

COMMITTEE ON AGRICULTURE
(2010-2011)

FIFTEENTH LOK SABHA

MINISTRY OF AGRICULTURE
(DEPARTMENT OF AGRICULTURE & CO-OPERATION)

DEMANDS FOR GRANTS (2011-2012)

TWENTY SECOND REPORT



LOK SABHA SECRETARIAT
NEW DELHI

AUGUST, 2011/ BHADRAPADA, 1933 (Saka)

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Presented to Lok Sabha on 29.08.2011

Laid on the Table of Rajya Sabha on 29.08.2011



LOK SABHA SECRETARIAT
NEW DELHI

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COMPOSITION OF THE COMMITTEE ON AGRICULTURE (2010-2011)

Shri Basudeb Acharia - Chairman

MEMBERS

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SECRETARIAT

1. Shri Deepak Mahna - Joint Secretary
2. Shri P.V.L.N. Murthy - Director
3. Shri P. C. Koul - Additional Director
4. Shri C. Vanlalruata - Deputy Secretary

INTRODUCTION

I, the Chairman, Committee on Agriculture, having been authorized by the Committee to submit the Report on their behalf, present this Twenty Second Report on the Demands for Grants (2011-2012) of the Ministry of Agriculture (Department of Agriculture & Co-operation).

2. The Committee under Rule 331E(1)(a) of the Rules of Procedure considered the Demands for Grants (2011-12) of the Department of Agriculture and Co-operation, which were laid on the table of the House on 17 March, 2011. The Committee took evidence of the representatives of the Department of Agriculture & Co-operation, Ministry of Chemicals and Fertilizers (Department of Fertilizers) and the Planning Commission at their Sitting held on 25 April, 2011. The Committee wish to express their thanks to the officers of the Department of Agriculture & Co-operation, Ministry of Chemicals and Fertilizers (Department of Fertilizers) and the Planning Commission for appearing before the Committee and furnishing the information that they desired in connection with the examination of Demands for Grants of the Department.

3. The Report was considered and adopted by the Committee at their Sitting held on 26 August, 2011.

4. For facility of reference, the Observations/Recommendations of the Committee have been printed in bold letters at the end of each Chapter of the Report.

NEW DELHI;
26 August, 2011
4 Bhadrapada, 1933 (Saka)

BASUDEB ACHARIA
Chairman,
Committee on Agriculture

ABBREVIATIONS

ACA	Additional Central Assistance
AE	Advance Estimates
ATMA	Agriculture Technology Management Agency
BIFR	Board for Industrial and Financial Reconstruction
CACP	Commission for Agriculture Costs and Prices
CCE	Crop Cutting Experiments
CCEA	Cabinet Committee on Economic Affairs
CRS	Community Radio Stations
CSO	Central Statistics Office
DAC	Department of Agriculture and Cooperation
EFC	Expenditure Finance Committee
FQCLs	Fertilizer Quality Control Laboratories
GDP	Gross Domestic Product
ISRO	Indian Space Research Organisation
KVKs	Krishi Vigyan Kendras
MMA	Macro Management of Agriculture
NAFED	National Agricultural Co-operative Marketing Federation of India Limited
NCDC	National Co-operative Development Corporation
NFSM	National Food Security Mission
NCUI	National Cooperative Union of India
NER	North Eastern Region
NPMSHF	National Project on Management of Soil Health and Fertility
RIDF	Rural Infrastructure Development Fund
RKVY	Rashtriya Krishi Vikas Yojana
STLs	Static/Mobile Soil Testing Laboratories
ToR	Terms of References
UCs	Utilization Certificates
USDA	United States Department of Agriculture

CHAPTER – I

IMPLEMENTATION OF COMMITTEE'S RECOMMENDATIONS

The Sixth Report of Committee on Agriculture on Demands for Grants (2010-11) of the Ministry of Agriculture (Department of Agriculture and Cooperation) was presented to the Lok Sabha on 24 April, 2010. The Report was laid on the Table of Rajya Sabha on the same day.

1.2 In terms of Direction 73 A of Directions by the Speaker, Lok Sabha the Minister of Agriculture and the Minister of Consumer Affairs, Food and Public Distribution made a Statement in the Lok Sabha on 30 November, 2010 giving the status of implementation of various Recommendations made by the Committee in their Sixth Report.

1.3 On the basis of Action Taken Notes received from the Department in respect of the above Report on 19 July, 2010, the Committee presented their Seventeenth Report to the Lok Sabha on 24 March, 2011. The Report was laid on the Table of Rajya Sabha on 25 March, 2011. Out of the 18 Recommendations of the Committee, 12 have been accepted by the Government. Replies to two Recommendations viz. Para Nos.1.33 and 2.50 were of interim nature. The Committee commented upon the Action Taken Notes furnished by the Government in respect of Recommendations at Para Nos. 1.30, 1.33, 1.37, 2.45, 2.50 and 2.51 in the Original Report.

1.4 The Committee note that the Action Taken Notes regarding the action taken by the Government on Recommendations contained in the Sixth Report of the Committee were furnished by the Government within the stipulated three months. Similarly, the Statement of the Minister under Direction 73 A was made within the stipulated six months period. The analysis of the action taken by the Government reveals that 67% Recommendations have been implemented. 22% Recommendations have not been implemented and 11% of Recommendations are in various stages of implementation. The Committee expect the Government to take conclusive action in the context these six Recommendations and furnish further action taken notes to the Committee expeditiously.

CHAPTER – II

OVERVIEW

(i) Introductory

Agriculture sector is vital for the food and nutritional security of the nation. The sector remains the principal source of livelihood for more than 58% of the population though its contribution to the national GDP has declined to 14.4% (at 2004-05 prices) due to high growth experienced in industries and services sectors. Compared to other Countries, India faces a greater challenge, since with only 2.3% share in world's total land area, it has to ensure food security of its population which is about 17.5% of world population. This leads to excessive pressure on land and fragmentation of land holdings. Against the backdrop of the burgeoning population's demands for foodgrains, degrading natural resource base, emerging concerns of climate change and other challenges, the Department of Agriculture and Cooperation (DAC) have focused on mobilizing higher investment in agriculture, bridging yield gaps that exist across the States/ regions, timely and adequate supply of quality inputs, and providing adequate support services to the farmers to make agriculture a remunerative vocation on a sustainable basis. Increasing agricultural production with limited natural resources in a sustainable manner for ensuring food and nutritional security and providing income security to farmers are the major challenges before the Government.

2.2 Agriculture sector has touched a growth rate of 6.6% in the second quarter of 2010-11. The sector witnessed a growth of 5.1 per cent in 2005-06, 4.2 per cent in 2006-07, 5.8 per cent in 2007-08, (-) 0.1 percent in 2008-09 at 2004-05 prices. The low growth rate of 0.4 percent recorded by this sector in 2009-10 was mainly due to poor rainfall in 2009. As per the Revised Estimates (RE) of Central Statistics Office for the year 2010-11, there has been a continuous decline in the share of agriculture in the GDP from 17.4 per cent in 2006-07 to 14.4 percent in 2010-11. Falling share of agriculture in GDP according to the Department is an expected outcome in a fast growing and structurally changing economy.

(ii) Overview of Demands

2.3 Demand No. 1 pertaining to the Department of Agriculture & Co-operation for the year 2011-12 was presented to the Lok Sabha on 17 March, 2011. It provides for implementation of various Central Sector, Centrally Sponsored and State Plan Schemes, for Plan and Non-Plan activities.

2.4 The macro-level break-up of Demand No. 1 is given below :

(Rs. in Crore)			
Section	Plan	Non-Plan	Total
REVENUE			
Voted	17051.27	399.40	17450.67
Charged	-	-	-
CAPITAL			
Voted	71.60	0.60	72.20
Charged	-	-	-
GRAND TOTAL	17122.87	400.00	17522.87

2.5 The total allocation for Department of Agriculture & Co-operation is Rs. 17522.87 crore for the Fiscal 2011-12. Out of this Rs. 17051.27 crore and Rs. 399.40 crore are on Plan and Non-Plan sides respectively under the Revenue Section. Similarly, Rs. 71.60 crore and Rs. 0.60 crore are on the Plan and Non-Plan sides respectively under the Capital Section.

2.6 The comparison of Revised Estimates for the year 2010-11 and Budget Estimates for 2011-12 is given in the table below:

(Rs. in crore)

	RE 2010-11		BE 2011-12	
	Plan	Non-Plan	Plan	Non-Plan
REVENUE	17194.59	441.09	17051.27	399.40
CAPITAL	59.41	0.39	71.60	0.60
Total	17254.00	441.48	17122.87	400.00
GRAND TOTAL	17695.48		17522.87	

The Revenue Section (Plan Side) for 2011-12 shows a marginal decrease from Rs. 17194.59 crore RE 2010-11 to Rs. 17051.27 crore. The same holds true for Non-Plan Side where in comparison to RE 2010-11 of Rs. 441.09 crore, the current allocation is only Rs. 399.40 crore. The BE for 2011-12 in the Capital Section Plan Side is Rs. 71.60 crore, in comparison to RE 2010-11 of Rs. 59.41 crore. On the Non-Plan Side the RE 2010-11 of 39 lakh has been increased to Rs. 60 lakh for 2011-12.

(iii) **Plan Allocation**

2.7 For the Eleventh Plan the Department of Agriculture and Cooperation proposed an outlay of Rs.51,052.12 crore against which they have been allocated Rs. 66,577.00 crore. The allocation and expenditure for the Eleventh Plan period till date is as under :-

Year	BE	RE	(Rs. in crore)
			Expenditure/ Release
2007-08	5560.00	6927.94	7058.50
2008-09	10105.67	9865.68	9530.30
2009-10	11307.07	10965.23	10870.15
2010-11	15042.00	17254.00	17051.44*
2011-12	17122.87	-	-
Total	59137.61	45012.85	44510.39

* Provisional

2.8 During the Fiscal 2010-11 the BE of Rs. 15042.00 crore was enhanced to Rs. 17254.00 crore at Revised Estimates stage and provisional Actual Expenditure witnessed is Rs. 17051.44. The Plan Outlay of 2011-12 has been pegged at Rs. 17122.87 crore which is an enhancement of 13.83% in comparison to BE 2010-11 but slightly less than RE 2011-12 of Rs. 17254 crore.

2.9 In response to a query regarding allocation of funds not being commensurate with the approved outlay of Rs. 66577 crore and remedial action initiated by them, the Department in their written submission stated that the actual expenditure for the first four years of XI Plan comes to Rs.44,510.39 crore against the BE of Rs.42,014.74 crore. This, together with the BE of Rs.17,122.87 crore for 2011-12 adds upto Rs. 59,137.61 crore which is 88.83% of approved outlay for the Eleventh Plan. The BE for

2011-12 may be increased at RE (2011-12) stage, depending upon the requirement, pace of expenditure and overall availability of resources. The Department has been in regular touch with the Planning Commission and the Ministry of Finance to ensure that their requirement of funds is met. Due to these efforts, the allocation to the Department during 2010-11 increased from the BE of Rs.15042 crore to the RE of Rs.17254 crore.

