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COMMITTEE ON AGRICULTURE
(2012-2013)

FIFTEENTH LOK SABHA

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

DEMANDS FOR GRANTS (2013-2014)

FORTY SIXTH REPORT

LOK SABHA SECRETARIAT
NEW DELHI

APRIL, 2013/ VAISAKHA, 1935 (Saka)

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Presented to Lok Sabha on 23.04.2013

Laid on the Table of Rajya Sabha on 25.04.2013

LOK SABHA SECRETARIAT
NEW DELHI

APRIL, 2013/ VAISAKHA, 1935 (Saka)

COA No. …..

Price : Rs.

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Fourteenth Edition) and Printed by

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MEMBERS

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3. Shri Sanjay Singh Chauhan
4. Shri H.D. Devegowda
5. Smt. Ashwamedh Devi
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SECRETARIAT

1.	Shri R.S. Kambo	-	Joint Secretary
2.	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 Forty-sixth Report on the Demands for Grants (2013-2014) 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 (2013-14) of the Department of Agriculture and Co-operation, which were laid on the table of the House on 19 March, 2013. The Committee took evidence of the representatives of the Department of Agriculture & Co-operation and the Planning Commission at their Sitting held on 02 April, 2013. The Committee wish to express their thanks to the officers of the Department of Agriculture & Co-operation 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 17 April, 2013.

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;
17 April, 2013
27 Chaitra, 1935 (Saka)

BASUDEB ACHARIA
Chairman,
Committee on Agriculture

ABBREVIATIONS

AES	**Agricultural Extension System**
AMDP	**Accelerated Maize Development Programme**
ASEAN	**Association of Southeast Asian Nation**
ATMA	**Agricultural Technology Management Agency**
BTT	**Block Technology Team**
CCEA	**Cabinet Committee on Economic Affairs**
CFQC&TI	**Central Fertilizer Quality Control & Training Institute**
CPO	**Crude Palm Oil**
CRS	**Community Radio Stations**
CSS	**Centrally Sponsored Scheme**
DAC	**Department of Agriculture and Cooperation**
EFC	**Expenditure Finance Committee**
FACs	**Farmer Advisory Committees**
FOs	**Farmers Organisation**
FQCLs	**Fertilizer Quality Control Laboratories**
FTAs	**Free Trade Agreements**
GB	**Governing Board**
GDP	**Gross Domestic Product**
HMNEH	**Horticulture Mission for North East and Himalayan States**
HYVs	**High Yielding Varieties**
ICAR	**Indian Council of Agricultural Research**
ICRISAT	**International Crops Research Institute for the Semi-Arid Tropics**
ICT	**Information and Communication Technology**
IEC	**Information Education and Communication**
IFFCO	**Indian Farmers Fertiliser Cooperative Limited**
IIPR	**Indian Institute of Pulses Research**
INM	**Integrated Nutrient Management**
IPM	**Integrated Pest Management**
ICARDA	**International Centre for Agricultural for Research in the Dry Areas**
ISOPOM	**Integrated Scheme of Oilseeds, Pulses, Oilpalm and Maize**
IDWG	**Inter Departmental Working Group**
KRIBHCO	**Krishak Bharati Cooperative Limited**
KVKs	**Krishi Vigyan Kendras**
MANAGE	**National Institute of Agricultural Extension Management**
MMA	**Macro Management of Agriculture**
MPRs	**Cumulative Monthly Progress Reports**
MSP	**Minimum Support Price**
NABS	**National Agricultural Biosecurity System**

