which is the construction agency, had considerable unutilised balance of the previous years for this project. It is pertinent to note that the scheme for setting up of this Centre had been there in the Eighth Plan also and budgetary provisions were made for this project during the Eighth Plan period. The Committee find that during 1996, the Government of India acquired 10 hectares of land at Varanasi and handed it over to the CPWD for commencing the construction work. The Committee note that even after three years after the handing over of the land, the construction work has not picked up the desired pace so far. There appears to be no time-frame fixed for the completion of the project. The Committee wish to impress upon the Government that there is need to expedite the construction work in view of the training needs of the officers in the areas of seed, science and technology, quality control, storage etc. The Committee, therefore, recommend that the construction work should be completed within this financial year positively. The Committee disapprove the delay on the part of CPWD and desire the Ministry to take up this matter with CPWD officers at senior level to persuade and to ensure the completion of building in a definite time frame. The Committee are of the view that in case the CPWD is not able to get the project completed in time, there should be some provision penalising them and work be given to some other agency.

Reply of the Government

2.8 As rightly pointed out by the Committee there was some delay in implementing the Scheme on Setting up of National seeds Training Centre (N.S.T.C.) at Varanasi. However, now the initial problems have been sorted out and the construction activity has started. The progress of construction is being monitored and reviewed constantly. It is expected that the project would be completed by December, 2001. The C.P.W.D. has set up a local office at Varanasi to oversee implementation of the project. For each activity under the construction programme specific time-frame for implementation has been prescribed which is being monitored for strict compliance.

Pilot Scheme for Seed Crop Insurance

Recommendation (Sl. No. 11, Para No. 17.11)

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

Reply of the Government

2.10 The Standing Finance Committee has approved the implementation of the scheme on 3.8.99. Administrative approval for the scheme was issued on 31.8.99. The Scheme has taken off with release of funds to the G.I.C.

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

Recommendation (Sl. No. 12, Para No. 17.12)

2.11 The Committee are concerned to note that the State Farms Corporation of India, which is a Public Undertaking under the Department of Agriculture and Cooperation, has been making losses continuously in the past. The Committee note that the target fixed for

area under seed production in various farms of the Corporation has been declining over the years and the years and there has been shortfall in achievement of even the reduced targets. Against the production of target of 3.75 lakh quintals in 1997-98, the Corporation could produce only 1.73 lakh quintals of seeds. The Committee understand that the Government propose to engage a Consultant to suggest measures for revitalising and re-organising the Corporation. The Committee recommend that urgent measures should be taken for the immediate revitalising of the Corporation by fixing a definite time-frame.

Reply of the Government

2.12 A Committee was constituted to screen the technical proposals and financial bids of the short-listed consultants for revitalising and reorganising SFCI. The Committee has decided to award the consultancy to M/s. SBI Capital Markets Ltd., Mumbai. The firm is likely to submit the draft report within a month.

Comments of the Committee

2.13 For Comments of the Committee please refer to Para No. 1.15 of Chapter I of this Report.

Integrated Cereal Development Programme—Rice

Recommendation (Sl. No. 13, Para No. 17.13)

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

is 1,571 against a target of 4,340 during that period. The Committee find that during 1998-99 also, the trend of shortfall in physical achievements continued in respect of these activities. It is important to note that rice registered a growth rate of 0.69% during 1997-98, while there was negative growth rate in 1998-99 which comes to –0.09%. The Committee also find that under the Central Sector Scheme for Rice Seed Mini-kit Demonstration, the physical and financial achievements have been quite unsatisfactory during 1997-98 and 1998-99. The reason for the shortfall is stated to be the non-availability of location specific varieties. The Committee fail to understand as to how the Government would succeed in motivating the farmers for adoption of improved production technology and use of improved inputs, if the physical achievements under the schemes remain quite low. The Committee recommend that immediate steps should be taken to analyse the reasons for the poor performance of the schemes and appropriate remedial measures should be taken to tone up the implementation of the scheme. The Committee also recommend that there should be periodical review meetings at the Joint Secretary level or Secretary level between the States and the Central Ministry so that there is proper coordination and the targets are achieved.

Reply of the Government

2.15 This Ministry recognises that seed is an important input and it should get special attention under Crop Production Schemes. The problem of availability of seed of rice is that the seed developed for the problematic areas are not being multiplied in adequate quantity. However, no shortage of availability of seed for the normal/favourable areas has been reported by any of the States during last few years. In view of this, it has been thought proper to give more emphasis on production of seed of rice for problematic areas and provide production incentives to the seed producing agencies instead of giving subsidy for distribution of seed.

The shortfall in the distribution of certified seeds was due to non-implementation of the programme component by the State Governments of Arunachal Pradesh and Goa and partial implementation by the State Governments of Kerala, M.P., Orissa, Tripura and West Bengal due to less availability of location specific high yielding varieties during 1997-98. Similarly, less achievement under farm implements was due to non-implementation of the components by the State Governments of

Assam, Kerala, Tamil Nadu and Pondicherry and partial implementation by States of Andhra Pradesh, Bihar, Uttar Pradesh and West Bengal. Power Tiller component was not implemented by the State Governments of Assam, Madhya Pradesh and Uttar Pradesh and partial implementation by the States of Bihar, Kerala, Orissa, Tamil Nadu and West Bengal. With regard to the physical achievement during 1998-99, it may be stated that the reports have not been received from the State of Arunachal Pradesh, Assam, Bihar, Nagaland, West Bengal and U.T. of Pondicherry. To get the report expedited, the matter has been taken up with the State Governments.

Similarly, the reasons for less achievement under Central Sector Rice Seed Minikit demonstration programme during 1997-98 was mainly due to non-implementation of the programme by the States of Bihar, Himachal Pradesh, Meghalaya and Punjab and partial implementation by the States of Gujarat, Jammu & Kashmir, Madhya Pradesh, Maharashtra, Orissa, Tripura and Uttar Pradesh and also due to various reasons like timely and non-availability of seeds of specific identified varieties. Most of these States are major rice growing States where large number of rice minikits were targeted to be distributed during the year. Similarly, during 1998-99 the programme was not implemented by the State of Bihar and partially implemented by the States of Goa, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Orissa, Punjab and Uttar Pradesh. During 1998-99, 7.79 lakh rice seed minikits were distributed against 2.97 numbers in 1997-98.

The schemes are being reviewed, regularly, at the level of Secretary in the National Kharif/Rabi Conference where all Secretaries of Agriculture/Directors of Agriculture of States actively participate. In the zonal Conferences on important inputs, the position is reviewed at the level of Joint Secretaries. It is further followed with the States by the respective Area Officers of this Ministry (not below the level of Joint Secretary) by intensive visits to the State Head quarters and at the field level. Other Senior level Officers also review with the State Governments by taking field visits to the extent possible. Normal procedure of taking of the serious matters demi officially at the level of Head of the Division with the States is also taken up invariably. It is hoped that with intensive monitoring, the response of the State Government will be positive.

Rice production in 1998-99 has been estimated at a record level of 84.74 million tonnes which is about 3% higher over 1997-98 production of 82.30 million tonnes, thus showing a positive growth rate.

Integrated Cereal Development Programme-Wheat

Recommendation (Sl. No. 14, Para No. 17.14)

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

Reply of the Government

2.17 Keeping in view the problems being encountered by the ICDP-Wheat, the pattern of assistance as well as components were modified/changed in the EFC prepared for its implementation during remaining period of 9th Plan (1999-2000). The components such as assistance on selective mechanisation, water saving devices, weed control measures and demonstrations of improved crop production technologies to every village panchayat and other demonstrations to every block have been proposed for implementation but could not be approved by the EFC. The Integrated Cereals Development Programmes of rice, wheat and coarse cereals (except maize) are being merged as per directions of EFC and necessary approvals are being processed. In order to meet the target of wheat production, the Ministry of Agriculture is contemplating to tackle the problems of wheat production and productivity in new areas. The targets of wheat production for the year 1999-2000 have been suggested by Planning Commission at 77 million tonnes for which desired assistance through crop development scheme is envisaged to be provided to States. Thus, it is anticipated that a sum of Rs. 32 crores plus unspent balance lying with the States will be utilised in full.