2.10 Regarding under-utilisation of allocated funds during the first four Fiscals of the current Plan period, the Committee were informed that the actual expenditure during the first four years of the XIth Plan was Rs.44,510.39 crore against the BE of Rs.42014.74 crore. Moreover, major flagship programmes such as Rashtriya Krishi Vikas Yojana (RKVY) and National Food Security Mission (NFSM) were introduced during the Eleventh Five Year Plan. Some other major programmes like National Horticulture Mission and Micro Irrigation were introduced at the fag end of the Tenth Five Year Plan. These programmes took some time to take off and have now gained momentum as evident from the level of expenditure during 2010-11. The Department have requested State Governments / implementing agencies to gear up their machinery to increase the pace of expenditure so that the allocation to the Department could be enhanced during RE 2011-12.

2.11 While tendering evidence before the Committee, the representative of the Department added further in this regard :

“Sir, I would like to mention that thanks to the support of the Committee we have been getting from year to year, the Plan Budget allocation for agriculture has been consistently going up. In the year 2007-08, we had a budget estimate of Rs. 5560 crore which steadily went up to Rs. 15,042 crore in 2010-11. In fact in 2010-11, later on, because of the severe drought of 2009-10, the estimates were revised to Rs. 17,254 crore. The Budget has increased by about three

times during this plan period. The utilisation of funds has also been reasonably good. In 2007-08, in fact, with respect to RE, the utilisation was almost 102 per cent. In 2008-09, it was 96.6 per cent. In 2009-10, it was 99.13 per cent. In 2010-11, it was 98.83 per cent”.

2.12 The Committee desired to know the reasons for last year's BE of Rs. 15042.00 crore being enhanced at RE stage to Rs. 17254.00 crore. In response, Ministry stated that the BE for 2010-11 was enhanced at RE stage mainly to settle the claims of farmers under the National Agriculture Insurance Scheme (NAIS) to compensate them for crop losses suffered due to widespread drought in the Country during Kharif 2009. This led to enhancement in the allocation for crop insurance schemes by Rs.2092 crore. Further, the allocation under ISOPOM Scheme was enhanced by Rs.155.17 crore to give a fillip to oilseeds production. Minor modifications were also made in the allocations of some other Schemes.

2.13 Observing that the BE for the current Fiscal was kept at Rs. 17122.87, which was lower in comparison to RE of 2010-11 at Rs. 17254.00 crore, the Committee enquired the rationale for the same, to which, the Department stated that the BE for 2011-12 has been pegged at Rs.17122.87 crore after taking into consideration the requirement of Department and the overall availability of resources. The allocation for implementation of National Agriculture Insurance Scheme has been reduced by Rs.2112 crore, since far lower crop compensation claims are expected for payment due to fairly well distributed monsoon rainfall during 2010-11.

2.14 The Department of Agriculture and Co-operation has proposed an outlay of Rs. 17502.00 crore for the Annual Plan 2011-12, against which the Planning Commission have approved Rs. 17122.87 crore, which is inclusive of State Plan

Schemes. Out of this approved Outlay, 10% has been earmarked for the North-Eastern States as per standing guidelines.

(iv) New Schemes

2.15 The Department of Agriculture and Co-operation have furnished a statement highlighting New Schemes introduced in the current Five Year Plan alongwith their current status:

New Schemes introduced in Eleventh Plan

Sl.No.	Name of Scheme	Status	
1.	Rashtriya Krishi Vikas Yojana	Approved in August 2007	Implemented
2.	National Food Security Mission	Approved in September 2007	Implemented
3.	Weather Based Crop Insurance Scheme	Approved in August 2007	Implemented
4.	Post Harvest Technology and Management	Approved in 2008	Implemented
5.	National Rainfed Area Authority	Approved in 2008	Implemented
6.	National Project on Management of Soil Health & Fertility	Approved in 2009	Implemented
7.	Replanting and rejuvenation of Coconut Gardens	Approved in 2009	Implemented
8.	Grant to CDB for Coconut Palm Insurance Scheme	Approved in 2009	Implemented
9.	Pilot Modified National Agriculture Insurance Scheme	Approved in 2010	Implemented
10.	Implementation of Global Plan of Action (External Aided Project)	Approved in 2010	Implemented
11.	National e-Governance Plan-Scheme	Approved in 2010	Implemented
12.	National Mission on Seed	Under consideration	
13.	Rehabilitation and reconstruction of Cooperative	Under consideration	
14.	Interest subvention on loans provided by NCDL to Coops.	Under consideration	
15.	Support to NAFED	Under consideration	

2.16 When asked about the reasons for delay in getting requisite approvals/clearance for the above 11 Schemes, the Department in their written submission stated that introduction of any new scheme is through the established procedure of formulation in the Department in consultation with various stake holders which is then appraised by other concerned Departments/Ministries of the Government and Planning Commission. Thereafter, the proposal is evaluated through EFC after which approval of Cabinet/CCEA is obtained. Thus, no scheme is introduced without prior approval of the Government. They further stated that the Department of Agriculture & Cooperation appreciates the view of Hon'ble Committee and the same will be impressed upon the various appraising and approving agencies so as to obtain expeditious clearances for new Schemes in future. The Department will regularly monitor the status of new Schemes.

2.17 When queried by the Committee about the reasons for delay in implementation of all the new Schemes introduced in the Eleventh Plan, the representative of all the Department replied :

“There are a few schemes which were announced but they could not be introduced or have been introduced recently. One was, if you recall, the Modified National Agriculture Insurance Scheme which finally got introduced last year on a pilot basis in 50 districts. That was pending consideration in the Planning Commission and the Finance Ministry. One of the main reasons for delay was to decide whether it should be part of the Plan or Non-Plan. But fortunately we have been able to introduce that in approximately 50 districts and the response has been good. We could introduce it in the last Rabi season”.

“.....The second was, Rainfed Area Development Programme which got delayed. It has now received approval and we had issued the guidelines towards the end of last year. There again, the decision took time because now the Department of Land Resources handles all the watershed programmes and the Department of Agriculture is looking after only the remnant of the watershed programmes under micro management. They have the budget for watershed development. So, the thinking in the Planning Commission was this. Why does the Agriculture Department have to look after the Rainfed Area Development

Programme? When the watershed is being developed by the Ministry of Rural Development, let them handle it. So, this debate was going on. Finally, we had a meeting in the Planning Commission with both the members, with both the Secretaries and we were able to convince the Planning Commission that on the area development part, on the agriculture part, Rural Development Ministry does not have the expertise. So, it is only the State Agriculture Department people or our Agriculture Department people who will be able to guide the farmers.

So, finally it was decided that they will handle the watershed and on the watershed, the development of the agriculture part will be handled by us and the Scheme was cleared. But it took some time. It got cleared only last year and that too almost in the end of the year”.

“.....Another Scheme which got delayed somewhat because clearances could not come in time is the National E-Governance Plan which is a very critical thing for extension. The pilot scheme for seven States has now been cleared finally and we are under implementation since the end of last year. So, these are the schemes where the take off was slow.

The other important scheme which we still do not have clearance is the National Mission on Seed. A very eminent scientist Dr. P.L. Gautam who had been assigned the task to look at the seed sector and suggest what should be done, had given a report two or three years back and we have been working on the Seed Mission since then. In fact, when I mentioned that we will continue with a few schemes in the next Plan, one scheme is the National Seed Mission, and there we have the in principle clearance of the Planning Commission but we could not get the clearance of EFC and the Cabinet last year. Since we now have the in principle clearance, we will be able to introduce it at least in the last year of this Plan”.

(v) Planning for Twelfth Five Year Plan

2.18 The Committee observed that most of the under utilization of funds, staggering of Schemes, slippages of cost and timelines during the course of the Eleventh Five Year Plan were attributable to the inherent delay prevalent in the current system of planning and approval of Schemes. They, therefore, desired to know the steps initiated/advance preparatory action taken by the Department in tandem with the Planning Commission, Ministry of Finance, other Ministries/Departments and concerned agencies with a view to ensure that the Twelfth Plan Document is finalized well before 1 April, 2012 i.e. the day on which the said Five Year Plan commences. The Department in their written submission stated that Planning Commission has already initiated work to finalize the

XII Five Year Plan. Planning Commission has constituted a number of Working Groups for Agriculture & Allied Sector in this regard. The concern of Hon'ble Committee has already been communicated to the Planning Commission.

2.19 To a pointed query in this regard during the Oral Evidence, the representative of the Department stated:-

“Sir, in fact, the Planning Commission has already set up the working groups for agriculture and allied sectors. I think, the meetings will start this month itself. I am also a member on one of the committees. So, this time they have started this exercise almost a year ahead. The second thing is that even before they started on this exercise, they had asked us to look at our schemes and take a new approach. We have looked at all our schemes in detail. We spent a lot of time talking to State Governments and among the divisions and we are convinced that having these 53 odd schemes is not the best of ideas and therefore, we are reducing them to a few focussed schemes. The National Food Security Mission would be a scheme which will focus only on wheat, rice and pulses. Then, we will have the National Horticulture Mission which will focus on horticulture. There will be a National Mission on Micro Irrigation which will focus on micro irrigation. There will be RKVY Window. Within the RKVY window, there would be one window specifically for infrastructure, for instance farm machinery and others. The other window under RKVY will be non-infrastructure window. Similarly, I think, there will be just about ten schemes and that will help us monitor better and that will help the Joint Secretaries, who are the Divisional Heads, to monitor much better. We think the performance of the Plan will dramatically improve because what happens now is that farm machinery is provided under so many schemes. It is provided under macro management of agriculture, it is in NFSM, it is in RKVY and also many other schemes. Each Joint Secretary is doing his own work. Then, at that point of time, it will be one window. So, we will know that in regard to farm machinery this is what is going out, out of RKVY Infrastructure Fund or say, soil testing laboratories or fertiliser quality testing laboratories. So, we have tried to scientifically align the activities and then put a scheme on to help that”.

2.20 The representative of the Planning Commission present during the Oral Evidence further added:

“Sir, about a week ago, the hon. Secretary and hon. Member, Planning Commission had a meeting. As you have kindly observed, the rolling out of the 12th Plan will be much quicker. On 21st April, hon. Prime Minister and the full Planning Commission met and in that meeting the issues to be incorporated in the Approach Paper to the 12th Plan were discussed. The full Planning Commission and the hon. Prime Minister have directed us to have a National

Development Council meeting in July. If we hold the National Development Council in July, then perhaps by August or September, we will have the Working Group Reports available with us. The deadline given for the Working Groups for Agriculture and allied sectors, is that they should submit their final report to the Planning Commission by September. After that a Steering Committee will sit for agriculture and allied sectors and the output of the Working Group will be screened by the Screening Committee and we hope by December perhaps the outline of agriculture and allied sector will be made. But in the meanwhile, we will have consultation with the Ministry of Agriculture as the output of Working Groups would start arriving”.

2.21 On being reminded that the Eleventh Plan Document was released in May, 2008 while the Eleventh Plan started in April, 2007 and whether the same would be the fate of the Twelfth Plan, the representative of the Planning Commission replied:

“Sir, I would only like to say that going by the tentative time schedule which we are seeing, we will be much faster”.