NAFED	**National Agricultural Cooperative Marketing Federation of India Limited**
NAPCC	**National Action Plan on Climate Change**
NDC	**National Development Council**
NER	**North Eastern Region**
NFSM	**National Food Security Mission**
NFSMEC	**National Food Security Mission Executive Committee**
NGO	**Non-Government Organisation**
NHM	**National Horticulture Mission**
NLCPR	**Non-Lapsable Central Pool of Resources**
NMAET	**National Mission for Agricultural Extension & Technology**
NMMI	**National Mission on Micro Irrigation**
NMOOP	**National Mission on Oilseeds and Oil Palm**
NMSA	**National Mission for Sustainable Agriculture**
NPDP	**National Pulses Development Programme**
NPMSH&F	**National Project on Management of Soil Health & Fertility**
NRM	**Natural Resource Management**
NSC	**National Seed Corporation Limited**
NWDPRA	**National Watershed Development Project for Rainfed Areas**
OPP	**Oilseeds Production Programme**
OPDP	**Oil Palm Development Programme**
PSB	**Phosphate Solubilising Bacteria**
MMA	**Macro Management of Agriculture**
PPP	**Public Private Partnership**
PRIs	**Panchayati Raj Institutions**
RADP	**Rainfed Area Development Programme**
RKVY	**Rashtriya Krishi Vikas Yojana**
SAMETI	**State Agriculture Management and Extension Training Institute**
SAUs	**State Agricultural Universities**
SEWPs	**State Extension Work Plans**
SFCI	**State Farms Corporation of India Limited**
SHC	**Soil Health Cards**
SMR	**Seed Multiplication Ratio**
SRR	**Seed Replacement Rate**
SREP	**Strategic Research and Extension Plan**
STL	**Seed Testing Laboratory**
TBOs	**Tree Borne Oilseeds**
TMO	**Technology Mission on Oilseeds**
STCR	**Soil Test Crop Response**
UC	**Utilisation Certificates**
VRR	**Varietal Replacement Rate**

CHAPTER – I

IMPLEMENTATION OF COMMITTEE'S RECOMMENDATIONS

The Thirty-fourth Report of Committee on Agriculture on Demands for Grants (2012-13) of the Ministry of Agriculture (Department of Agriculture and Cooperation) was presented to the Lok Sabha on 30 April, 2012. 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 State for Agriculture and Food Processing Industries made a Statement in the Lok Sabha on 18 December, 2012 giving the status of implementation of various Recommendations made by the Committee in their Thirty-fourth Report.

1.3 On the basis of Action Taken Notes received from the Department in respect of the above Report on 30 July, 2012, the Committee presented their Thirty-eighth Report to the Lok Sabha and laid it on the Table of Rajya Sabha on 30 August, 2012. Out of the 17 Recommendations of the Committee, 11 have been accepted by the Government. Replies to one Recommendation viz. Para No. 2.36 were of interim nature. The Committee commented upon the Action Taken Notes furnished by the Government in respect of Recommendations at Para Nos. 2.32, 2.34, 2.35, 2.36, 3.46, 3.47, 3.50 and 3.55 in the Original Report.

1.4 The Committee note that the Action Taken Replies regarding the action taken by the Government on the Observations / Recommendations contained in the Thirty-fourth Report of the Committee were furnished by the Government within the stipulated three months. The Committee further note that in pursuance of Direction 73-A of Directions by the Speaker, Lok Sabha, the Minister concerned is required to make a Statement on the status of implementation of Observations / Recommendations contained in the Original Reports of the Committee within six months of their presentation to the Parliament. However, the Committee are deeply perturbed to note that the Minister concerned did not make the Statement under Direction 73-A in the context of Thirty-fourth Report of the Committee within the stipulated time. The Committee take strong exception to the failure of the Ministry time and again to adhere to stipulations laid down in Direction 73-A in respect of Statements to be made by the Minister concerned. They expect that there will not be a repeat of such lapses in future. The analysis of the action taken by the Government reveals that 65% Recommendations have been implemented. 29% Recommendations have not been implemented and 6% of Recommendations are in various stages of implementation. The Committee desire the Government to take conclusive action in respect of the eighth Recommendations commented upon in their Thirty-eighth Action Taken Report and furnish further action taken notes to the Committee expeditiously.

CHAPTER – II

CHALLENGES CONFRONTING INDIAN AGRICULTURE

Introductory

The Department have informed the Committee that India accounts for only 2.4% of the world's geographical area and 4% of its water resources, but has to support about 17% of the world's human population and 15% of the livestock. Agriculture is an important sector of the Indian economy, accounting for 14% of the nation's GDP, about 11% of its exports, about half of the population still relies on agriculture as its principal source of income and it is a source of raw material for a large number of industries. Accelerating the growth of agriculture production is therefore necessary not only to achieve an overall GDP target of 8 per cent during the 12th Plan and meet the rising demand for food, but also to increase incomes of those dependent on agriculture to ensure inclusiveness.