Crop Insurance

Recommendation (Sl. No. 16, Para No. 17.16)

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

Reply of the Government

2.19 The proposal for the introduction of Modified Comprehensive Crop Insurance Scheme (MCCIS) was earlier discussed in detail with the States/UTs and other agencies concerned in a Workshop organised by this Department. Subsequently, the proposal was fine-tuned by a small Group comprising representatives of the Ministry of Finance (Insurance Division), NABARD, GIC etc. and the MCCIS was updated. However, the Insurance Division while communicating the Scheme pointed out the unacceptable financial implications. Consequently, the proposal was re-examined and discussed in a series of meetings took place with the Ministry of Finance and the GIC. Based on the discussions held a compact and concrete proposal was placed for the consideration by the Cabinet Committee on Economic Affairs (CCEA).

CCEA in its meeting held on 21.6.99 considered the proposal and approved the same with the modification that (i) the name of the Scheme shall be National Agricultural Insurance Scheme and (ii) Ministry of Agriculture will separately examine the modalities of setting up an Agricultural Insurance Corporation of India in due course.

Considering the fact that Kharif, 1999 season has already started, the new scheme namely National Agricultural Insurance Scheme (Rashtriya Krishi Bima Yojana "RKBY") will thus be effective from Rabi (1999-2000). Briefly, the new scheme will be available to all the farmers (loanee and non-loanee both) irrespective of their size of holding. It envisages coverage of all crops including cereals, pulses and oilseeds (which are already being covered under the existing Comprehensive Crop Insurance Schemes (CCIS) and annual commercial/horticultural crops. Three cash crops *i.e.* sugarcane, potato and cotton will be covered in the first year of its operation. All other annual horticultural and commercial crops will be placed under insurance cover within the next three years subject to the condition of availability of past yield data.

National Pulses Development Project

Recommendation (Sl. No. 17, Para No. 17.17)

2.20 The Committee note that the National Pulses Development Project is being implemented in 295 districts in the country as a centrally sponsored scheme in order to increase the production and productivity of pulses. The estimated requirement of pulses by the end of the Ninth Plan period is 172 lakh tonnes, while the excepted production of pulses during 1999-2000 is around 155 lakh tonnes. In order to meet the demand for pulses, the country has been importing every year around 6.5 lakh tonnes of pulses. The import of pulses has been increasing as may be seen from the fact that the country imported 5.54 lakh tonnes of pulses in 1994-95, while the imports have now risen to 6.59 lakh tonnes to 1997-98. The per capita availability of pulses has declined from 38.1 gms. per person per day in 1995 to 3.2 gms. per person per day in 1998. The Committee find that under the National Pulses Development Project, the physical targets could not be achieved full, although all the funds allocated have been fully utilised. In the year 1997-98, against target of 150 lakh tonnes of pulses, the actual production was only 131 lakh tonnes. In the year 1998-99, the country could produce only 148 lakh tonnes of pulses against a target

of 155 lakh tonnes. The Committee find that an Expert Committee under the Chairmanship of the Director General of ICAR has been constituted to review the scheme of National Pulses Development Project and to prepare a plan of action for increasing the production of pulses. The Expert Committee has not submitted its Report so far. The Committee recommend that the finalisation of the Report of the Expert Committee should be got expedited and the recommendations of the Committee should be implemented without any loss of time so that the country can put a stop to the continued import of pulses and make available this important source of protein to the ever-increasing population of this country.

Reply of the Government

2.21 The Department is in agreement with the observations made by the Committee. However, it may mentioned that as per the latest estimates available, the production of pulses during 1998-99 is likely to be 158.89 lakh tonnes as against 148 lakh tonnes projected earlier. The higher availability of pulses has been helpful in bringing down the whole sale price of pulses in the beginning of 1999. Nevertheless the concern of the Department for higher production of pulses remains. The Expert Committee on pulses set-up under the Chairmanship of Dr. R.S. Paroda, Director General, ICAR had a number of meetings. It has interacted with concerned States, Commission for Agricultural Costs & Prices (CACP) and Seed Producing Agencies & Research Organisations to work out a plan of action. It is looking into the aspect of research, production, price support, processing and marketing of pulses and pulse seeds. The Committee is likely to finalise its report shortly. The action plan recommended by the Committee would be taken up for implementation thereafter, in addition to the efforts to increase production of pulses being made simultaneously under the NPDP.

In the Ninth Plan, it is proposed to increase the production of pulses through area/crop approach and increasing availability of quality seeds. Sprinkler irrigation has been given thrust as also gypsum as source of sulphur production and distribution of NPV is being augmented for control of pod-porer in Arhar & Gram.

The recommendation regarding incentive prices is also being considered by the Expert Committee for which consultation with CACP have taken place. It is also proposed to bring lentil, rajma & peas under MSP.

Oil Seeds

Recommendation (Sl. No. 18, Para No. 17.18)

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

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

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

Reply of the Government

2.23 The Department is in agreement with the observation made by the Committee. However, it may be mentioned that as per the latest estimates available, the production of oilseeds during 1998-99 is likely to be 256.8 lakh tonnes as against 220.2 lakh tonnes projected earlier. The higher availability of oilseeds has been helpful in bringing down the whole sale prices of oilseeds and edible oils in the country.

It is the endeavour of the Department to reach a production target of 300 lakh tonnes by 2001-2002 as fixed by the Planning Commission. The import of oilseeds is very small (worth Rs. 1.40 crores during

1997-98) compared to the imports of edible oil amounting to Rs. 2732.85 crores during this period. Efforts are being made to increase the production of oilseeds to enable higher production of oil. For this, a crash programme for quality seed production for groundnut and soyabean is proposed in the Ninth Plan. Seed Bank Scheme is being introduced for important seeds including oilseeds.

To overcome the constraints of the lack of indigenous production of oil palm seed required for area expansion under oil palm, 3 oil palm seed gardens have been set up in the States of Andhra Pradesh, Karnataka & Kerala, besides the existing seed garden of Central Plantation Crops Research Institute at Palode (Kerala) and one private seed garden in Andhra Pradesh. One more seed garden is proposed to be set up by National Research Centre for Oil Palm, ICAR at Eluru with UNDP assistance. By the end 2003, these seed gardens would produce enough seeds to meet the seed requirement for area expansion under Oil Palm.

The processing capacity for oil palm is being increased both in the private and public sector. Under Post Harvest Technology Scheme of TMOP, 4 demonstration units with capacities of 2.5 tonnes FFB per day have been approved in the Ninth Plan to demonstrate indigenous processing technology for oil palm developed under the scheme. This would also increase processing capacity in the public sector. The new units are proposed to be set up in Goa, Gujarat, Orissa and Tamil Nadu. To encourage setting up of sufficient number of processing units in the private sector, major oil palm growing States have allotted potential areas for oil palm cultivation to entrepreneurs with the understanding that this entrepreneur would set up processing units in allotted area.

To motivate farmers to take up oil palm Cultivation, Government propose to enhance the subsidy being provided under Oil Palm Development Programme (ORDP) towards cost of planting material and cultivation, besides introducing a new component of assistance for diesel pumpset under the programme.

Balanced and Integrated use of Fertilizers

Recommendation (Sl. No. 19, Para No. 17.19)

2.24 The Committee note that against an allocation of Rs. 559 lakhs for the plan scheme-Balanced and Integrated use of Fertilizers-during 1998-99, the expenditure incurred is Rs. 159 lakhs. The Committee

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

Reply of the Government

2.25 As per OM NO 1(4) PF II/97 dated the 15th May, 1998, of Ministry of Finance, Department of Expenditure the Administrative Ministry itself is competent to approve continuance of on-going scheme from one Plan to another within the Plan outlay, as long as there is no major change in the content of funding pattern of the scheme. For the Scheme of Balanced use of Fertilizers, the Department wanted modifications. As such, fresh approval of the schemes at the appropriate level was required. For approval the matter was also required to be sent to the Finance Minister. Till the time final approval was obtained, new components or the changed funding pattern could not have been made effective. But the scheme could have continued on the existing pattern till that final approval was obtained. This is exactly what has happened. Thus, the time taken cannot be attributable to the modalities of sanctioning process entirely. However, the observations of Committee that there should not be so much time taken in the sanctioning of the scheme have been noted and due care would be taken in future.