2.22 Not being satisfied with the generic reply, the Committee sought specific suggestions to streamline approvals and clearances so that they are in place well before the start of Annual Plan, to which the representative of the Department replied:-

“This was specifically with reference to the schemes which got delayed where we said that we will be monitoring them. If you ask me, my personal idea is that the system that has been followed in RKVY for clearances is the best way out. We have a system; we have tried it out, where we see that the roll out is very fast. This year, an amount of Rs.400 crore was allotted to one scheme; Rs.300 crore was given to pulses scheme, for this and other schemes, Rs.2500 crore was given; they have been cleared through the RKVY window in one month. The schemes were announced on 28th February, and by 30th April, all the guidelines are out. The States have been told; we have discussed it with them; money will be released once they hold the SLSC; here, the roll out is very fast – you are absolutely right; otherwise, there are three stages that are involved in roll out of schemes. It has to first go to the Planning Commission; they have to clear; then, it has to go to EFC, which has to clear; then, it has to go to the CCEA; at each stage you have to consult the Departments concerned. So, my experience is that it takes nothing less than 6-8 months, just to go through this process, whereas in this RKVY process that we have adopted since the last year, the clearance is more or less instantaneous. It does not have to go anywhere and the States can immediately start implementing the schemes. Perhaps the Committee can consider this as an alternative for quickening the process of clearances”.

2.23 He further stated that he had a meeting 10 days back with the Member Agriculture, Planning Commission on restricting of schemes and the latter had approved the proposal in principle.

(vi) Agriculture GDP

2.24 As one of the world's largest agrarian economies, the agriculture sector contributed approximately 14.4% of India's GDP (at 2004-05 prices) during 2010-11. Gross Domestic Product (GDP) of Agriculture and Allied Sectors and their share in total GDP of the Country during the last 4 years including the current year, at 2004-05 prices is as follows:

	(Rs. Crore)				
Year	2006-07	2007-08	2008-09	2009-10	2010-11
GDP of Agriculture and Allied Sectors	619190	655080	654118	656975	700390
Per cent to total GDP	17.4	16.8	15.7	14.6	14.4

Source: Central Statistics Office, Ministry of Statistics and Programme Implementation, Govt. of India.

2.25 Growth (over the previous year) in the Total GDP and that in the GDP of Agriculture and Allied Sectors at 2004-05 prices is given below:

Period	Total GDP	Agriculture & Allied Sectors GDP
2005-06	9.5	5.1
2006-07	9.6	4.2
2007-08	9.3	5.8
2008-09	6.8	(-) 0.1
2009-10	8.0	0.4
2010-11	8.5	6.6

Source: Central Statistics Office

Present State of Indian Agriculture

2.26 Despite six decades of planning, a plethora of Schemes and various measures initiated by successive Governments all is not well with Indian Agriculture. This is evident from the fact that although agriculture sector is the principal source of livelihood for more than 58% of the population, yet its contribution to the national GDP has declined to 14.4%. This further gets compounded by the fact that with only 2.3% share in World's total land area, it has to ensure food security to its population which forms 17.5% of World population. Though Indian Agriculture has made rapid strides in terms of increased outputs, yet the gap between the minority of economically well off farmers and the majority of economically weak farmers has widened and the same is not lessening either. This is epitomized by various incidents of farmers suicides in the Country. The declining soil health due to reckless use of chemical fertilizers is spreading in epidemic proportions resulting in instances of soil poisoning. All these factors further get aggravated by vagaries of climate change brought about by industrialization. Today not only does agriculture face a crisis situation from its constituent elements but externally the challenges posed by industrialization also loom large. The Committee are of the firm opinion that Indian Agriculture is in need of a stimulus, real quick and desire the Government and the Planning Commission to keep this in mind while chalking out the framework for the Twelfth Five Year Plan so as to focus on inclusive growth and breathe new life into agriculture by according it the priority it rightly deserves. The rapid increase in industry and services sectors have caused the decline in

the fortunes of the agriculture sector and there is a pressing need to hand hold the hand that has been feeding the Country at great personal cost and suffering.

Allocation and Utilization of Funds

2.27 During the course of examination of Demands for Grants pertaining to the first four fiscals of the Eleventh Plan, the Committee have observed that the Planning Commission had approved an Outlay of Rs. 66,577 crore for the Department during the Eleventh Plan. However, the actual allocation for the first four fiscals amounts to Rs. 45,012.85 crore and if the current BE of Rs. 17,122.87 crore is included, the total amounts to Rs. 62,135.72 crore, thus leading to a gap of about Rs. 4,441.28 crore between the funds earmarked and actually allocated. This strange method of allocation of funds by the Planning Commission and the Ministry of Finance (Department of Expenditure) is bewildering as, the Department's utilization of funds has always crossed 90%, save for the fiscal 2007-08. The Committee empathize with the Department on this issue and have time and again been recommending to the Planning Commission and the Ministry of Finance to give them their due to enable them to carry out their mandate successfully. However, regretfully these pleas have fallen on deaf years going by the past performance. The Committee are pretty sanguine that though the BE will be enhanced at RE stage, yet the Department would not be allocated the leftover amount of Rs. 4,441.28 crore. Furthermore, the additional allocation at RE stage would be as always, too little, too late. What further anguishes them is the lack of cogent replies from those concerned with the planning process on this issue, though they fully comprehend that allocation of funds is done on the basis of

past performance as well as inter-sectoral priorities. What the Committee unequivocally stress upon is that these sums earmarked for the Department for the entire duration of a Plan period need to be allocated to them, as the Planning Commission would have arrived at these figures after a detailed exercise. However, the Committee observe that the proclivity of the Planning Commission and Ministry of Finance has been always to allocate an amount which is lesser than the figure they had arrived at earlier. The Committee, therefore, desire that all agencies involved in the planning process pay heed to their Recommendation and Department of Agriculture and Cooperation is given its full due in terms of allocation of funds in the ensuing Twelfth Plan.

The Committee also impress upon the Department to motivate the States/UTs to send their proposals as well as utilization certificates timely so as to ensure uniform pace of utilization of funds throughout the Fiscal year. In the opinion of the Committee such a step would not only help in enforcing financial discipline but also compel those involved in the planning process to keep away their snipping scissors in the Twelfth Plan period.

New Schemes

2.28 The Committee observe that fifteen New Schemes were introduced in the current Five Year Plan. Out of these 3 Schemes were approved in the year 2007, 2 in 2008, 3 in 2009, 3 in 2010 and 4 Schemes are still under consideration stage till date, though the Eleventh Plan is in its terminal stage. The Committee are deeply anguished at this rather sordid state of affairs prevalent in granting approval to a Scheme from all agencies concerned before it finally sees the light of the day as

is evident in the Schemes of National Mission on Seeds, Rehabilitation and Reconstruction of Cooperatives, Interest Subvention on loans provided by NCDC to cooperatives and Support to NAFED. Perturbed at this sorry state of affairs, the Committee in their First Report had concurred with the Department's suggestion that the time taken by each Department/Agency to expedite clearance of proposals through rigorous adherence to time limits was worth a shot. However, much to their chagrin no positive action seems to be forthcoming. The Committee, however, feel that in the instant case nothing would be achieved by pointing fingers at the concerned parties. It is their strong view that the system of granting approvals and clearances to a Scheme is in the urgent need of an overhaul as in its absence the authorities would continue to draw flak and this flawed system is bound to collapse ultimately. The Committee, therefore, recommend that the Planning Commission take up this vexed issue seriously whilst deliberating upon the modalities and framework for the Twelfth Plan so as to streamline this rather tedious process of multi-level clearance to a Scheme before its implementation thereby ensuring avoiding staggering of timelines, cost overruns and backloading of funds.

Planning for Twelfth Five Year Plan

2.29 With a view to ascertain the preparedness of the Department for the ensuing Twelfth Plan as well as to avoid those factors/reasons impeding their performance in carrying out their mandate, and to ensure that the Twelfth Plan Document is finalized well before 1 April, 2012, the Committee had sought the latest position/progress achieved in this regard. They are glad to note that the

Planning Commission has already sprung in action and constituted a number of Working Groups for Agriculture and Allied Sectors. What heartens them is the action initiated by Department of Agriculture and Cooperation in this regard. It has finally dawned upon Department of Agriculture and Cooperation that having 53 odd Schemes is not the best way to go about and guided by prudence they have initiated action on pruning them to a few focussed Schemes like National Food Security Mission, National Horticulture Mission, National Mission on Micro-irrigation, etc. and the Rashtriya Krishi Vikas Yojana Window. In all, the Department would go for about ten Schemes which will aid in improved monitoring of Schemes. Going by the past record, the Committee choose to be guided by the adage - "Discretion is the better part of Valour" and would wait for the inception of the Twelfth Plan before passing any judgement. In the meantime, they extend their full support to the Department in this exercise and hope that the Planning Commission and other concerned agencies would do their bit in streamlining the planning process and ensure timely finalization of the Twelfth Plan Document. They further desire that emphasis be laid upon inclusive growth as well. Before concluding on this crucial matter the Committee like to categorically emphasise upon the Planners and Government that the Twelfth Plan should be finalised and conveyed to all line Ministries/Departments well in advance and not later than 31 December, 2011 so that they are able to complete necessary formalities at their end in the last quarter of this Fiscal and are in readiness to implement the Twelfth Plan Schemes from day one i.e. 1 April, 2012. They would expect to be apprised of the progress made in this direction at the earliest.

CHAPTER – III

SCHEMATIC ANALYSIS

(i) Agricultural Production Estimates

As per the Fourth Advance Estimates 2009-10, foodgrains production is estimated at 218.20 million tonnes comprising 103.84 million tonnes of kharif foodgrains and 114.36 million tonnes of rabi foodgrains. Further, production of all cereals was placed at 203.61 million tonnes as against 219.90 million tonnes in 2008-09 (final estimates). The production of wheat and rice in 2009-10 is estimated at 80.71 million tonnes and 89.13 million tonnes respectively. However, production of oilseeds decreased from 27.72 million tonnes in 2008-09 to 24.93 million tonnes in 2009-10. This was due to decrease in production of groundnut and castor seed.

3.2 As per the first advance estimates of kharif production for 2010-11 released by Ministry of Agriculture on September 23, 2010, production of foodgrains is estimated at 114.63 million tonnes, oilseeds at 17.27 million tonnes, sugarcane at 324.91 million tonnes and cotton at 33.50 million bales of 170 kg each. The first advance estimates indicates that as compared to the fourth advance estimates for 2009-10 kharif, a growth in production of 10.79 million tonnes in foodgrains, 1.61 million tonnes in oilseeds, 47.16 million tonnes in sugarcane and 9.56 million bales in cotton is expected during kharif 2010-11.

3.3 During the course of his deposition before the Committee on 25 April, 2011 in context of examination of Demands for Grants (2011-12) of the Department, the

representative of the Department informed the Committee that this year the production of foodgrains has been recorded at an all time high of 235.88 million tonnes. The production of wheat, pulses and oilseeds were 84.27, 17.29 and 30.25 million tonnes respectively, an all time high till date.

3.4 On being queried about the process of estimation of crop production and its efficacy, the Secretary of the Department informed the Committee that it is done statistically and as in any statistical process there is a margin of error. He further added:

“Sir, you are absolutely right that when we say that our production is 30.2 million tonnes, there is no way anybody can vouch that it is exactly 30.2 million tonnes and not plus or minus. Sir, you know more than me. Therefore, I am not elaborating on that. However, there has to be a system of estimating production. So, we have this system where there is a State level statistical agency which is either the State Planning Department, which has Statisticians or it is the State Agriculture Department which have a system of estimating the crop area. They have a system of estimating the production. Yes, they are not foolproof, and there are defects. Perhaps it differs from region to region. Since I come from Bihar I understand this”.