2.2 The Committee have observed that Agriculture is one of the important sector of Indian Economy, contributing 14% of Nation's GDP providing employment to 58.2% of the population. This sector witnessed a growth rate 3.6% during the Eleventh Plan, as against a target of 4%. The Indian Agriculture is faced with a myriad of challenges like Land Degradation, Deterioration of soil Health, Low Falling Productivity and Profitability of Small Land Holdings, Low Water Productivity, Productivity of Rainfed / Dryland Agriculture, Declining factor productivity of Intensive Agriculture, Impact of Climate Change on Agriculture etc.

2.3 In response to the Committee's query on the preparedness of the Government to tackle these challenges and ensure accelerated growth during the Twelfth Five Year Plan, the Department of Agriculture and Cooperation in their written submission informed that while several indicators such as overall food grain production (reaching record levels), drought resilience and extension of Green Revolution to Eastern Region have shown marked improvement, several challenges remain. Amongst these are : a shrinking land base, dwindling water resources, the adverse impact of climate change, shortage of farm labour, and increasing costs and uncertainties associated with volatility in international markets. The Twelfth Plan will need to face these challenges boldly.

The key drivers of growth will remain as follows:

1. Viability of farm enterprise and returns to investment keeping in view issues of scale, market access, prices and risk;
2. Availability and dissemination of appropriate technologies that depend on quality of research and extent of skill development;
3. Plan expenditure on agriculture and in infrastructure which together with policy must aim to improve functioning of markets and more efficient use of natural resources; and
4. Governance in terms of Institutions that enable better delivery of services like credit, animal health and of quality inputs like seeds, fertilisers, pesticides and farm machinery.

In addition, certain regional imbalances are still there which have to be addressed. A national priority from the view of both food security and sustainability is to fully extend Green Revolution to areas of low productivity in the Eastern Region where there is ample ground water, and thereby help reduce water stress elsewhere. Rain-fed areas continue to be at a disadvantage, and their development still requires some mindset changes.

2.4 On being queried about the details of headway made during the first fiscal of the Twelfth Plan on the above mentioned topic, as well as gearing themselves for overcoming these challenges and ensuring its commitment of providing Food Security to the Nation, the Department vide their written replies submitted that the average of annual growth rate of GDP achieved in agriculture and allied sectors during the Eleventh Plan improved to 3.64% as opposed to 2.5% and 2.4% in the 9th and 10th Plan, respectively. It is commendable that this growth was achieved in spite of a drought year in 2009-10 and drought like conditions in some parts of the country during 2010-11. The total food grain production rose to a record level of about 260 million tonnes from 217.28 million tonnes in 2006-07. Sugarcane and cotton production estimated at 357.67 million tonnes and 35.2 million bales respectively have also touched new record levels in 2011-12. Horticultural production has recorded an average annual growth rate of 4.7% during the 11th Plan.

Strategy for the 12th Five Year Plan

The major concern in regard to agriculture and allied sector at the time of finalizing the 11th Five Year Plan was to arrest the decline in the average annual growth rate and profitability. Therefore, a target of 4% average growth per annum was set for the agriculture and allied sector in the 11th Plan. Accordingly, a number of new initiatives were launched by government, viz. Rashtriya Krishi Vikas Yojana (RKVY) incentivizing the states for mobilizing higher investment in agriculture; National Food Security Mission (NFSM) to bridge yield gaps; National Horticulture Mission (NHM) and Horticulture Mission for North East and Himalayan States (HMNEH) to address the horticulture in mission mode; strengthening agricultural marketing system through market reforms and providing adequate support services to the farmers, to name a few. Under RKVY, new initiatives such as Bringing Green Revolution to Eastern Region, Integrated Development of 60,000 pulses villages in rainfed areas, Promotion of Oil Palm, Initiative on Vegetable Clusters, Initiative for Nutritional Security through Intensive Millets Promotion, National Mission for Protein Supplements, Accelerated Fodder Development Programme, Vidarbha Intensive Irrigation Development Programme etc. were also taken up. This approach and strategy delivered the desired results. The gains from the 11th Plan experience have now to be consolidated in the 12th Plan. A target of 4% average growth per annum has been set for the agriculture and allied sector in the 12th Plan also. This is necessary not only to achieve the 8% average growth rate of GDP set for the 12th Plan but more importantly to achieve inclusive growth. To sustain the momentum gained during the 11th Plan as also to consolidate the gains, it is necessary to ensure adequate capital formation in the agriculture and allied sector. Therefore, "Public Private Partnership (PPP) for Integrated Agriculture Development" has been launched as a pilot scheme under RKVY during 2012-13 with the objective of augmenting governmental effort in leveraging the capability of private sectors in agriculture development. The outlay for RKVY during the 12th Plan is also proposed to be stepped up to Rs.63,246 crore.