National Project on Development of Bio-Fertilizers

Recommendation (Sl. No. 20, Para No. 17.20)

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

Reply of the Government

2.27 The National Project on Development and use of Bio-fertiliser has been approved with an estimated cost of Rs. 19.03 crores for IX Plan. Under this project, Government would provide non-recurring grant-in-aid upto Rs. 20.00 lakh for setting up Bio-Fertiliser (BF) production unit of 150 MT annual production capacity. Till December, 1995, under the scheme grants were provided to State Governments, public sector undertakings as well as private entrepreneurs. However, in the EFC meeting of the scheme held on 21st December, 1995, it was decided that financial assistance should be made available to public and cooperative sector organisations only. Due to this decision of Government of India, NGOs and private entrepreneurs remained ineligible for the grant after March, 1996, resulting into funds savings and restricting popularisation of the Scheme.

However, *w.e.f.* 1.4.1998, it has been decided to provide grants to NGOs and private entrepreneurs also which are supported by respective State Governments.

Funds utilisation during 1997-98 was only to the extent of Rs. 331 lakhs as against budgetary allocation of Rs. 660 lakhs as NGOs and private entrepreneurs were taken out of grant purview of the Scheme. Therefore, 6 Bio-Fertiliser (BF) units could be approved as against the target of 10 units. For the year 1998-99 also, utilisation of funds and establishment of BF units was not as per targets because of late receipt of project proposals recommended by respective Governments. From the current financial year, efforts would be made to utilise all funds earmarked for the scheme for the year.

Soil Health Cards

Recommendation (Sl. No. 21, Para No. 17.21)

2.28 The Committee find that the number of Soil Testing Laboratories in the country is too small to cover the entire length and breadth of the country. There are at present only 514 Soil Testing Laboratories in the country including 133 Mobile Soil Testing Vans. In view of the non-availability of Soil Testing Laboratories in the vicinity of the farms, the Indian farmers always tend to use various kinds of fertilizers without knowing what the soil requires. The criteria for application of fertilizer to soils appears to be the availability of any fertilizer on the spot and also its price—the cheaper its price, the more its use. Instead of the ideal N,P and K ratio of 4:2:1, the ratio that obtained at the end of the Eighth Plan Period worked out to 10:2:9:1. The Committee feel that the nitrogenous fertilisers are used abundantly in view of the fact that these are under the Price Control System with a heavy subsidy for keeping the farm gate prices low. The indiscriminate use of whatever fertilizer that is available has led to a situation which has affected soil health irreversably at many places and no heed is being paid to adopt a sustainable strategy of development in this regard. The Committee feel that the right strategy for sustainable development of agriculture is to introduce a system of Soil Health Card for each farmer which would be periodically updated

with the remarks about the nutrients that are in excess and advise about the ideal quantum of other nutrients that are deficient in their soil and also the plants that can be grown on that particular soil during the season. Unless this system of Soil Health Card is introduced all over the country as a mass movement, on the lines of the Children Immunization Programme, there can be no way of bringing in the practice of the judicious, balanced and efficient use of various fertilizers which would form the basis of sustainable development in agriculture. The Committee feel that this is the first essential step that should be adopted all over the country. They feel that a separate centrally funded scheme should be prepared in this regard and taken up for implementation on an emergent basis throughout the country. This effort should also be matched by promoting the setting up of Soil Testing Laboratories in every village of the country in the private sector on the lines of the Laboratories that are available everywhere to test samples of human blood, urine etc.

Reply of the Government

2.29 The benefit of Soil Health Cards can be successfully availed by the farmers only when sufficient soil testing facilities are available in the country. The present capacity of analysing soil samples is insufficient to cater the need of 105 million farm holdings in the country. Under the scheme of Balanced & Integrated use of Fertilisers, Rs. 28.00 crores have been earmarked for the soil testing programme and additional budget allocation of Rs. 67.5 crores has been made for further strengthening the soil testing programme to set up block level soil testing laboratories in the country. It is expected to enhance the soil sample analysing capacity from present level of 6.5 million samples to 13.7 million samples per year by the end of IX Plan. Setting up of Soil Testing Laboratories under Private/Public Sector/NGO shall be encouraged under the proposed programme on strengthening soil testing programme at block level.

The introduction of Soil Health Card for the farmers of the whole country at one go is not possible in view of inadequate soil testing facilities in the country. However, the State Governments are being

advised to initiate introduction of issuance of soil health card to farmers, besides this, it will also be made the part of the scheme Balanced & Integrated Use of Fertiliser which is being further expanded to include expansion of soil testing programme in the country.

Development of Coconut in Goa

Recommendation (Sl. No. 23, Para No. 17.23)

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

Reply of the Government

2.31 The Government of Goa has submitted a Project proposal for a total cost of Rs. 4.10 crores for improving the production and productivity of coconut in Goa for a period of 5 years. The major project components, the rate of subsidy proposed and the subsidy under corresponding components of the ongoing schemes of the

Coconut Development Board and other Schemes of the Department of Agriculture and Cooperation are given below:

Major Components of the Goa Project proposal	Subsidy proposed by Govt. of Goa	Subsidy provided under the on-going programmes of the Coconut Development Board and Department of Agriculture & Cooperation.
Area expansion	Rs. 6,000 per hectare	Rs. 6,000/- per hectare in 3 annual instalments.
Balanced manuring for coconut	Rs. 750/- per hectare	Rs. 200/- per hectare for multi-species cropping and Rs. 5 per palm or Rs. 875 per hectare for fertilisers.
Rejuvenation of old and senile plantation	Rs. 6,000 per hectare	Rs. 200/- per palm for cutting and removal of diseased/senile palms; Rs. 5/- per seedling for replanting; and Rs. 8/- per palm for fertilizer and plant protection chemicals.
Creation of irrigation facilities	Rs. 750 per hectare	Rs. 25,000/- per hectare for establishment of drip irrigation system for horticultural crops including coconut under the Scheme on use of Plastics in Agriculture.

Keeping in view the trend of expenditure, the funds released to the Government of Goa under the relevant ongoing programmes during the years 1997-98 to 1999-2000 is as given below. However, demand for additional funds under the existing components of the ongoing

schemes could also be considered:

(Rupees in Lakh)

Name of the Scheme	Funds released during		Proposed outlay
	1997-98	1998-99	1999-2000
1. Area Expansion under Coconut	2.87	4.02	2.70
2. Integrated farming in coconut holdings for productivity improvement	1.64	1.68	3.37
3. Use of Plastics in Agriculture	3.00	19.00	22.33

Cashew Plantations in Goa

Recommendation (Sl. No. 24, Para No. 17.24)

2.32 During the study tour of the Committee to Goa, the Committee have found that in Goa about 41,000 hectares of cashew plantations are in the hands of the private sector and 10,000 hectares are in the forestry sector. While 58% of the trees are senile in the private sector, 100% of the trees in the forest sector are senile whereby production and productivity of cashew in Goa have become very poor. The Committee have been informed that replanting of the trees in the forest areas could not be undertaken as cutting of the senile trees is not permissible under the Forest (Conservation) Act, 1980. The Committee, therefore, recommend that special exemption may be granted in favour of the State of Goa to enable them to cut down the unproductive senile cashew trees and to replant them with new high yielding clones. Suitable compensatory afforestation measures, if need be, may be prescribed in this regard. If no exemption is possible under the present legislation, the matter of amendment of the legislation

should be taken up by the Union Ministry of Agriculture with the Union Ministry of Environment and Forests so that such replantation becomes possible in the interest of promoting productivity of this highly export-oriented crop.