3.5 In response to a query on the inherent defects in the present system of assessment, the Committee were informed that any estimation is a sampling system as 142 million hectares cannot be one hundred per cent cross-checked. The witness clarified during the Oral Evidence :

“It is a sample survey. In very developed Countries, they have a very uniform production pattern. For instance, we sent a team specifically to some developed country to study how they do estimate crop production. We found that each plot has thousands of acres, and it is almost like a modern manufacturing unit, and in their system of estimation the error is less because their fertilizer application is uniform, their crop size is uniform for miles together. Here it keeps changing from plot to plot. One plot may have 1.5 tonnes productivity and the next plot may have 2.5 tonnes productivity per hectare. So, there is bound to be some error due to the very nature of the sampling that we do. That is one type of error. But, I think, what the Hon. Member is referring to is about CCE, that is, the Crop Cutting Experiment, which is the basis for the fourth advanced estimate. The first three are basically eye estimates of the cropped area and historic

productivity. The fourth advanced estimate depends on Crop Cutting Experiment. The hon. Member is probably referring to that and has said that these people sometimes actually do not do the Crop Cutting Experiments. That defect has been studied. This has been studied by the Vaidyanathan Committee in depth, which has given a Report on how to improve this system. In fact, he is suggesting, if I remember correctly, that 15,000 samples will be taken from all over the country and there will be a separate agency which will do this. But again they have to depend on the State machinery to get the Crop Cutting Experiment done and correct the data. That is where the error creeps in.

Sir, we are a modern country. So, we also take inputs from ISRO. Last year, I found that the estimate of paddy that ISRO had made from images and modelling and the estimate that we made are very close to each other. This year, for instance, even before we could come out with our estimate, ISRO had come out with an estimate of wheat production based on Satellite imagery in 20 major wheat producing States”.

3.6 Responding to a query on how the production on the ground and field could be correctly assessed by the satellite, he further stated:

“Sir, you can do that. What you do is that you take the coverage. There are parameters which will tell you what the level of photo synthesis is. From that you could derive the carbon in the plant. Again there is a formula by which you derive it. What I am trying to say is that their wheat estimation was very close to 84 million tonnes. I do not recall the exact figure; it was 83.6 or 83.7 million tonnes. Their estimate was independent of what we were doing through SASAs. The estimate that we got was also 84 million tonnes.

Sir, with due humility, I would like to tell you, that we have this feeling that our estimates are not good enough. Sir, no estimate is good enough. If you look at the estimates of the USDA, that keeps on changing. So, it is not that they have better scientists or better statisticians. Yes, we have weaknesses at the ground level. I agree with you. The Crop Cutting Experiments, sometimes, are not done scientifically; perhaps not done at all in a few pockets. But, the whole statistical system of getting production estimates is not flawed. I can say this much with confidence. If we say it is 84 million tonnes, it is plus or minus error, whatever is the statistical error. Dr. Gulati will be able to explain that it is built into the statistical model, and you cannot do anything about that. So, I do not think that we should discredit or disbelieve our system”.

3.7 The Committee were further informed that the Government were also not happy with way things are being done. Therefore, a well known Agriculture Scientist had been nominated to review the mechanism. After interacting with various stakeholders including State Governments, statistical experts, representatives of ISRO, academics,

etc. a report has been submitted to the Government. It has been suggested that the requisite data about production can be generated if 15000 samples from different points are analysed. The points for picking up the samples have also been indentified in the Report. However, rejection of the extant system has not be suggested.

(ii) Cooperation

3.8 Cooperative Sector plays a significant role in disbursing agricultural credit, providing market support to farmers, distribution of agricultural inputs and imparting cooperative education and training, etc. Basic objective of the Department is to design long term and short term strategies for reducing economic disparities including rural and urban differences and also ensure overall development of cooperatives in the Country. Cooperation Division was restructured during Tenth Plan as per observations of Planning Commission. The Schemes have been merged in to two restructured schemes of the Division viz,(i) Central Sector Scheme for Cooperative Education and Training (ii) Central Sector Scheme for Assistance to NCDC for Cooperative Development Programmes. These two restructured Central Sector Schemes have been continued during Eleventh Plan at an approved outlay of Rs. 469.00 crore.

3.9 Allocation and expenditure for the Cooperation Division during the Eleventh Plan is as follows:

(Rs. in crore)			
Year	BE	RE	Actual Expenditure
2007-08	88.31	80.75	80.75
2008-09	87.00	87.00	85.00*
2009-10	87.00	83.00	77.75
2010-11	37.05	86.15	86.55
2011-12	192.00	-	-
Total		336.90	330.05

*Funds meant for North East States remained unspent as sufficient proposals from NE States could not be received.

The Department had proposed an Outlay of Rs. 646 crore for the Eleventh Plan against which the approved Outlay was Rs. 470 crore. The actual expenditure during the first four fiscals is Rs. 330.05 crore. Explaining the less allocation at BE stage during the Fiscal 2010-11, the Department in their written submission stated that an amount of Rs.87.05 crore was proposed for BE 2010-11 against which Rs.37.05 crore was provided at BE stage. This was, however, enhanced to Rs.86.15 crore at RE stage. Major chunk of enhancement at RE stage was for the Central Sector Scheme for NCDC programmes for Development of Cooperatives. The proposal for release of Rs.50.00 crore for the aforesaid Scheme was immediately processed and after re-appropriation of funds etc. by Budget Division of the Ministry, the entire amount was released to NCDC.

3.10 Explaining the reasons for a quantum enhancement in BE 2011-12 at Rs. 192.00 crore, the Department furnished the following information:-

(Rs. in crores)		
S.No.	Name of the Scheme	Amount
i)	Central Sector Scheme for Cooperative Education and Training	25.00
ii)	Central Sector Scheme for Assistance to NCDC for Development of Cooperatives	60.00
iii)	Rehabilitation and reconstruction of potentially viable sick Cooperatives (New)	25.00
iv)	Interest subvention on loans provided by NCDC to Cooperatives (New)	80.00
v)	Support to NAFED (New)	2.00
	Total	192.00

The provision of Rs. 25.00 crore, Rs. 80.00 crore and Rs.2.00 crore has been included for the three new plan schemes at S.No. (iii), (iv) and (v) in consultation with the Planning Commission. However, the schemes at Sl. No. (iii) & (iv) have not yet been

approved by the Government. Hence the provision thereunder may have to be reduced at RE stage.

3.11 Secretary, Department of Agriculture and Co-operation during the course of Oral Evidence stated that presently there are no Schemes for rehabilitation and reconstruction of sick cooperatives. Unlike the BIFR system for industry, there was no such system for cooperatives. The Department had cleared the Scheme but approval of the Ministry of Finance was awaited. Therefore, the Department were still treating the Scheme as under consideration.

3.12 In response to a query on the Department's action plan on the recommendations of the Vaidyanathan Committee Report for extending assistance for revival package for the Cooperatives, the representative of Department of Agriculture and Cooperation stated:

“Sir, the Government has accepted the recommendations and they are under implementation. Many of the States have already implemented these recommendations. I do not have the exact status. I can share it with you. In fact, in many States, the state of the cooperatives has improved and as a result, they are now in a position to get refinance and loan. If you recall, we had also tried to put this part in the new Act, the rehabilitation of sick units. As and when that Act is passed, we will have legal backing also. To our mind, it is a very important scheme for our sector and if we get clearance on this, it will help revive a huge number of sick cooperatives – Patil Committee studied this whole matter and based on that we made this scheme for sick cooperatives which are potentially viable – we do not want non-viable units to be touched - which can be revived and that can help the farmer because effectively the cooperative is the only agency which is available to the farmer at the field level for loans and supply of inputs. That is why, I mentioned that this is something which is critical.

There are two other schemes also. One is Interest Subvention on Loans provided by NCDL. Now, that subvention has been withdrawn by the RBI. They are not even allowed to tap RIDF fund. NCDL only give money to cooperatives, which are the weakest forms of institutions in our country. Without an interest subvention, it is becoming difficult for NCDL. This is the other scheme which we have cleared but it is pending approval from the Government.

The other thing which is still pending is this. NAFED had run into serious trouble because of some bad loaning, which I do not want to go into here, and their balance sheet is really bad. But at the same time, NAFED is the only organisation we have which, at times of distress to farmers, has been procuring and helping them to get remunerative prices as per MSP. They have done it in cotton, in pulses and in oilseeds in the past. So, we want to support NAFED, of course, with lot of checks and balances. That is the only agency and there is hardly any other agency with us. The Finance Ministry has cleared the guarantee part, but on the Plan side, the Finance Ministry had advised us that if we want to give any help through funds, it must come out of our Plan. That is still pending. So, there are the three schemes – rehabilitation and reconstruction of cooperatives, interest subvention on loans provided by NCDC and support to NAFED – which are pending and we hope that these would be cleared this year. Otherwise, everything has now been sorted out”.

(iii) Agriculture Extension

Support to State Extension Programmes for Extension Reforms

3.13 This Scheme launched during 2005-06, aims at making Extension System farmer driven and farmer accountable by way of new institutional arrangements for technology dissemination in form of an Agricultural Technology Management Agency (ATMA) at district level to operationalize extension reforms. ATMA has active participation of farmers/farmer groups, NGOs, Krishi Vigyan Kendras (KVKs), Panchayati Raj Institutions and other stakeholders operating at district level and below. Release of funds under ATMA scheme is based on State Extension Work Plans (SEWPs) prepared by State Governments. At present the Scheme is under implementation in 603 Districts in 28 States and 3 UTs.

3.14 In order to promote key reforms under scheme, ATMA Cafeteria 2010 continues to support activities in line with following policy parameters:

- **Multi-agency extension strategies:** Minimum 10% of allocation on recurring activities at district level is to be used through non-governmental sector viz.

NGOs, Farmers Organization (FOs), Panchayati Raj Institutions (PRIs), para-extension workers, agripreneurs, input suppliers, corporate sector, etc.

- **Farming system approach:** Activities specified in cafeteria are broad enough to promote extension delivery consistent with farming systems approach and extension needs emerging through Strategic Research and Extension Plan (SREP).
- **Farmer centric extension services:** Cafeteria provides for group-based extension and it has necessary allocation for activities related to organizing and supporting farmer groups. In order to supplement these efforts, a provision for rewards and incentives to the best organized farmer groups has also been provided.
- **Convergence:** SREP and SEWP would also be mechanisms for ensuring convergence of all activities for extension. At present, resources for extension activities are being provided under different schemes of Centre/State Governments. It is mandated that SEWP to be submitted by State Governments for funding under the scheme shall explicitly specify the activities to be supported from the resources of other ongoing schemes as well as from this scheme.
- **Mainstreaming gender concerns:** It is mandated that minimum 30% of resources on programmes and activities are utilized for women farmers. Similarly, 30% of resources meant for extension workers are to be utilized for women extension functionaries.
- **Sustainability of extension services:** Minimum 10% contribution should be realized from beneficiaries with respect to beneficiary oriented activities.