Department of Agriculture & Cooperation is in the process of restructuring and merging of more than 50 Centrally Sponsored / State Plan / Central Plan Schemes of agriculture development that were implemented during the 11th Plan, into 5 missions, 5 programmes and 1 state plan scheme of Rashtriya Krishi Vikas Yojana (RKVY) to have focused approach and to avoid overlap. These proposed Missions and the schemes are at stages of finalisation at present. To sustain desired growth and achieving country's key developmental goals in Indian agriculture while negotiating impacts of climate change, Ministry of Agriculture has formulated 'National Mission for Sustainable Agriculture (NMSA)' under aegis of National Action Plan on Climate Change (NAPCC, 2008). NMSA strategizes transformation of Indian Agriculture into sustainable and climate resilient production system by mainstreaming/embedding appropriate climate change adaptation measures onto ongoing and future programmatic/schematic interventions. While doing so, NMSA would focus on ten key dimensions namely; 'Improved crop seeds, livestock and fish cultures', 'Water Use Efficiency', 'Pest Management', 'Improved Farm Practices', 'Nutrient Management', 'Agricultural insurance', 'Credit support', 'Markets', 'Access to Information' and 'Livelihood diversification' that encompass entire agricultural sector.

2.5 In response to a specific query on the Department 's approach to the thrust areas like sustainable development, climate change, bio-security, bio-safety, improvement in soil health and productivity, so as to bring a turnaround in Indian agriculture, the Department stated that Climate change is emerging as a major challenge to our agriculture, indeed to the management of our economy as a whole. Immediate problems that our farmers face relate to intra-seasonal variability of rainfall, extreme events and unseasonal rains. These aberrations cause heavy losses to our crops every year. There is, therefore, urgent necessity to speed up our efforts to evolve climate resilient cropping patterns and management practices.

The Indian Council of Agricultural Research is continually engaged in research including developing climate resilient varieties of various crops for sustainable agriculture. ICAR is surging ahead to provide scientific and technological support for enhancing production and productivity for sustainable agriculture through innovative approaches. Through its research, education and extension programmes, the Council is committed for transforming Indian agriculture primarily from food self-sufficiency to enhancing profitability. Enhanced production coupled with productivity spurts has led the country to witness a record production of food grains in recent years.

With a view to prevent soil erosion, land degradation and to sustain agricultural production, Natural Resource Management (NRM) Division, Department of Agriculture & Cooperation (DAC) is implementing various Soil & Water Conservation Programmes. The aims and objectives of various schemes/ programmes being implemented by NRM Division are as under:-

- Implementation of location specific soil & water conservation programmes for prevention of soil erosion & land degradation and facilitating sustainable agricultural production on watershed approach basis.
- Formulation of strategies, policies and programmes to address issues relating to "sustainable agriculture" in the context of risks associated with climate change and suggesting appropriate adaptation measures to combat adverse impact of climate change on agricultural production and natural resources.
- Reclamation and development of lands affected by alkalinity and acidity.
- Providing scientific database on soil and land uses for facilitating planning and implementation of various watershed based interventions.
- Prevention of runoff and premature siltation of reservoirs for sustaining irrigation potential and enhancing water storage capacity of reservoirs across the country.
- Development of human resources through training and capacity building in areas of soil and water conservation.

National Mission for Sustainable Agriculture (NMSA) is one of the eight Missions under the National Action Plan on Climate Change (NAPCC). It seeks to address issues regarding 'Sustainable Agriculture' in the context of risks associated with climate change by devising appropriate adaptation and mitigation strategies for ensuring food security, enhancing livelihood opportunities and contributing to economic stability at the national level. This mission acknowledges that the risks to Indian Agriculture sector due to climatic variabilities and extreme events would be felt at the levels of crop or livestock, farm or cropping system and the food system. Further, adverse impacts on agricultural production are likely to be severe in the absence of appropriate adaptation and mitigation measures with far reaching consequences in terms of shortages of food articles and rising prices thereby endangering the food and livelihood security across the Country.