Reply of the Government

2.33 The recommendation relating to the cutting down of unproductive trees in the areas under the forest sector has been taken up with Ministry of Environment & Forests. The reply of Ministry of Environment & Forests (No. 11-7-/99-FC dated 3rd June, 1999), which is enclosed at Annexure-I, indicates that special exemption in favour of Goa to enable them to cut down the unproductive senile trees in the forest areas of Goa and replanting them, is not required and desirable, since cashew is an indigenous species in the Goa forest, the senile cashew trees need to be cut and replanted. The Conservator of Forests, Goa has, therefore, been requested to deal with this by way of incorporating it in the concerned working plans.

As regards support to cashew farmers of Goa, assistance is provided under the Centrally Sponsored Scheme on Integrated Development of Cashew for rejuvenation/replanting of old senile plantations @ Rs. 7,000/- per hectare over a period of 5 years in addition to Rs. 2100/- per hectare as compensation for cutting down the old senile trees.

Comments of the Committee

2.34 For Comments of the Committee please refer to Para No. 1.18 of Chapter I of this Report.

National Watershed Development Project for Rainfed Area (NWDPRA)

Recommendation (Sl. No. 25, Para No. 17.25)

2.35 The Committee note that about 63% of the cultivated land in the country falls under the rainfed areas and as such Watershed Management is an important factor for improving agricultural Production. While the total irrigated area is 53 million hectares in the country, the total rainfed area is 89.82 million hectares. A holistic approach to bring about the development of integrated farming system on a watershed basis is the main objective of the National Watershed

Development Project for Rainfed Area (NWDPRA). The Committee have been informed that during the Ninth Plan, a restructured NWDPRA programme with an expanded role of Government Department, NGOs and external agencies has been proposed and it will come into effect after the scheme for the Ninth Plan is approved by the Cabinet Committee on Economic Affairs (CCEA). The approval of Expenditure Finance Committee for the restructured scheme could come forth only in February, 1999. In view of the late finalisation of the programme in the Ninth Plan, the NWDPRA was being implemented according to the Eighth Plan guidelines in the first two years of the Ninth Plan. Despite the programme being implemented under the old guidelines, the Committee are disappointed to find that there had been heavy shortfall in expenditure in the year 1997-98. Against a budget estimate of Rs. 173.5 crores, the actual expenditure was only Rs. 148.64 crores. The Committee are not satisfied with the progress of the scheme and they expect the Government to take up the restructured Ninth Plan programme in right earnest at least from the third year of the Ninth Plan Period and try to utilise the entire allocation in full. The Committee further recommend that it should be ensured that the State Governments release the funds to the field units in time so that the physical targets are achieved in full. In order to boost up the implementation of the programme, there has to be regular review conducted in respect of each State and corrective measures should be taken as a result of the review.

Reply of the Government

2.36 The Standing Committee on Agriculture was informed that during the Ninth Five Year Plan, the National Watershed Development Project for Rainfed Areas (NWDPRA) has been considerably restructured. The restructured NWDPRA allows upward revision of cost norms, decentralisation in project sanctioning, flexibility in terms of choice of technologies, component-wise resource allocation, better institutional mechanism for peoples' participation, linkages with R&D and credit institutions, institutional mechanism for post-project management, cost and benefit sharing etc. to ensure long-term sustainability. In view of these major changes and anticipated higher cost norms during Ninth Five Year Plan for treatment of watershed areas, the resource allocation (BE) during 1997-98 was kept at the level of Rs. 173.50 crores. Out of this budgetary allocation, a sum of Rs. 86.97 crores (50.13%) was released to the implementing States by the end of the third quarter of the financial year 1997-98. However,

due to overall financial constraints, budgetary allocation was reduced from the level of Rs. 173.50 crores to Rs. 155.00 crores at the RE stage. Against the revised estimate, a sum of Rs. 148.64 crore (96%) was released during 1997-98.

With regard to the progress made in approving the restructured NWDPRA, it may be informed that the EFC Memo of the Project was sanctioned by the Expenditure Finance Committee on 23.2.1999. Based on the recommendations of the Expenditure Finance Committee, the draft CCEA Note has been prepared and is being further proposed for early submission to the Cabinet Committee on Economic Affairs.

For close monitoring of the progress of the Project, State-wise desk reviews, field reviews, progress reviews during Rabi and Kharif Conference were conducted in the Ministry during 1998-99. In addition to this, letters from the Secretary and other senior officers this Ministry were addressed to Chief Secretaries and Agriculture Production Commissioners of the State Governments to conduct periodical reviews at their level to ensure timely releases of funds to the implementing agencies.

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

Recommendation (Sl. No. 27, Para No. 17.27)

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

Agricultural Credit

Recommendation (Sl. No. 31, Para No. 17.31)

2.42 The Committee note that the Finance Minister in his budget speech has stressed for increased flow of credit to the agriculture sector. The Committee are however constrained to note that the percentage of advances to agriculture sector has declined for 16.35% during 1997 to 15.72% in 1998. These are much below the RBI stipulation that a minimum of 178% of the total bank advances should be given to agriculture sector. The Committee desire the Government to analyse the reasons for the decline in the proportion of flow of credit to agriculture sector and take suitable remedial steps to increase the flow of credit to at least the stipulated extent to this vital sector. The Committee are concerned to know that one hand the banks are not able to meet the RBI stipulation of 18% of total bank advances to agricultural sector, on the other hand the farmers are taking loans from private money lenders on high interest in the absence of institutional loan. This only shows that farmers are not having easy access to bank as the branches of the banks in rural areas are very less. They are also not familiar with the procedural formalities in taking loan from banks. The Committee, therefore, strongly recommend that more bank branches be opened in rural areas and procedure be simplified so that more and more farmers are able to avail the bank loans and are saved from the clutches of private money lenders which had been one of the major causes of large scale suicides by farmers in Andhra Pradesh, Maharashtra and other parts of the country in the recent past.

Reply of the Government

2.43 The matter relating to priority sector lending by Commercial banks and establishment of more branches of the banks in rural areas comes under the purview of Ministry of Finance (Banking Division). However, the recommendation has been examined on the basis of information received from Reserve Bank of India (RBI).

The RBI has stipulated that 18% of the outstanding of the net bank credit (NBC) shall represent advances to agricultural sector in the case of Commercial Banks. Any shortfall in achieving the target are to be deposited with National Bank for Agriculture and Rural Development (NABARD) in Rural Infrastructure Development Fund

(RIDF) not exceeding 1.5% of NBC). The target of 18% for lending to agriculture was fixed at time when the reserve requirements were as high as 63%. These have progressively been reduced and the resources of the banks after pre-emption considerably increased over the years. The base on which the target of 18% is calculated almost doubled during the period 1992-96 requiring banks to double their credit to agriculture even to maintain the same share in net bank credit. Outstanding credit to agriculture by Public Sector Banks in quantitative term increased from 26,351 crore in March, 1996 to Rs. 35, 697 crore in September, 1998 although the percentage to net bank credit was 16.06 as on September, 1998. Notwithstanding this, RBI has advised all the scheduled Commercial Banks to make every effort to achieve the stipulated target and sub-targets for lending to priority sector.

Regarding recommendation of the Committee for the opening of more bank branches in rural areas, it may be mentioned that by the end of Branch expansion programme 1985-90 of RBI, adequate banking infrastructure with a net work of over 60,000 branches has been achieved. No specific branch expansion plan for rural areas, therefore, was chalked out by RBI since 1990. The decision for opening of rural branches has been left to the judgment of individual banks by assessing the need and viability of the proposed branches on the following basis:

(i) Service area allocated to a bank branch may be found to be unmanageable due to large number of villages allocated, number of constituents to be catered to and long distances/ difficult terrain involved in serving the area.

(ii) The increase in business of rural branch justifiably warranting an additional bank branch could be viable.

Most of the recommendations of the R.V. Gupta Committee on agriculture appointed by Reserve Bank of India have been accepted which include simplification of procedures regarding loan applications, delegation of powers to branch managers, introduction of composite cash credit limits to farmers, introduction of new loan products with savings component, cash disbursement of loans, discretion to banks on matters relating to margin/security requirements for loans above Rs. 10,000 and dispensing with "No dues Certificates" as a compulsory requirement etc.