3.15 The important features of the Revised cafeteria include:-

- Support for specialists and functionaries at State, District and Block Level
- Innovative support through a 'Farmer Friend' at Village Level @ 1 Farmer Friend per two villages
- Farmers Advisory Committees at State, District and Block levels
- Farm Schools in the field of outstanding farmers being promoted at Block/ Gram Panchayat level by integrating the Progressive farmers into Agricultural Extension System (AES) (3-5 Farm Schools/ block).

- Farmer-to-farmer extension support at the village level to be promoted through Farmers' Group.
- Funding window provided at both state and district levels for implementing innovative extension activities not specifically covered under the Programme.
- Farmers' Awards instituted at block, district and state levels.
- Community Radio Stations (CRS) to be set up by KVKs being promoted under the Programme.
- For Non-Governmental implementing agencies, States have been given the flexibility of having Extension Work Plans prepared and approved at the State level. Minimum 10 per cent of outlay of the Programme is to be utilized through them. Non-governmental implementing agencies (excluding the corporate sector) are also eligible for service charge up to a maximum of 10 percent of the cost of the extension activities implemented through them. Apart from other NGOs, financial assistance is also available for implementation of extension activities through agripreneurs.
- Public extension functionaries being made more effective through trainings and exposure visits. National Institute of Agricultural Extension Management (MANAGE), Hyderabad is offering PG Diploma in Agriculture Extension Management for public extension functionaries which is fully funded under the ATMA Programme.

3.16 The allocation and expenditure during the last four years for this Scheme is as under:

(Rs. in crore)			
Year	BE	RE	Actual Expenditure
2007-08	230.00	153.52	155.80
2008-09	298.00	198.00	193.01
2009-10	298.00	188.98	178.59
2010-11	250.00	220.00	240.28
2011-12	500.00	-	-

It may be seen from the above that BE for the Scheme has been consistently reduced at RE stage during the last four fiscals. On being queried about the reasons for the same, the Department in their written submission stated that in order to provide

effective extension support to the States, the Department had proposed to strengthen and revamp the scheme "Support to State Extension Programmes for Extension Reforms" during the Eleventh Plan period by way of providing committed Specialist & Functionary support at various levels; improving mobility of and connectivity with the extension functionaries; revising norms for selected activities under ATMA cafeteria and improving infrastructure support for the State Agriculture Management & Extension Training Institute(SAMETIs). The approval of revamped Scheme was delayed, as, the EFC in its first meeting on 30 January, 2009 directed the Department to revisit the proposed extension delivery mechanism through Farmer Friends at the village level. The Scheme was finally considered by EFC on 04 August, 2009 and its approval conveyed on 29 October, 2009. The CCEA finally approved the Scheme on 19 March, 2010. Thus, the budget outlays planned in anticipation of the approval of the Scheme during 2008-09 and 2009-10 had to be reduced at RE stage.

3.17 The Committee have further been informed that BE 2011-12 has been doubled from BE 2010-11 and pegged at Rs. 500.00 crore as the deployment of manpower is a mandatory component of the Revised Scheme. The BE for 2011-12 has been kept at Rs.500 crore keeping in view the requirement of funds for deployment of manpower at various levels viz. State, District & Block level as well as for the identified Farmer Friends at the Village level. Funds are also required to provide enhanced infrastructure support for SAMETIs and mobility & connectivity to the extension functionaries. Besides, with dedicated manpower, the States would carry out more farmer oriented activities requiring additional support.

3.18 The Department have furnished the following information regarding implementation status of the Scheme :

- Total 603 ATMAs have been constituted in 28 States and 3 UTs.
- Institutional arrangements viz. Inter Departmental Working Group (IDWG)/ in 28 States and 3 UTs, ATMA Core Committees – Governing Board (GB) and ATMA Managing Committee in 603 Districts and Block Technology Team (BTT) in 4463 Blocks and Farmer Advisory Committees (FACs) in 4359 Blocks have been operationalized.
- SEWP of 27 States/ UTs in respect of 572 ATMA districts were approved during 2010–11.
- As against B.E. of Rs. 250.00 crore, an amount of Rs. 240.28 crore has been released to States for implementation of the Scheme.
- From inception of the Scheme in 2005-06 to January 2011:
 - Over 1,40,97,347 farmers including 34,54,312 farm women (24.50%) have participated in farmer oriented activities like exposure visits, trainings, demonstrations & kisan melas.
 - Over 64,343 Commodity based Farmer Interest Group (CIGs) have so far been mobilized under the scheme.
 - Over 20,602 Farm Schools have been set-up on the fields of outstanding farmers.
- The progress of implementation during Financial Year – 2010-11 (up to January, 2011) is as follows:
 - Over 14,61,006 farmers including 2,99,496 farm women (20.50%) have participated in farmer oriented activities like exposure visits, trainings, demonstrations & kisan melas.
 - 4,981 CIGs/ FIGs set up.
 - 5,413 Farm Schools set up.

3.19 In regard to Central Monitoring and evaluation of the said Scheme, Department of Agriculture and Cooperation have stated that draft model Terms of References for commissioning third party monitoring & evaluation of this Scheme were prepared by them in consultation with States which were circulated to all States for taking up

Monitoring and Evaluation Studies. States of Himachal Pradesh, Rajasthan, Punjab, Orissa, Andhra Pradesh & West Bengal have submitted their study reports. Other States are in process of commissioning the study. The Extension Division has also conducted the centralized evaluation of the scheme through an independent agency i.e. AFC. The Agency has undertaken the study in the States of U.P. and Haryana and the final report has been received.

(iv) Plant Protection

Strengthening and Modernization of Pest Management in India

3.20 Plant Protection continues to play a significant role in achieving targets of crops production. The major thrust areas are promotion of Integrated Pest Management (IPM), ensuring availability of safe and quality pesticides for sustaining crop production from ravages of pests and diseases, streamlining quarantine measures for preventing entry of exotic pests and human resource development in plant protection skills.

3.21 Allocation and Expenditure for 'Strengthening & Modernization of Pest Management in India' is reflected in the Table below:

(Rs.in crore)

Year	Proposed Allocation	BE	RE	Actual Expenditure
2007-08	16.00	16.00	19.14	14.17
2008-09	20.00	20.00	20.87	17.34
2009-10	16.50	16.50	18.13	15.32
2010-11	25.28	25.28	26.44	16.91
2011-12	43.12	35.00	-	-
Total	120.90	112.78	84.58	63.74

Against a proposed allocation of Rs. 120.90 crore for the Eleventh Plan the Department got an allocation of Rs. 84.58 crore for the Scheme. The actual expenditure till now stands at Rs. 63.74 crore (75.36%). The BE for the Scheme for 2010-11 was Rs. 25.28 crore which was enhanced to Rs. 26.44 crore at the RE stage and actual expenditure was Rs. 16.91 crore only.

3.22 The Department in their written submission have furnished that as EFC approved this Scheme for the Eleventh Plan only in July, 2010, no new projects could be taken up before that, resulting in allocation being lesser than the proposed amount by the Department. This delay has also resulted in actual expenditure being lower than the allocation and this has also resulted in requirement/demand of funds.

3.23 On the use of chemical pesticides and in particular Endosulphan, the Secretary of the Department stated during Oral Evidence:

“All pesticides are toxic. One has to accept that however, you cannot do without pesticides. If you have to produce 235 or 240 million tonnes, of foodgrains, you cannot do without pesticides. So, therefore, whenever a pesticide is registered by the Registration Committee in the Department of Agriculture, they lay down certain protocols, that if you are using this pesticide, a) you will use it on this crop and in this situation. I will explain what it means giving the example of endosulphan, b) this is the quantity you will use, and c) this is the manner in which you will use. Sir, in the case of endosulphan what happened is that in the Padre village of Kasargod district, the Plantation Corporation of Kerala, which is a Government undertaking, unfortunately, sprayed it from the air which was not to be done, specifically not allowed without the permission of the CIB&RC. They did it. Secondly, what happened is even otherwise, Committees and Committees have said later on that when the terrain is like that in Kasargod which is undulating terrain with a lot of water bodies, then aerial spraying should not have been done at all. So, this is a case of absolutely violating the protocols that were laid down. These are toxic chemicals. So, without following the protocol if you are doing it, then you are playing with fire. I will give you an example. In pesticides, there are different grades of toxicities. There are red, yellow, orange or green triangle pesticides. Now, this is a yellow triangle pesticide. The Hit which we use to kill mosquito in the house is also a yellow-triangle pesticide. Nobody can help me if I spray my whole room with Hit beyond the recommended dose and sit in that room. I will definitely be affected. So, that

is exactly what has happened. In 2003 or 2004, I do not recall exactly which year; a multi-disciplinary Committee chaired by one Dr. Dubey was constituted. He went into this question. At that point of time, he sent the questionnaire to almost all the State Agricultural Universities and the ICAR Institutes trying to get a feedback on the effect of endosulphan.

Everybody, except Kerala said: "We have been using endosulfan for 20-30 years. We have seen no adverse effect. The farmers are benefiting." We are flooded with letters from some hon. Members and organisations of farmers saying: "Please do not ban endosulfan. It is a cheap pesticide for the poor farmer. The replacements are very expensive. So, please do not ban it." The scientific study repeatedly has found no link between the use of endosulfan and what has been seen. I have been saying this even outside. Some people feel that India has not good enough scientists. The western world has been using endosulfan for 20 odd years. If they had some evidence like Kerala, they would have come out with that. At least, I could not find any record anywhere that this has happened. The Government has now taken a stand because there is so much of noise being made. We have again requested the Ministry of Health and the ICMR to do a proper epidemiological study. You know that when this happened, we put a hold on endosulfan keeping in view the sentiments of the farmers of Kerala. The State of Kerala was supposed to do an epidemiological study which basically would have established: "Yes, endosulfan caused the problem". Such an epidemiological study, to the best of my knowledge, has not yet reached the DAC. Therefore, we have asked the ICMR to do this study. The ICMR is doing this study now. It may give us a report in two to four months' time. Once we have that study, if the ICMR says "Yes, it is a chemical which should be banned", then, we will take a view. At this point of time, we cannot take a view.

On the second question of toxicity, as I explained, we have to work on two or three planes. I do not know if you have been watching the local television in Kerala. We have been advertising all over the country on safe use of pesticides. We have been giving newspaper advertisements also. Then, we have a programme by which the farmer's field schools are held. The IPM and the INM technology are told to them which basically include teaching the farmer how to use these kinds of pesticides apart from other things. So, these are the measures we have taken".

(v) **Crops**

National Food Security Mission (NFSM)

3.24 The National Development Council (NDC) in its 53rd meeting held on 29 May, 2007 adopted a resolution to launch Food Security Mission comprising rice, wheat and pulses to increase the production of rice by 10 million tonnes, wheat by 8 million tonnes

and pulses by 2 million tonnes by the end of Eleventh Five Year Plan (2011-12). Accordingly, a Centrally Sponsored Scheme of “**National Food Security Mission (NFSM)**” was launched from rabi 2007-08 to operationalise above mentioned resolution. National Food Security Mission has three components viz. **National Food Security Mission-Rice (NFSM-Rice)**, **National Food Security Mission-Wheat (NFSM-Wheat)** and **National Food Security Mission-Pulses (NFSM-Pulses)**.