'National Mission for Sustainable Agriculture' (NMSA) will be a programmatic intervention during XII Plan to impart special emphasis on conservation and sustainable use of natural resources especially in the context of threats emanating from a changing climate. NMSA will cater to areas viz. 'Water use efficiency', 'Improved Farm Practices' and 'Nutrient Management' that will promote adoption of sustainable development pathway by progressively shifting to environmental friendly technologies, adoption of energy efficient equipment, conservation of natural resources etc. Besides, these interventions will promote location specific agronomic practices, like improved soil health management, increased water use efficiency, judicious use of chemicals, energy and increased soil carbon sinks. Implementation strategy of NMSA includes (i) promoting integrated farming system covering crops, livestock & fishery, plantation and pasture based composite farming for enhancing livelihood opportunities, ensuring food security and minimizing risks from crop failure through supplementary/ residual production systems; (ii) popularizing resource conservation technologies both on-farm and off-farm and introducing practices that will support mitigation efforts in times of extreme climatic events or disasters like prolonged dry spells, floods etc. (iii) promoting effective management of available water resources and enhancing water use efficiency through application of technologies coupled with demand and supply side management solutions; (iv) encouraging improved agronomic practices for higher farm productivity, improved soil treatment, increased water holding capacity, judicious use of chemicals, energy and enhanced soil carbon storage; (v) creating database on soil and land use survey, soil profile and soil analysis to facilitate adoption of location and soil-specific management practices; (vi) Promoting location and crop specific integrated nutrient management practices for improving soil health, enhancing crop productivity and maintaining quality of land and water resources; etc.

National Watershed Development Project for Rainfed Areas (NWDPRA) programme was launched in 1990-91; and from November, 2000, it has been susbsumed in Macro Management of Agriculture Scheme. Objectives of the programme include: conservation, development and sustainable management of natural resources; enhancement of agricultural production and productivity in a sustainable manner; restoration of ecological balance in degraded and fragile rainfed ecosystems by greening these areas through an appropriate mix of trees, shrubs and grasses; reduction in regional disparity between irrigated and rainfed areas; and creation of sustained employment opportunities for rural community including landless.

Bio-security

The new and emerging factors including genetic engineering, climate change, bio-terrorism and transboundary diseases have profound implications on the plant and animal health and environment with strong connections to human health. The liberalization of global trade in agriculture since 1995 has opened new avenues for growth and diversification of agriculture, but it has also brought in many challenges.

There is an increased risk of introduction of exotic pests and weeds in the country with the potential to cause serious economic losses. Advances in genetic engineering leading to the introduction and release of living modified organisms or their products (e.g. genetically modified organisms) require proper risk assessment and management. Climate change has the potential to alter the habitat of known pests and even cause introduction of new pests. We have to contend with the ever increasing threat of bio-terrorism. The emergence and spread of transboundary diseases such as the avian influenza and the Ug-99 wheat stem rust fungus pose new threats to human, animal and plant safety.

The National Commission on Farmers (NCF) has recommended developing a National Agricultural Biosecurity System characterized by high professional, public, and political credibility through integration of plant, animal and fish management systems on biosecurity based on risk analysis and management. It has also recommended establishment of synergies in requirements of international agreements and national regulations across these sectors to avoid duplication of resources. The National Policy for Farmers (2007) has identified strengthening the biosecurity of crops, farm animals, fish, and forest trees for safeguarding the livelihood and income security of farmer families and the health and trade security of the nation as a major policy goal. In the 3rd meeting of the Agriculture Coordination Committee held on the 15th February, 2008, it was recognised that it was essential to establish an integrated national biosecurity system covering plant, animal and marine issues. A Core Group was constituted by the Department of Agriculture and Cooperation on the 22nd April, 2008 for formulating recommendations for establishment of an integrated national biosecurity system. The Core Group in its report submitted on the 26th February, 2009, *inter alia* recommended establishment of the National Agricultural Biosecurity System (NABS) requiring a new legislation which is more relevant in the context of the present scenario. It suggested that the traditional approach of managing agricultural biosecurity on a sectoral basis through the development and implementation of separate policy and legislative frameworks (e.g. for animal and plant life and health) would have to be converted to a cohesive and convergent approach recognising the interdisciplinary nature of biosecurity.