Besides, a number of steps have been taken to increase the flow of credit to agriculture sector. Some of these are:

— A Kisan Credit Card Scheme which aims at providing adequate and timely support from the banking system to the farmers for their cultivation needs in a flexible and cost effective manner, has been launched. As on 30.6.1999, banks have issued 870107 Kisan Credit Cards (KCCs) and they are required to issue 20 lakhs KCCs by the end of this financial year.

— Banks have been advised to open specialized agricultural branches to take care of financing of high technology agricultural projects.

— Rural Infrastructural Development Fund (RIDF) has been established with NABARD for assisting State Governments and State-owned Corporations in a quick completion of on-going projects relating to rural infrastructure.

Comments of the Committee

2.44 For Comments of the Committee please refer to Para No. 1.24 of Chapter I of this Report.

CHAPTER III

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

Formation of Cashew Development Board

Recommendation (Sl. No. 22, Para No. 17.22)

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

Reply of the Government

3.2 Requests have been received, particularly from the Government of Kerala on the need for creating Cashew Development Board. The matter has been receiving the attention of the Ministry of Agriculture. However, since the Directorate of Cashew Development, Cochin is taking care of the developmental aspects, the research need being attended to by the ICAR through its National Research Centre, Puthur, and exports being channelised through Cashew Export Promotion Council of Ministry of Commerce and since their activities being reviewed periodically during annual meetings, the formation of a separate Board which inter-alia will involve expenditure on infrastructure and staff did not materialise.

Committee feel that, ideally, once the Parliament passed a budget estimate for a purpose, sincere attempts should be made by the Executive to spend the funds for that purpose and procedural formalities to be adopted for issuing administrative sanctions for those schemes should not be abused to stall the very implementation of the schemes. But the Committee find that the present system of accord of approval consisting of the various stages of sanctions by Expenditure Finance Committee, Standing Finance Committee, Cabinet Committee on Economic Affairs etc. has only led to strangulating delays in the process of implementation of schemes which have the seal of approval of popular will for them from the Parliament. The Committee cannot accept a position whereby the unending rigmaroles of procedural drills prescribed by the bureaucracy for accord of mere administrative approvals are sought to be used to put a spoke on the wheels of progress that should turn on the path delineated by the Parliament. The Committee are of the strong view that such practices are a negation of the basic principles of parliamentary democracy whereby extra-constitutional bodies, procedural devices and practices seek to undermine the supremacy of the Parliament over the Executive. They, therefore, recommend that the whole procedure prescribed for according post budget approval for plan schemes should be thoroughly overhauled in the light of the observations of the Committee made above so that the supremacy of the Parliament is re-established and the will of the people prevails. It must be remembered that every estimate in a budget raises a hope in the minds of the people for their legitimate development and, therefore, any disadvantageous variation in it would only lead to misleading the public, particularly the poorer sections of the society and as such would amount to committing a fraud on those innocent people.

Reply of the Government

4.2 The observation of the Committee regarding supremacy of Parliament over the Executive in the matter of provision of Budget/ Expenditure on various schemes is absolutely valid and accepted. Once a scheme is approved, budgetary allocations stipulated and Parliamentary sanction received, there is no question of reducing the expenditure for that approved scheme below the levels approved by Parliament.

The Department of Agriculture & Cooperation had accordingly taken up the matter with the Ministry of Finance & Planning Commission. The response of the Ministry of Finance and Planning Commission are paraphrased below:

The schemes included in a Plan can be categorised broadly into three categories—spill over from the previous Five Year Plan, new schemes with firm requirement of funds, and schemes that require further studies and investigation.

Taking into consideration the overall kitty available in a particular year and the competitive claims of different Ministries, outlays are recommended which get reflected in the Budget of the respective Ministries. It is thus evident that budget proposals presented to Parliament are indications of likely requirements of funds for individual schemes on the assumption that the assessment made about the likely progress of physical targets and the financial expenditure would come through and that in respect of the other projects, the Ministries would be able to tie up all the loose ends and come up for investment decisions within the time frame envisaged at the time of the finalisation of details. In actual practice, while the progress of expenditure on on-going schemes by and large remains as approved in Annual Plan, the expenditure on new proposals which were not having investment approval at the time of finalisation of annual Plan outlay depends upon the time the Ministries take in formulating the investment proposals and in obtaining the required clearances/approvals. After finalisation of the outlays and approval of budget by Parliament, it becomes the responsibility of the Ministry to obtain approval of the competent authority for the new schemes and also for the continuing schemes where parameters are to be changed. In case a decision is taken that only those projects would be included in the Annual Plan for which investment approval has already been obtained, it is likely to slow down the progress of development, as it may not be possible for the Ministries to formulate and seek approval of the competent authority for all projects proposed to be taken up during the course of the next year. Therefore, it is felt that we should continue with the present system.

Over and above, the Appropriation Act passed by the Parliament authorises the Government to include expenditure on a *not exceeding basis.* In other words, the Appropriation Act, sets the upper limit of expenditure. Therefore, by spending less than what is the authorised

by Appropriation Act, there is no breach of Act. Further, the expenditure estimates included in the budget are based on certain estimates of the resources like tax revenues collected, recovery of loans effected, net borrowings, etc. So, if during the course of the year, the estimates of resources do not come up to the expectation, it may be necessary for the Government to slow down the spending programme. Further, there may be cases where the Ministries are permitted to spend more than the Revised Estimates (RE) in case the post RE estimates require such dispensation. There, RE being less than Budget Estimates, can be a manifestation of the slow progress rather than a cause of slow progress. Besides, when the Parliament approved the budget, it also casts a responsibility on the Government to see that the expenditure is incurred with due observance of the Statutory Rules. The pre-approval proposal procedure seeks to ensure that the expenditure is incurred with economy and effectiveness as otherwise it would invite strictures from the Audit and from the Public Accounts Committee of the Parliament. Therefore, these procedures need not be viewed as obstacles to expenditure, much less an attempt to defy the will of the Parliament. However, drawing inspiration from the observations of the Committee, the Department of Agriculture & Cooperation will continue to strive to ensure to live upto its expectations.

Comments of the Committee

4.3 For Comments of the Committee please refer to Para No. 1.6 of Chapter I of this Report.

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

Recommendation (Sl. No. 6, Para No. 17.6)

4.4 The Committee have recommended last year that the Department of Agriculture and Cooperation should draw up more programmes/schemes exclusively for the North East to the value of 10% of their total plan allocation in view of the commitment made by the then Honourable Prime Minister to this effect in November, 1996. Even in the Budget Speech last year, the present Finance Minister had mentioned about the creation of a non-lapseable Central Resources Pool for deposit of funds from all the Ministries where the plan expenditure on the North Eastern Region is less than 10% of the total plan allocation of the Ministry. The difference between 10% of the plan allocation and the actual expenditure incurred on the North

Eastern Region will be transferred to the Central Resources Pool which will be used for funding specific programmes for the economic upliftment of the North Eastern States. In spite of these assurances, the Committee find that the Department of Agriculture and Cooperation was able to ensure the release of funds only to the extent of 5.58% in 1997-98 and to the extent of 5.03% in 1998-99. For the year 1999-2000, the State-wise allocation of funds has not been done so far. The Committee, therefore, recommend that at least in the year 1999-2000, the Department of Agriculture and Cooperation should make concerted efforts to earmark at least 10% of the plan funds in favour of schemes meant for the North East. The Committee also desire that all the schemes for the North Eastern States should be hundred per cent centrally funded with no stipulation for any contribution from the State Governments to the schemes, as these States are facing special problems and are already facing resource crunch.

Reply of the Government

4.5 The Department has decided that for the current year the concerned Divisions should allocate at least 12% of the provisions, for schemes in the North East region. In the past, it has not been possible to make 10% allocation for all the States in the North East region in the past because of the fact that all the schemes are not operational in that region. Consequently, the Department has agreed to surrender about 5% of its allocation to the Non-lapseable Central Resource Pool for the North East region for 1998-99 to meet the shortfall in allocation for these States for that year.