3.25 The Mission aims to produce additional 20 million tons of foodgrains including 10, 8 and 2 million tons of rice, wheat and pulses respectively by 2011-12 to meet projected consumption requirement of food grains. Mission also aims at restoring soil fertility; creating employment opportunities; and enhancing farm level economy to restore confidence of farmers of targeted districts. Mission promotes proven technology and knowledge inputs packaged to deliver end-to-end agriculture services.

3.26 Basic strategy of mission is to promote and extend improved technologies i.e., seed, micronutrients, soil amendments, Integrated Pest Management, Farm Machinery and resource conservation technologies along with capacity building of farmers with effective monitoring and better management.

This Scheme is presently under implementation in 476 Districts of 17 States.

3.27 The Committee have further been informed that in addition a new initiative - **Accelerated Pulses production Programme (A3P)** has been launched as part of NFSM Pulses from 2010-11. Under “Accelerated Pulses Production Programme, 1 million hectare of potential pulses areas for major pulse crops- Tur, Urad, Moong, Gram and Lentil has been taken up for large scale demonstration of technology in compact

blocks. A total 600 A3P units of Tur, Urad, Moong, Gram and Lentil have been proposed during 2010-11 out of which 564 units of A3P have been conducted by the States and 36 units of A3P conducted through NCIPM during 2010-11. For organization of A3P units at farmers field an amount of 54.66 lakh per unit is proposed.

3.28 For this Scheme, BE 2009-10 of Rs. 1350.00 crore was reduced at RE stage to Rs. 1074.00 crore and the actual expenditure was Rs. 1019.16 crore. Similarly, during the Fiscal 2010-11, BE of Rs. 1350.00 crore was reduced at RE stage to Rs. 1277.13 crore. The Department in their written submission furnished to the Committed stated that during 2009-10, initially more allocation was made for NFSM-Pulses on account of expansion of pulses programme to ISOPOM pulses areas and towards implementation of new initiative of Accelerated Pulses Production Programme. However, the programme was approved by Cabinet Committee on Economic Affairs only at the end of February 2010 and hence could not be implemented during 2009-10. Savings under pulses component of NFSM during 2009-10 were diverted to NAIS to meet the insurance claims arising due to country wide drought during Kharif resulting in reduction of NFSM budget to Rs.1074 crore at RE stage. During 2010-11, BE of Rs. 1350 crore was reduced to Rs. 1277.13 crore (RE). However, keeping in view the increased demand from the States, the final grant was increased to Rs. 1283.89 crore under NFSM during 2010-11. The gap between BE and final grant is mainly due to less expenditure under MH-2552 for North Eastern Region, since Assam is the only State of the Region included under the Mission. During 2009-10, expenditure of Rs. 1019.16 crore (95%) was incurred against provision of Rs. 1074 crore. The reason for lower expenditure is due to the fact that Rs. 90 crore was allocated for North- Eastern Region

even though only one State of the Region, namely Assam is covered under the Scheme. Hence, funds provided for North Eastern Region could not be fully utilized. So far as 2010-11 is concerned, the figures projected in the report were of January 2011. As on 31-3-2011, against the provision of Rs. 1283.89 crore, an amount of Rs. 1280.07 crore (99.7%) was spent.

3.29 On being queried by the Committee as to why the physical achievements for 2009-10 and 2010-11 were nowhere near the targets set and steps taken by the Department to ensure that targets are achieved in the current Fiscal, the Department stated that during Kharif 2009, major rice growing States were affected by severe drought. Due to the impact of drought, large rice area was left unsown which caused low achievement of targets. However, the production of wheat and pulses improved and was more than that of previous year. So far as 2010-11 is concerned, the physical achievement figures projected in the report were based on the State reports upto November/ December 2010. The final achievement would be reflected in the final progress report of March 2011, which are awaited from most of the States. Input planning, especially of seeds & fertilizers, was finalised in the Zonal Input meetings held with the States in February, 2011. Kharif planning strategies adopted by the States were discussed in the Kharif conference held on 6-7 April, 2011. The tentative NFSM action plans have been sent to the States and would be finalised in consultation with them by the end of April. Based on the final approved plans, budget would be released to the States by May, 2011 so that input procurement could be made in time. State Mission Directors have been advised to initiate the procurement process for procuring the inputs. The Project Management Teams and technical staff of Crop Development

Directorates have been directed to visit the States for monitoring the implementation of the scheme.

(vi) Integrated Nutrient Management

National Project on Management of Soil Health and Fertility

3.30 Department of Agriculture & Cooperation has introduced a new Scheme “National Project on Management of Soil Health & Fertility” (NPMSHF) to promote balanced and judicious use of fertilizer in conjunction with organic manure on soil test basis. The scheme was taken up from 2008-09 with an outlay of Rs.429.85 crore during Eleventh Plan period. Central Sector Scheme on Central Fertilizer Quality Control & Training Institute / Regional Laboratories has been subsumed as new Scheme from 01.04.2009. Major activities under the Scheme are:-

- I. Strengthening of soil testing service
 - (i) Setting up/ strengthening of Static/Mobile Soil Testing Laboratories (STLs).
 - (ii) Trainings/ Field demonstrations on balanced use of fertilizers.
 - (iii) Preparation of digital district soil maps.

- II. Promoting use of Integrated Nutrient Management
 - (i) Promotion of Organic Manures/Soil Amendments (Lime/basic slag) in acidic soils/micro-nutrients.

- III. Strengthening of fertilizer testing services
 - (i) Setting up/ strengthening of Fertilizer Quality Control Laboratories (FQCLs).

- IV. Continuation / strengthening of Central Fertilizer Quality Control & Training Institute / Regional Laboratories.

3.31 During 2008-09, a total of 42 new Static STLs, 44 new Mobile STLs, strengthening of 39 existing STLs, 2 new FQCLs and strengthening of 19 FQCLs were sanctioned and a total amount of Rs.16.63 crore was released against BE of Rs.47.00 crore as actual implementation started in November 2008 (after finalization of guidelines). In 2009-10, total of 66 new Static STLs, 62 new Mobile STLs, strengthening of 107 existing STLs, 11 new FQCLs and strengthening of 19 FQCLs were sanctioned. During the year, total expenditure of Rs.42.27 crore was incurred against BE of Rs.47.00 crore for above components including other components of Integrated Nutrient Management and expenditure incurred by Central Fertilizer Quality Control & Training Institute (CFQC&TI). There was shortfall of Rs.4.74 crore due to non furnishing of Utilization Certificates and progress by some States and less demand from Central/Regional Fertilizer Quality control Labs for building/infrastructure.

During 2010-11, 16 new Static STLs, 10 new Mobile STLs, strengthening of 9 existing STLs, 1 new Fertilizer Testing lab for advisory purpose and strengthening of 1 FQCL have been sanctioned.

3.32 The Committee have been informed that actual expenditure during first four years of Eleventh Plan is Rs. 79.72 crore (i.e. 18.56%) as on 31 March, 2011, against approved outlay of Rs.429.85 crore for whole plan and 37% in terms of physical target i.e. 448 STLs/FQCLs strengthened/ set up against physical target of 1198 STLs/FQCLs. Main reasons for shortfall are late start of Scheme during 2008-09 (i.e. Nov 2008), non sanction of new STL/FQCLs to some States during 2009-10 and 2010-11 due to non furnishing of UCs & progress and lack of proposals for setting up fertilizer testing laboratories for advisory purpose on PPP mode.

3.33 In response to a query on the reasons for underutilization of funds under this Scheme during the last four fiscals leading to scaling down of targets, the Department submitted that the BE of Rs.47.00 crore for National Project on Promotion of Soil Health and Fertility for 2008-09 was reduced to Rs.19.98 crore at RE stage and the actual expenditure was Rs.16.63 crore. The reduction at RE stage occurred due to delay in approval of the Scheme by CCEA which resulted in delay in issuing guidelines. While it is true that expenditure under the project has been less, the expenditure on soil testing and related activities under other Schemes such as Macro Management of Agriculture and particularly RKVY has been impressive as States find it more convenient to utilize the window of RKVY for undertaking the activities included in the project on soil health and fertility. During the period 2008-09 to 2010-11, the total expenditure on soil health related activities under RKVY has been more than Rs.910 crores.

3.34 During the Oral deposition before the Committee, the Secretary, Department of Agriculture and Co-operation further clarified on this aspect:

“Sir, we have tried to reply to the question. After RKVY has come in, the State Government prepares projects and take them before the Chief Secretary’s Committee. One senior officer from here attends this meeting and clears it and then, we give the money. In the old style scheme that we had on soil fertility and health, they had to prepare the project, send it to Delhi and then, was a Sanctioning Committee headed by the Additional Secretary. So, the State Government found it much more easier to implement this work under RKVY”.

3.35 Out of the approved outlay of Rs.429.85 crore for the XIth plan, the actual expenditure since its inception in 2008-09 is Rs.79.72 crore (Rs.16.63 crore in 2008-09 + Rs.42.27 crore in 2009-10 + Rs.20.82 crore in 2010-11). The reasons for low expenditure has been lack of adequate number of proposals from State Governments and because of low utilization of funds. Targets for 2011-12 have been decided keeping

in view the utilization of funds under the project by State Governments. Keeping in view the convenience of States in utilizing funds under RKVY, it has been decided to encourage States to implement soil testing activities under RKVY, in addition to resources available under NPMSH&F, to achieve the target of setting up 500 static soil testing laboratories (STLs) and 250 mobile STLs during Eleventh Five Year Plan. In view of the importance of Soil Health & Fertility for sustaining productivity, States are being regularly advised to give due attention to Soil Testing and Fertility. Agriculture Minister has also addressed letters to all Chief Ministers on 04 March, 2010 advising them to strengthen soil testing facilities by availing resources under RKVY and NPMSH&F.

(vii) Outstanding Utilization Certificates

3.36 The Department in one of their document furnished to the Committee in the context of examination of Demands for Grants (2011-12) have submitted the following Statement highlighting status of pending Utilization Certificates:

(Rs. in crore)				
	As on 1.4.2009	As on 1.4.2010	Amount liquidated upto 31.12.2010	Amount Outstanding as on 31.12.2010
No. of UCs	351	770	289	481
Amount	773.37	1994.62	244.74	1749.88

It may be noted that the number of UCs and the amount outstanding their against has not shown any appreciable achievements on the part of the Department. The number of UCs liquidated between 1 April, 2010 and 31 December, 2010 is 289 out of

770 but the corresponding funds position is negligible at Rs. 244.74 crore out of total pendency of Rs. 1994.62 crore on 1 April, 2010.

3.37 In response to a query regarding reasons for this backlog in pendency of Utilization Certificates and the steps taken by all concerned for resolution of pendency, the Department in their written submission stated that the backlog in pendency of Utilisation of Certificates is due to non submission of UCs by the concerned division/department. In order to obtain outstanding Utilisation of Certificates from the grantees, letters have been issued to concerned divisions. Personal visits have also been made to concerned divisions in order to receive outstanding UCs. More UCs are likely to received shortly.

3.38 When confronted with the prevailing situation in the matter of pending UCs, the representative of the Department during evidence admitted as:

“We have got this data analyzed from 1990-91 to 2008-09 and it has started increasing primarily from 2006-07 onwards. We find in 2006-07, there were 59 cases of Rs. 77.58 crores, then in the next year that is 2007-08, there were 124 cases of Rs. 65.57crores. In the year 2008-09, there were 212 cases of Rs. 1594.68 crores. This trend we have been seeing and that is primarily because the budget has been increasing”.

“..... As a proportion of that more or less it is the same but the absolute amount is going up. The Utilization Certificate is to be sent by the State Governments. We keep on chasing them. In fact, in many cases funds are not released till they do not give us the Utilization Certificate”.

“.....The only way we can do is to constantly monitoring and pushing the State Governments to send this Utilization Certificate”.

“.....Yes. The Joint Secretary reviews every scheme with the State Governments and asks for Utilization Certificate. Suppose, some States have pending utilization certificates, one drastic step would be they do not get any money that year unless they give Utilization Certificate. That would be an extreme step”.

He also agreed to furnish State-wise figures for the same.

3.39 Year-wise summary of Outstanding Utilization Certificates in respect of grants released upto 2008-09 and pending as on 31 December, 2010 is given hereunder:

(Rs. in crore)

Sl. No.	Year	No. of cases	Amount
1.	1990-91	3	0.11
2.	1991-92	8	0.17
3.	1992-93	2	0.07
4.	1993-94	5	0.66
5.	1994-95	1	0.03
6.	1995-96	2	0.12
7.	1996-97	2	0.01
8.	1997-98	6	0.15
9.	1998-99	2	0.01
10.	1999-00	0	0
11.	2000-01	3	0.04
12.	2001-02	12	0.16
13.	2002-03	6	0.08
14.	2003-04	7	0.12
15.	2004-05	11	1.91
16.	2005-06	16	8.40
17.	2006-07	59	77.58
18.	2007-08	124	65.57
19.	2008-09	212	1594.68
	Grand Total	481	1749.87

- #
1. Pending UCs upto Xth Plan - 145 No. of case Rs. 89.62 crore
 2. Pending UCs of XIth Plan (up to 2008-09) - 336 No. of cases Rs. 1660.25 crore.

Agricultural Production Estimates

3.40 The Committee are happy to note that the Country has recorded an all time high of 235.88 million tonnes in production of foodgrains during 2010-11. Wheat, Pulses and Oilseeds too witnessed an all time production high of 84.27, 17.29 and 30.25 million tonnes respectively. They express their deep gratitude to the farming community's selfless toil resulting in this bumper harvest. Similarly, the Ministry of Agriculture deserves their kudos for their on field interventions and monetary allocations for the various Schemes being implemented by them have also attributed in abundant measure to the record production of foodgrains. Whilst impressing upon the Ministry to continue its good work relentlessly, they also desire Government to work upon their weak areas as well.

Scientific Method for Estimating Agricultural Production

3.41 Notwithstanding the fact that this year the Country has recorded an all time high in production of foodgrains amounting to 235.88 million tonnes, yet doubts are being raised at the veracity of the current process of estimations of agricultural production, weaning the sheen from the figures which perturbs the Committee no end. The Committee are well aware that as this is a statistical exercise based on statistical models and involving statistical tools and there are bound to be errors in this process. In particular, their attention is drawn to the Crop Cutting Experiments (CCEs) which as admitted by the Government is a weak point, as in some cases without conducting CCEs, data is concocted from the field, ultimately clouding its accuracy. The Committee are unable to fathom the reasons impeding the Government to move towards a scientific approach to

collection of data when it is easily available with them. In particular, the Committee draw the attention of the Department towards the technique of Satellite Imagery used by Indian Space Research Organisation (ISRO). Further, they urge them to implement the recommendations of the Committee setup to suggest alternative methodology with due promptitude to ensure higher accuracy in collection of data thereby making them reliable and authentic.

Cooperation

3.42 Cooperative Sector plays a significant role in disbursing agricultural credit, providing market support to farmers, distribution of agricultural inputs and imparting cooperative education and training etc. Against an approved Outlay of Rs. 646 crore for the Cooperative Division, the actual allocation for the last four fiscals amounts to Rs. 336.90 crore and the actual expenditure during these years is Rs. 330.05 crore. The overall utilization of funds is a healthy 98 per cent. In view of the fact that the Schemes under this Division are Central Sector Schemes where the entire funding is borne by the Central Government, the difference between the approved outlay of Rs. 646 crore and actual expenditure of Rs. 330.05 crore is glaring and cannot be overlooked by the Committee. Going solely by past performance, the Committee are pretty sure that enhancement at RE stage during the current fiscal would not bridge this disparity. The Committee further notice that though BE 2011-12 sees a quantum enhancement at Rs. 192.00 crore, yet three Schemes, namely, Rehabilitation and Reconstruction of potentially viable sick Cooperatives, Interest Subvention on loans provided by NCDC to Cooperative and support to NAFED which have been allocated sums of

Rs. 25, Rs. 80 and Rs. 2 crores respectively have not been accorded the necessary approvals/ clearances till date and at RE stage, the Ministry of Finance would definitely reduce the aforementioned allocations. The Committee are pained at this sorry state of affairs and urge the Government to get their house in order and ensure that funds allocated for this vital sector are utilized optimally and evenly in future, as the small and marginal farmers rely heavily on this sector for funding on which their sustenance is solely dependent.

3.43 The Committee note with concern that the BE figures for 2011-12 as furnished by the Department are at variance with each other. On page 25 of their Basic Material, BE (2011-12) is shown as Rs. 85.00 crore, whereas in their Written Reply the same is furnished as Rs. 192.00 crore (Page 11) a difference of Rs. 107.00 crore. The Committee caution the Department to be careful while submitting information to Parliament and its entities and ensure that in future any information furnished to the Committee is consistent across all documents so that any ambiguity as in the instant case is avoided.

3.44 The Committee are in full agreement with the stand of the Department that the Cooperative Sector needs to be revitalized to a sound state of health for overall development of the Agriculture Sector. In particular, the Scheme of revival of sick cooperatives needs to be implemented at the earliest which in their unanimous view would ensure empowerment of farmers in the true sense. They, therefore, urge the Department to leave no stone unturned to ensure that these three pivotal aforementioned Schemes are accorded approvals/clearances with promptitude by all the agencies concerned.

3.45 The Committee would finally like to advise the Department on a far more germane matter in regard to Cooperatives. The Committee presented their Twelfth Report on “The Constitution (One Hundred and Eleventh Amendment) Bill, 2009” to the Parliament almost a year ago on 30 August, 2010. The Bill is, however, yet to be enacted till date. In fact another Bill viz. “The Multi-State Cooperative Societies (Amendment) Bill, 2010”, though referred to them on 16 December, 2010, is also pending consideration at the Committee’s end because of the delay in enactment of the Constitution Amendment Bill as some clauses of the latter may have a bearing on the former. In their opinion this prolonged inaction on the part of the Department in delaying enactment of a very important legislation is not reflective of any genuine concern of theirs for the Cooperative Sector in the Country. Mere Schemes without a forward looking and cooperative friendly law are not going to help the cause of the Cooperative Movement in the Country, more so when it is not in the pink of health as of now. The Committee, therefore, emphasize upon the Department to get The Constitution (One Hundred Eleventh Amendment) Bill, 2009 enacted without any further delay and preferably in the ongoing Session of the Parliament.

Support to State Extension Programmes for Extension Reforms

3.46 The Committee note that the Scheme of Support to State Extension Programmes for Extension Reforms was launched in 2006 and aimed at making extension system farmer driven and farmer accountable by way of new institutional arrangements for technology dissemination in the form of an

Agricultural Technology Management Agency (ATMA) at District Level to operationalise extension reforms. However, the Committee observe that Budget Outlays for the first four fiscals were always revised downward at Revised Estimate stage. This was attributed to procedural delays by various agencies involved in according clearances/approvals for this revised Scheme, which lead to timelines being staggered for this Scheme till 19 March, 2010. Appalled at this shoddy state of affairs, the Committee in their Sixth Report had recommended that approval to the Scheme be expedited and the damage being done due to the prevalent lacunae be stemmed at the earliest.

3.47 The Committee express their happiness over the fact that the Planners have finally acted, though belatedly, upon their specific recommendation for streamlining the process of according clearances/approvals to a Scheme in good time so as to increase its viability by its timely implementation. This fact is further strengthened by the doubling of BE for 2011-12 which stands at Rs. 500.00 crore. They would like the Department to motivate the States to come forward and avail maximum funds for strengthening their respective programmes for Extension Reforms.

The Committee have also been informed that Department of Agriculture and Cooperation have embarked upon monitoring and evaluation of the said Scheme in 28 States/UTs, but only the States of Himachal Pradesh, Rajasthan, Punjab, Orissa, Andhra Pradesh and West Bengal have submitted their study reports and the others are in the process. The Committee would like to impress upon the Department to earnestly take up this issue with the States/UTs that have not furnished their study reports and get the same expedited with promptitude.

They would also like the Department to furnish them a status report on the action initiated on the study carried out by an independent agency AFC within three months of presentation of this Report to Parliament.

Strengthening and Modernization of Pest Management in India

3.48 The major thrust areas of the Scheme are promotion of Integrated Pest Management (IPM), ensuring availability of safe and quality pesticides for sustaining crop production from the ravages of pests and diseases, streamlining quarantine measures for preventing entry of exotic pests and human resource development in plant protection skills. The funds allocated at BE stage during the first four fiscals have always been revised upwards at the RE stage and the actual expenditure till date stands at Rs. 63.74 crore. In response to a specific query of the Committee, the Department have admitted that as the Expenditure Finance Committee approved this Scheme only in July, 2010 no new projects could be taken up before. This resulted in a curtailed expenditure, whereby actual expenditure was lower than the BE. Further, due to the delayed approval, a reduction in requirement/demand of funds from the States/UTs was witnessed. The Committee are anguished to observe that procedural delays have hampered the implementation of this Scheme and made our agriculturists vulnerable to the threat of pest attacks which could be calamitous to our agricultural production.

They, however, want the Department to break free from the jinxed past and adopt a pro-active role in this regard as the Scheme is now under implementation. They expect the Department to expeditiously cover lost ground and ensure that maximum utilization of funds occurs in the current Fiscal and this momentum is also carried forward to the ensuing Twelfth Five Year Plan.

The calamitous effects of the Chemical Pesticide Endosulphan in Kasargod District of Kerala are a matter of extreme concern to them and they express their deep anguish at the sufferings caused to the people in several areas of Kasargod. They are further appalled to know that inspite of being aware about its detrimental effect, this pesticide was still widely being used in India, prior to its ultimate ban in several States due to the Kasargod calamity. The Committee strongly feel that it is high-time the Government took a final call on the detrimental effects of chemical pesticides on soil, crop, cattle, humans, water, the environment and embark upon a strict mechanism/protocol with a view to ensure minimal, strictly need based use of chemical pesticides in the Country in future. Side-by-side they also impress upon the Government to take up the issue of use of bio-fertilizers on a larger scale, to reduce dependence on chemical pesticides, which in their considered opinion cause more harm than good to all components of agriculture, its practitioners, end users and environment as well.