Comments of the Committee

4.6 For Comments of the Committee please refer to Para No. 1.9 of Chapter I of this Report.

Non-Availability of Quality Seeds

Recommendation (Sl. No. 8, Para No. 17.8)

4.7 The Committee have been recommending that the Government should formulate a scheme whereby plots are identified in each village and taken on rent by Governmental and Non-Governmental Seed Growing Agencies to undertake production of location specific quality seeds on these plots for onward supply to the farmers locally. The Committee are disappointed to find that no such scheme has been

conceived by the Government and as such no provision has been made in the Demands for Grants for such a scheme. In reply to the recommendation of the Committee to this effect made last year, the Government had taken the plea that this scheme is not necessary, as a number of Central schemes envisage the seed village components in them and the private sector is also taking up production of considerable quantity of quality seeds. But the reality of the situation is that the farmers do not get quality seeds in time from the Governmental agencies implementing those central schemes mentioned above and the quality of seeds supplied by the private sector is also not reliable. Keeping in view this ground reality, the Committee recommend that the Government should look at this proposal once again in the light of the ground realities and take a positive action in the matter at least by making a beginning on an experimental basis in some chosen blocks of the country.

Reply of the Government

4.8 It is true that farmers were finding it difficult to get quality seeds in time from Governmental agencies and quality of seeds supplied by the private sector is also not reliable. To overcome this problem, Government has taken some initiatives in the IX Plan, which will ensure timely availability of quality seeds to our farmers. Some of these steps are:

— Formulation of a Scheme for Establishment of Seed Bank with the object of maintenance of breeder foundation & certified seeds of different crops.

— Pilot Scheme for Seed Crop Insurance. Some of the ongoing schemes like Production of foundation & certified seeds to North-Eastern States have been further strengthened keeping in view the objective of ensuring timely availability of quality seeds to farmers.

— The availability of Seeds is reviewed by the Ministry before every sowing season with the officers of State Government and Seed producing agencies *i.e.* N.S.C. and State Seeds Corporations to make tie-up arrangements for the needy States. This Department has also initiated action for Seed Policy Reforms under which existing provisions of Seeds

Legislation such as Seeds Act 1966, Seed Quality (Control) Order 1983, New Policy on Seed Development for Import of Seeds and other issues relating to production, distribution of seeds and maintenance of their quality are being reviewed to ensure timely availability of quality seeds to farmers.

Further it is stated that under the Oilseeds Production Programme and National Pulses Development Project (Centrally Sponsored Schemes of this Department), assistance is provided to the Seed Producing agencies for the production of certified seeds under the Seed Village Scheme. The Seed Village Scheme is an approved component for both Eighth & Ninth Plans. An assistance of Rs. 200/- per quintal was being provided during Eighth Plan whereas the rate of assistance is proposed to be revised to Rs. 500/- per quintal during Ninth Plan which is awaiting the approval of Cabinet Committee on Economic Affairs (CCEA).

Comments of the Committee

4.9 For Comments of the Committee please refer to Para No. 1.12 of Chapter I of this Report.

CHAPTER V

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

Inadequate Ninth Plan outlay and annual plan outlays

Recommendation (Sl. No. 1, Para No. 17.1)

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

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

Reply of the Government

5.2 A similar recommendation was made by the Committee during 1998-99 as well. At that time both the Ministry of Finance and Planning Commission had agreed to keep this recommendation in view while allocating resources for the agriculture sector. We had taken up the matter again with the Planning Commission about the inadequacy of the Plan allocation for 1999-2000. But the Planning Commission have replied that they are not in a position to increase the allocation for the 1999-2000 beyond Rs. 1941 crores.

The Department of Agriculture & Cooperation has taken up the matter to the Planning Commission and Ministry of Finance again at the R.E. stage.

Poor Utilisation of Plan Funds

Recommendation (Sl. No. 4, Para No. 17.4)

5.3 The Committee note that the Department of Agriculture and Cooperation could utilise only Rs. 1,222.41 crores against the plan

budgetary allocation of Rs. 1,431 crores during the year 1997-98, while they have brought down their plan estimates from Rs. 1,956 crores to Rs. 1,378.41 crores at the Revised Estimates stage for the year 1998-99. The reduction is of the order of Rs. 577.59 crores which amounts to 29.53% of the original estimates. During the Eighth Plan Period also, the Department could utilise only Rs. 6,296 crores out of an allocation of Rs. 6,800 crores. The Committee have been informed that the decrease in allocation at the Revised Estimates stage in the year 1998-99 was mainly attributable to the non-clearance of the new schemes which were proposed for the Ninth Plan. Some of the important new schemes that suffered in the process are: (1) The Technology Mission on Cotton; (ii) the Experimental Crop Insurance Scheme; (iii) The On-farm Water Management Scheme in Eastern States for increasing Production. Even in respect of some ongoing schemes, namely, The National Watershed Development Project, Fruit and Vegetables, Medicinal and Aeromatic Plant Sector, Integrated Spices Sector, reductions were made at the Revised Estimates stage, because of the factors like balance available with the State Governments from the previous year, capacity of the implementing agencies to utilise funds, fulfilment of procedural requirements, actual need or the scheme etc. The Committee find that the Department furnished the same set of reasons even during the last year to justify the reduction made at the Revised Estimates stage. The Committee find that most of the reasons spelt out relate to the performance by the State Governments and these have been advanced in the past few years as reasons for under-utilisation of funds. The Committee, therefore, recommend that the Department of Agriculture and Cooperation should analyse the causes behind the factors mentioned above that lead to under-utilisation of funds and find out proper remedial measures and administrative reforms in order to ensure proper utilisation of funds and to hold the States accountable for the proper and timely utilisation of funds. The Committee are afraid that if some serious emergent work for introducing reforms in the manner in which the centrally sponsored schemes and programmes are administered by the States is not undertaken now on the basis of the experience gained earlier, all planned efforts to improve the pitiable lot of the poor farmers will come to a nought. It is high time that systemic changes are introduced in the existing Governmental machinery both at the Centre and in the States for the purpose of implementing the Central Schemes so that the country is taken on the planned path of development.

Reply of the Government

5.4 One of the reasons for poor utilisation of funds by Department of Agriculture & Cooperation is the large amount of unspent balances lying with many State Governments. It has been found that these State Governments do not release funds in time to their implementing agencies. They also do not provide sufficient counter part funds in State budgets to meet their portion of the commitments to implement various centrally sponsored plan schemes. This issue has been taken up with State Governments recently in pursuance of the recommendations contained in para 67 of the Twentieth Report of the Parliamentary Standing Committee on Demands for Grants of the Ministry of Finance for 1999-2000.

Proposal for Central Agriculture Service

Recommendation (Sl. No. 7, Para No. 17.7)

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

Reply of the Government

5.6 The recommendations for creation of Central Agriculture Service are under examination in this Department.

Delay in Launching of Technology Mission on Cotton

Recommendation (Sl. No. 15, Para No. 17.15)

5.7 The Committee are distressed to find that Technology Mission on Cotton announced by the Finance Minister in the budget speech of 1997-98, has not yet been approved for final release of funds. There

were large scale suicides by farmers who suffered massive losses due to failure of cotton crop in the recent past. It was in this background that the Technology Mission on Cotton was announced to be undertaken on Mission-Mode for improving cotton production. The Committee therefore recommend that the Technology Mission on Cotton should be implemented positively during this year to fulfil the commitment made to the nation by Finance Minister in his Budget speech.

Reply of the Government

5.8 Action to formulate the Technology Mission on Cotton was initiated in mid 1997 in consultation with concerned Ministries/ Departments. The proposed scheme was approved by the Expenditure Finance Committee (EFC) on 7th April, 1999 subject to approval of the outlays by the Planning Commission. The approval of Planning Commission was subsequently obtained and the note on the Scheme for Cabinet Committee on Economic Affairs (CCEA) has been prepared and has been sent for approval of Ministry of Textiles before sending to CCEA for approval.