National Food Security Mission

3.49 The Centrally Sponsored Scheme of National Food Security Mission (NFSM) was launched from Rabi 2007-08 to increase production of rice by 10 million tonnes, wheat by 8 million tonnes and pulses by 2 million tonnes by the end of the Eleventh Five Year Plan i.e. March, 2012 and is presently under implementation in 476 Districts of 17 States. The Committee, however, note with concern that under this Scheme, BE 2009-10 of Rs. 1354.00 crore was reduced at RE stage to Rs. 1074 crore and the actual expenditure was Rs. 1019.16 crore only. Similarly, during 2010-11 BE of Rs. 1350.00 crore was revised downward to

Rs. 1277.13 crore. The gap between BE and final grant has been attributed to less expenditure under MH-2552 for North East Region (NER) as only one State viz. Assam has been included from this Region under the Mission. The Committee opine that if this is the bottleneck hampering optimum utilization of funds, then the Department should increase, the coverage of this Scheme in NER by bringing all the States of this Region under the ambit of National Food Security Mission, so that precious funds earmarked for the purpose don't go abegging.

3.50 The Committee observe that the physical achievements for the year 2009-10 and 2010-11 were nowhere near the target set. During the year 2009-10, the severe drought afflicting the major rice growing States during Kharif 2009, resulting in large rice areas being left unsown lead to under achievement of targets. So far as the figures for 2010-11 are concerned, these are based on State reports upto November/December, 2010 and the final achievement would be reflected in the progress report of March, 2011. The Committee deprecate this delay in updation of data in today's era of information technology where updated data is available at the click of the button. They, therefore, desire the Government to initiate steps to ensure that all States/UT being covered under this Scheme collect data accurately and forward the same online to the Nodal Agency with due promptitude, so that the true picture prevalent on the ground can be timely assessed.

Integrated Nutrient Management

3.51 The Committee note that the Department has introduced a new Scheme 'National Project on Management of Soil Health and Fertility (NPMSHF) from 2008-

09 to promote balanced and judicious use of fertilizer in conjunction with organic manure on soil test basis. The approved Eleventh Plan Outlay for the Scheme is Rs. 429.85 crore.

They are constrained to note that expenditure during the first four fiscals of the current Plan period is Rs. 79.72 crore only. Similar is the fate of achievement of physical targets where in 448 Static/Mobile Soil Testing Laboratories (STLs) / Fertilizer Quality Control Laboratories (FQCLs) being strengthened / set up against the target figure of 1198 STLs/FQCLs. What has held the Committee's undivided attention in the instant case is that apart from the usual standard replies like delay in obtaining clearance of the CCEA resulting in staggered timelines, thereby having a detrimental effect on utilization of funds, as well as achievement of physical targets, is that the popularity of the Schemes like 'Macro Management of Agriculture' (MMA) and Rashtriya Krishi Vikas Yojana (RKVY) has caused under achievements under NPMSHF. The Department's own admission that though expenditure under the National Project on Management of Soil Health and Fertility has been low, yet the expenditure on soil testing and related activities under MMA and in particular RKVY has been impressive as States find it more convenient to utilize the window of RKVY for undertaking the activities included in the project on soil health and fertility speaks volumes about the efficacy or otherwise nay the very utility of this new Scheme launched after considerable effort and with lot of fanfare is squandered. The Committee consider this to be another instance where the Department have worked out a Scheme in isolation and without taking a holistic view.

The Committee are of the considered opinion that this is an eye-opener for the Department and they need to do a serious rethink on the plethora of Schemes being run by them. Rather than being guided by their own convenience they must be guided by the convenience of the States/UTs who are actually implementing the Schemes. They are of the firm opinion that the Department would be well advised to expand the scope of the RKVY and reduce the number of Schemes for the Twelfth Plan as this would help in judicious and optimum utilization of funds, thereby increasing the viability of the Schemes of the Department.

Outstanding Utilization Certificates

3.52 The Department have informed the Committee about 481 cases of Outstanding Utilization Certificates (UCs) in respect of grants released by them to States/UTs from the year 1990-91, till date, amounting to Rs. 1749.87 crore. Further, they have been informed that this pendency has occurred due to non-submission of UCs. The Department have been taking up the issue of liquidation of these outstanding UCs from the grantees and letters have been issued by concerned divisions and personal visits made in this regard as well. They also attribute this trend to the budget increasing year after year. At present, the only way out is constant monitoring and pushing the States/UTs to furnish their UCs. The Committee express their displeasure at this all pervading morass, as it is abundantly clear that the present mechanism for follow-up being practiced by the Department for liquidation of unspent balances by the States has not served the intended purpose. They strongly feel that there is an urgent need to revisit this

mechanism and introduce necessary correctives at the earliest so that the States are persuaded to following financial discipline and take cogent measures to liquidate the outstandings in a time bound manner and further release of funds from the Department continues unhindered. They, therefore, desire the Department to initiate corrective measures in this respect well before the next Plan commences to avoid its recurrence and apprise them of the action taken in the matter.

NEW DELHI;
26 August, 2011
04 Bhadrapada, 1933 (Saka)

BASUDEB ACHARIA
Chairman,
Committee on Agriculture

COMMITTEE ON AGRICULTURE

(2010-11)

MINUTES OF THE TWENTY SIXTH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 25 April, 2011 from 1100 hours to 1350 hours in Committee Room C', Parliament House Annexe, New Delhi.

PRESENT

Shri Prabodh Panda - *In the Chair*

LOK SABHA

2. Shri Narayansingh Amlabe
3. Shri Thangso Baite
4. Shri Jayant Chaudhary
5. Smt. Ashwamedh Devi
6. Shri Biren Singh Engti
7. Smt. Paramjit Kaur Gulshan
8. Shri Surendra Singh Nagar
9. Shri Premdas
10. Shri Vitthalbhai Hansrajbhai Radadiya
11. Shri Nripendra Nath Roy
12. Shri Bhoopendra Singh
13. Shri Uday Singh
14. Shri Hukmadeo Narayan Yadav

RAJYA SABHA

15. Shri Shashi Bhusan Behera
16. Shri Narendra Budania
17. Shri A. Elavarsan
18. Shri Mohd. Ali Khan
19. Shri Bharatsinh Prabhatsinh Parmar
20. Shri Rajpal Singh Saini
21. Shri S. Thangavelu

SECRETARIAT

1. Shri Raj Shekhar Sharma - Joint Secretary
2. Shri P.V.L.N. Murthy - Director
3. Shri P.C. Koul - Additional Director

WITNESSES

MINISTRY OF AGRICULTURE **(DEPARTMENT OF AGRICULTURE AND CO-OPERATION)**

1. Shri P.K. Basu Secretary
2. Shri A.S. Lamba Special Secretary
3. Shri A.S. Nikhade Principal Adviser
4. Shri Ashish Bahuguna Additional Secretary & Financial Adviser
5. Shri G.C. Pati Additional Secretary
6. Shri V. Venkatachalam Additional Secretary
7. Shri Anup Kumar Thakur Additional Secretary
8. Shri Utpaul Ghosh ESA
9. Dr. Gurbachan Singh Agriculture Commissioner
10. Dr. Gorakh Singh Horticulture Commissioner
11. Dr. Ashok Gulati Chairman (CACP)
12. Dr. K.G. Radhakrishnan Member Secretary (CACP)
13. Shri Pankaj Kumar Joint Secretary
14. Shri R.K. Tiwari Joint Secretary
15. Shri S.K.G. Rahate Joint Secretary
16. Shri A. Mazumdar Joint Secretary
17. Shri Sanjay Vikram Singh Joint Secretary
18. Shri Mukesh Khullar Joint Secretary
19. Shri Sanjeev Chopra Joint Secretary
20. Shri Sanjeev Gupta Joint Secretary
21. Shri Atanu Purkayastha Joint Secretary
22. Shri S.C. Garg Joint Secretary
23. Shri Rajive Lochan Adviser
24. Dr. S.K. Mukherjee Adviser

MINISTRY OF CHEMICAL AND FERTILIZERS **(DEPARTMENT OF FERTILIZERS)**

1. Shri Shamlal Goyal Joint Secretary
2. Shri Satish Chandra Joint Secretary

PLANNING COMMISSION

Shri V.V. Sadamate

Adviser

2. At the outset, Joint Secretary, Lok Sabha Secretariat informed the Committee that due to unavoidable circumstances the Chairman would not be chairing the Sitting. Therefore, the Committee chose Shri Prabodh Panda, MP (Lok Sabha) to act as Chairman for the Sitting under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha. Thereafter, the Chairman welcomed the Members of the Committee and representatives of the Ministry of Agriculture (Department of Agriculture and Co-operation), Ministry of Chemical and Fertilizers (Department of Fertilizers) and Planning Commission to the Sitting.
3. After the witnesses introduced themselves, the Committee took the evidence of the representatives of Department of Agriculture and Co-operation on Demands for Grants (2011-12) of the Department. The Secretary briefly highlighted the activities / achievements made by the Department during the preceding Financial Year.
4. The Chairman and Members of the Committee raised queries on several issues concerning the Demands for Grants of the ongoing Fiscal. The representatives of the Department replied thereto.
5. The Chairman, thereafter thanked the witnesses for appearing before the Committee as well as for furnishing valuable information desired by them. He also directed them to furnish information on points which could not be clarified during the Sitting to the Committee Secretariat by 6 May, 2011.
6. A verbatim record of the proceedings has been kept separately.

The Committee then adjourned.

**COMMITTEE ON AGRICULTURE
(2010-11)**

MINUTES OF THE THIRTY NINTH SITTING OF THE COMMITTEE

The Committee sat on Friday, the 26th August, 2011 from 0930 hours to 1000 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia - *Chairman*

LOK SABHA

2. Shri Narayansingh Amlabe
3. Shri Thangso Baite
4. Smt. Ashwamedh Devi
5. Smt. Paramjit Kaur Gulshan
6. Shri Naranbhai Kachhadia
7. Shri Prabodh Panda
8. Shri Premdas
9. Shri Nripendra Nath Roy
10. Shri Uday Singh
11. Shri Jagdish Thakor
12. Shri Hukmadeo Narayan Yadav

RAJYA SABHA

13. Shri Shashi Bhusan Behera
14. Shri Satyavrat Chaturvedi
15. Shri Mohd. Ali Khan
16. Shri Upendra Kushwaha

17. Shri Rajpal Singh Saini
18. Shri S. Thangavelu

SECRETARIAT

- | | | | |
|----|----------------------|---|---------------------|
| 1. | Shri Deepak Mahna | - | Joint Secretary |
| 2. | Shri P.V.L.N. Murthy | - | Director |
| 3. | Shri P.C. Koul | - | Additional Director |
| 4. | Shri C. Vanlalruata | - | Deputy Secretary |

2. At the outset the Hon'ble Chairman welcomed the members to the Sitting of the Committee. They, thereafter, took up the following draft Reports for consideration:-

(i) draft Report on Demands for Grants (2011-2012) relating to the Ministry of Agriculture (Department of Agriculture & Co-operation);

*(ii) xxx xxx xxx xxx

*(iii) xxx xxx xxx xxx

*(iv) xxx xxx xxx xxx

After some deliberations, the Committee adopted the above draft Reports without any modification. They also authorized the Chairman to finalise the above Draft Reports in the light of factual verification got done from the concerned Ministry/Department and present them to the Parliament.

The Committee then adjourned.

*Matter not related to this Report.