Training of Women in Agriculture

Recommendation (Sl. No. 26, Para No. 17.26)

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

Reply of the Government

5.10 Six States of the country are covered by the externally aided projects of Training of Women in Agriculture (with Danish and Dutch assistance). It is proposed to extend the "Central Sector Scheme of Women in Agriculture" to all the remaining States/UTs in a phased manner.

A project proposal for the extension of the Central Sector Scheme of "Women in Agriculture" to 19 States/UTs covering 28 districts was formulated. While the process to hold an EFC meeting had been initiated. Planning Commission unilaterally decided to drop the Scheme in light of the proposed convergence of various schemes/programmes for Women Self Employment in the Department of Rural Development, Women and Child Development and Agriculture Sector.

The intervention of Hon'ble Minister of State for Agriculture has been sought and letter emphasising the need to continue and expand the scheme has been sent to Deputy Chairman, Planning Commission. The response/reply of Planning Commission is still awaited. (Copy of the letter is at Annexure II)

A letter from the level of Additional Secretary has been sent to Principal Advisor (Agriculture), Planning Commission to support the expansion of the Scheme during the IXth Plan period to other States in the light of the Recommendation of the 18th Report of the Lok Sabha Secretariat on Demands for Grants (1999-2000) of DoAC (copy of the letter is at Annexure-III). Response is awaited.

Restructuring of National Cooperative Development Corporation

Recommendation (Sl. No. 29, Para No. 17.29)

5.11 The Committee have been informed that an Expert Group has recommended financial and administrative restructuring of the National Cooperative Development Corporation (NCDC) to widen its activities and strengthen its financial base. One of the recommendations of the Group is that the exemption from payment of income tax which was

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

Reply of the Government

5.12 The Indian Institute of Management (IIM), Ahmedabad conducted an organisation and management study of NCDC. The Committee of Secretaries (CoS) in its meeting held on 26.9.1997 considered the above report and also discussed the resource base of NCDC and felt the necessity of its revitalisation. The Department of Agriculture & Cooperation, Ministry of Agriculture, Government of India constituted an Expert Group in March, 1998 for revitalising the NCDC under the Chairmanship of Shri J.N.L. Srivastava, Additional Secretary, DoAC. The Expert Group submitted its Report in August, 1998.

The Report of Expert Group was examined in DoAC on 29th December, 1998. In order to operationalise the recommendations of the Expert Group, a Steering Group has been set up by the Ministry of Agriculture, Department of Agriculture & Cooperation, Government of India in January, 1999 under the Chairmanship of Shri R.C.A. Jain, Additional Secretary. The Steering Group has examined the recommendations of Expert Group and the Report is ready for submission.

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

Recommendation (Sl. No. 30, Para No. 17.30)

5.13 The Committee note that some of the new schemes of the Ninth Plan, namely, Development of Reservoir Fisheries through Cooperatives in Selected States, Development of Wool Processing and Industrial Cooperatives, have not been taken up during 1998-99 and as such no expenditure was incurred. The Committee have been informed that the Expenditure Finance Committee is yet to approve the schemes. The Committee feel that the new schemes, which relate to the poor persons employed in the rural areas, should not be delayed due to the need for observance of routine procedural formalities. Since two years of the Ninth Plan Period are already over without anything being done in favour of the weaker sections of the society, the Committee recommend that the new schemes should be got approved and be operationalised in the first quarter of 1999-2000.

Reply of the Government

5.14 The Cooperation division has proposed the following five schemes to be introduced during the 9th Plan period:—

(a) Janta Personal Accident Insurance Scheme for Labour Cooperatives.

(b) Development of Reservoir Fisheries through Cooperatives in selected States.

(c) Integrated Development of Wool Processing and Industrial Cooperatives.

(d) Annual Collection and dissemination of Cooperative Statistics all over the country.

(e) Strengthening of Cooperative Sector.

The Schemes being newly proposed, need approval of full Planning Commission before finalisation of EFC/SFC Memo. The latest status of the Schemes is as under:—

(a) Janta Personal Accident Insurance Scheme for Labour Cooperatives:—

It is a Central Sector Scheme. The proposal has been sent to the Planning Commission for approval of full Planning Commission. After the approval of the Planning Commission, approval of SFC for an outlay of Rs. 100 lakhs for the 9th Five Year Plan and Rs. 28 lakhs for the current financial year *i.e.* 1999-2000 would be obtained and scheme implemented.

(b) Development of Reservoir Fisheries through Cooperatives in selected States:—

It is a Central Sector Scheme. This also required approval of full Planning Commission. Proposal has been sent to the Planning Commission for approval. An outlay of Rs. 20 crores has been proposed for the 9th Five Year Plan and Rs. 9.50 crores for the current financial year. The SFC will be prepared after the approval of the full Planning Commission.

(c) Integrated Development of Wool Processing & Industrial Cooperatives

The Scheme requires approval of full Planning Commission being the new scheme. It is a Central Sector Scheme and involves plan outlay of Rs. 10.00 crores during the 9th Five Year Plan and Rs. 2.15 crores for the current year. Approval of DAC will be obtained after the approval of full Planning Commission and Scheme will be implemented.

(d) Annual Collection and Dissemination of Cooperative Statistics all over the country:—

The Planning Commission declined to agree to the proposal. Since it is an important scheme, the matter is being taken up

with the Planning Commission again for re-consideration. After the approval of the full Planning Commission, the approval of Standing Finance Committee would be obtained as it involves a budget provision of Rs. 5.00 crores during the 9th Five Year Plan and Rs. 5.00 lakhs for the current year.

(e) Strengthening of Cooperative Sector:—

An outlay of Rs. 15.00 lakhs was proposed for the 9th Five year Plan and Rs. 5.00 lakhs for the current year *i.e.* 1999-2000. It is felt that such proposals which involve small amount should not be made. The Planning Commission has also advised that the scheme may be merged with some other scheme of the Cooperation Division. The proposals has, therefore, been dropped.

NEW DELHI;
March, 2000
Phalguna, 1921 *(Saka)*

S.S. PALANIMANICKAM,
Chairman,
Standing Committee on Agriculture.

ANNEXURE I

No. 11-7/99—FC
Government of India
Ministry of Environment and Forests
F.C. Division

Paryavaran Bhawan,
CGO Complex, Lodhi Road,
New Delhi—110 003.

Dated: 4th June, 99

To,

Dr. H.P. Singh
Horticulture Commissioner,
Ministry of Agriculture,
Department of Agriculture and Co-operation
Krishi Bhawan,
New Delhi-110 001.

Subject: Recommendations of study group of the Parliamentary Standing Committee on Agriculture (PSCA) in respect of development of Goa.

Sir,

I am directed to refer to your D.O. No. 2-4-/98 — Hort. Dated 22nd April, 99 addressed to the IGF & SS regarding the recommendations of PSCA for Cashew plantation in Goa and subsidy on supply of drip/sprinkler sets for Teak plantations.

As regards, giving special exemption in favour of Goa to enable them to cut down the unproductive senile cashew trees in the forest area and replanting them. I have to inform that no general exemption is required for this. Also this is not desirable. Since cashew is the indigenous species in the Goa forests and the senile cashew trees need to be cut and replanting to be done, the Conservator of Forests, Goa has been requested to deal with this by way of incorporating it in the concerned working plans (copy of letter enclosed).

The item No. 2 regarding subsidy on supply of drip/sprinkler sets for teak plantations is not being dealt in this Ministry and should be considered by the Ministry of Agriculture. It is requested to take necessary action accordingly.

Yours faithfully,

Sd/-
(J.P. Misra)
Assistant Inspector General of Forests

is the largest employer of women and women have traditionally performed many of the vital agricultural operations. Moreover, with rural males being drawn away into higher paying off-farm employment women are increasingly shouldering the burden of the bulk of field activities. It is, therefore, imperative that dissemination of modern agricultural technologies be made to those who are actually engaged in the field operations. In this respect the scheme "Women in Agriculture" has been eminently successful as has been revealed by several studies and evaluations. It is also clear that schemes formulated by Departments/Ministries other than the Department of Agriculture would not be able to serve the cause of empowerment of farm women, having neither the technical expertise, nor the field mechanisms of the State agricultural extension machinery, nor even the traditional linkages with ICAR Institutes and State Agriculture Universities. Taking the onus away from the DAC would in effect defeat the objectives of empowering farm women through access to modern technologies.

We have already incorporated in our several Centrally Sponsored Schemes of crops and horticulture, the involvement of women. Our experience, however, indicates that our pious intentions flounder on the hard reality of the field where weaknesses in the delivery mechanisms prevent the technologies from rapidly reaching women farmers. The extension machinery in most States continues to be predominantly male oriented and is not yet sensitized enough to effectively reach women farmers and labourers. The scheme "Women in Agriculture" has been especially designed with women extension agents to reach women farmers.

As far as rationalisation and convergence of the large number of Centrally Sponsored Schemes in the DAC is concerned, I agree that it must be done. However, I fail to see how it can be made a reason for rejecting the "Women in Agriculture" scheme.

There can be no doubt that true empowerment will be achieved only through rights in land and inheritance. However, social changes and mindsets despite legal provisions take time. In the meanwhile, efforts can be made at empowerment through ensuring that women have access to information, training, skill-upgradation, capacity building, inputs etc., which the scheme endeavours to achieve.

ANNEXURE II

Minister of State for Agriculture
Government of India
Krishi Bhawan
New Delhi-110 001

SOMPAL

D.O. No. 8(16)/98-FWD (Pt.)
April 26, 1999

Respected Pant ji,

I am writing to draw your kind attention to a recent decision of the Planning Commission not to support the on-going scheme entitled "Women in Agriculture" of the Department of Agriculture and Cooperation. In their communication to the Department, the Planning Commission have cited the following grounds for discontinuance of the scheme:

1. That there are other schemes on women being implemented by the Department of Women and Child Welfare and the Ministry of Rural Areas and Employment.

2. Components in the "Women in Agriculture" scheme, such as crop demonstration training/meetings etc. are already covered in the various other Centrally Sponsored Schemes of DAC, on crop production, horticulture, etc.

3. There are already a large number of Centrally Sponsored Schemes being implemented by DAC and there is need for rationalisation and convergence.

4. For true empowerment of rural women it is necessary to push for policy and institutional changes so that women get rights in land.

You will agree that one of the thrust areas of the Ninth Plan is mainstreaming of women in agriculture. Indeed, the agriculture sector

I have also been informed that the 7th Report of the Parliamentary Standing Committee on Agriculture had strongly recommended the expansion of the scheme to other districts/States. The Parliamentary Standing Committee in its meeting on 30th March, 1999 once again reiterated its recommendation of last year.

Considering the importance of the subject, I would strongly urge you to reconsider the decision of the Planning Commission regarding support for the scheme "Women in Agriculture".

With regards.

Yours sincerely,

Sd/-
(SOMPAL)

Shri K.C. Pant,
Deputy Chairman,
Planning Commission,
Yojana Bhawan,
New Delhi.

ANNEXURE III

Additional Secretary
Government of India
Ministry of Agriculture
(Department of Agriculture
& Cooperation)
Krishi Bhawan,
New Delhi-110 001

May 25, 1999

J.N.L. SRIVASTAVA

D.O. No. 8(16)/98-FWD(Pt)

Dear Shri Bagchi,

I would like to draw your attention to the letter written by Hon'ble Minister of Agriculture (copy enclosed) to the Deputy Chairman, Planning Commission regarding the decision taken by the Planning Commission not to support the on-going scheme of "Women in Agriculture" of the Department of Agriculture & Cooperation.

The Hon'ble Minister has emphatically pointed out in his letter that the Scheme "Women in Agriculture" has been eminently successful in the dissemination of modern agricultural technologies to Farm Women, who are actually engaged in the field operations. We have now received the 18th Report on Demands for Grants 1999-2000 of Department of Agriculture & Cooperation which has recommended:

"Training of Women in Agriculture"

17.26 "The Committee are happy to note that under the Scheme of Training of Women in Agriculture which is presently in operation in seven states, the achievements have been remarkably good. The scheme is paying a vital role in empowering women farmers through capacity building, training and skill upgradation and thereby facilitating the process of transfer of technology. The Committee has been informed that EFC Memo of the Scheme to cover more States is still under

consideration, hence, only Rs. 1400 lakhs have been allocated to cover the existing Seven States only. The Committee, therefore, recommends that the Scheme should be extended to all the States and Union Territories and immediate clearance should be given to the scheme alongwith enhanced budgetary provision at the revised estimate stage for the purpose, as the technology transferred to women farmers has the greatest potential to ensure technology adoption in full."

Considering the importance of the Scheme for transfer of technology to women farmers and thereby their empowerment. I would strongly urge you to reconsider the decision of the Planning Commission and to support the Scheme "Women in Agriculture", for implementation during 9th Plant period.

With regards,

Yours sincerely,

Sd/-
(J.N.L. SRIVASTAVA)

Shri D.P. Bagchi
Principal Adviser (Agriculure)
Planning Commission
Yojana Bhawan
New Delhi.

APPENDIX I

MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON AGRICULTURE HELD ON MONDAY THE 28TH FEBRUARY 2000 IN COMMITTEE ROOM C, PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1500 hrs. to 1730 hrs.

PRESENT

Shri S.S. Palanimanickam

MEMBERS

Lok Sabha

2. Shri Ramdas Rupala Gavit
3. Shri Shivaji Vithalrao Kamble
4. Shri Y.G. Mahajan
5. Shri Jagannath Mallick
6. Shri M. Master Mathan
7. Shri Prakash V. Patil
8. Shri Adi Shankar
9. Shri Rampal Singh
10. Shri Zora Singh
11. Shri Bhal Chandra Yadav

Rajya Sabha

12. Shri Devi Prasad Singh
13. Shri Khagen Das
14. Shri Sharief-Ud-Din Shariq
15. Shri Devi Lal

SECRETARIAT

1. Dr. (Smt.) Pramjit Kaur Sandhu	—	Director
2. Shri Raj Shekhar Sharma	—	Deputy Secretary
3. Smt. Anita Jain	—	Under Secretary
4. Shri K.L. Arora	—	Assistant Director

At the outset, Chairman (AC) welcomed the Members to the sitting of the Committee and requested them to take up for consideration the Draft Action Taken Reports on Demands for Grants (1999-2000) of the following Ministries/Departments coming under the purview of the Standing Committee on Agriculture:

1. **M/o Agriculture**

   (i) Department of Agriculture & Co-operation

   (ii) Department of Agricultural Research & Education

   (iii) Department of Animal Husbandry & Dairying

   (iv) Department of Food Processing Industries

2. **M/o Water Resources**

3. The Committee considered the Draft Action Taken Reports one-by-one and adopted the Reports with minor additions/modifications.

4. The Members of the Committee thereafter authorised the Chairman to present the modified and adopted Action Taken Reports on Demands for Grants (1999-2000) of all the above mentioned five Ministries/Departments to the House on a date and time convenient to him.

5. The Members also authorised the Chairman to include some more subjects of national importance for detailed examination and report by the Committee 1999-2000 in addition to those already selected by the Committee in its sitting held on 10th February, 2000.

6. The Committee then adjourned.

APPENDIX III

[*vide* Para 4 of Introduction of the Report]

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE 18TH REPORT OF THE STANDING COMMITTEE ON AGRICULTURE (12TH LOK SABHA)

(i)	Total Number of Recommendations	31
(ii)	Recommendations/Observations which have been accepted by the Government	
	Serial Nos. 3, 5, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20, 21, 24, 25, 27, 28 & 31.	
	Total	20
	Percentage	64.6%
(iii)	Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies	
	Serial No. 22	
	Total	1
	Percentage	3.2%
(iv)	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee	
	Serial Nos. 2, 6 & 8	
	Total	3
	Percentage	9.6%
(v)	Recommendations/Observations in respect of which final replies of the Government are still awaited	
	Serial Nos. 1, 4, 7, 15, 26, 29 & 30	
	Total	7
	Percentage	22.6%