The Core Group pointed out that the Destructive Insects and Pests Act (DIP Act), 1914 and the Livestock Importation Act, 1898 are age old legislations and are subsidiary to the Customs Act which does not give direct powers to the quarantine officers to deport or destroy or confiscate the consignment or lodge complaints under the Indian Penal Code. Inadequate or obsolete definitions in these Acts need to be updated. Adequate provisions for regulating plants, livestock and aquatics and powers for inspecting transport vehicles and seizure and destruction of infested/infected plants/livestock or their products have to be incorporated. Punishment or penalty on the importers or custom house clearing agents or other defaulters for violation of provisions of the legislation has to be provided. Provisions for effective domestic quarantine have to be incorporated. The enabling legislation for the proposed biosecurity authority would have to be enacted. In keeping with the recommendations of the National Commission on Farmers and the Core Group, the Agricultural Biosecurity Bill, 2013 has been prepared and introduced in Lok Sabha on 11th March, 2013. The main objective of the Bill is to bring together the plant, animal and marine protection and quarantine set ups together under a high powered body with adequate powers for a quantum jump in the capability to safeguard the country's agricultural biosecurity. The Bill seeks to set up an autonomous authority encompassing the four sectors of agricultural biosecurity, namely, plant health, animal health, living aquatic resources (fisheries, etc.) and agriculturally important micro-organisms. It provides for modernising the legal framework to regulate safe movement of plants and animals within the country and in international trade, and harmonise the legal requirements of the various sectors of agricultural biosecurity. The proposed legislation will ensure agricultural biosecurity of the country for common benefit and for safeguarding the agricultural economy.

Integrated Nutrient Management

National Project on Management of Soil Health & Fertility (NPMSH&F) is being implemented for promoting balanced use of fertilizer through setting up / strengthening soil testing laboratories, trainings, demonstrations and promotion of organic manure/soil amendments/micronutrients with an outlay of Rs. 429.85 crore during 11th Plan.

In order to improve soil health and productivity the scheme is proposed to be continued during 12th Plan in mission mode as a Sub-Mission under National Mission for Sustainable Agriculture. The District having no soil testing labs are proposed to be saturated. Soil Health Maps are proposed to be prepared for the states where these are not available.

2.6 During the course of his oral deposition, the Secretary of the Department on being asked about the Department's perspective on the problems plaguing agriculture sector in the Country and its possible solutions stated as under:-

> "Sir, you have rightly pointed out that the most important challenge facing Indian agriculture today, is of viability, whether it is viability of the holding in terms of technological feasibility or whether it is the viability of the farming enterprise in monetary terms. As you are aware, the holding average size in India has now dipped to an all time low of 1.16 hectares. This by any standards is extremely unviable if the holding is used to continue with traditional agricultural cropping systems. For holdings of small size to be economically viable, it is necessary

that we have to graduate to high value agriculture. We have also got to ensure that infrastructure is created at various levels so that the farmers are able to get the best value for their produce. I think that is the prime challenge facing the Indian agriculture today. Now because of the ceiling legislation and the continuing fragmentation of land holdings due to inheritance, the only way we can address this challenge is to set up institutionalised mechanisms for aggregation of farmers into interest groups and producer organisations so that on the one hand, they can purchase their inputs from the market at more competitive prices and on the other, they can aggregate themselves into interest groups and be able to sell their produce to the *mandis* or to the other vendors at the market driven prices. This is the foremost challenge facing us today and allied to that is the rest of the work of this Ministry.

As you are aware, we had conducted a situational assessment survey through the NSSO in 2003. At that time, the average income per person, not per family, in agriculture was about, if I remember correctly, Rs.2174 per month. We feel that with the interventions that have been made in the sector, especially over the past five or six years, we have been able to generate substantial income and revenues in the sector. We have requested NSSO to conduct a situational assessment survey for which, we have released them the money. Hopefully, by the end of this year, we would be in a position to tell you how far we have progressed and what is the gap, if any, that is remaining. But we feel that with the increased focus that has been given to agriculture in the Government, largely as a result of the interventions of this Committee, as you are aware, over the past ten years the annual budget of the Department of Agriculture and Cooperation has increased by ten-folds which is no small achievement. This is possibly the largest increase in plan size in various Departments of the Government of India. So, there is a lot of focus on this sector. But still, as you are aware and as the hon. Committee is aware, the issues that remain to be addressed are so multifarious and they cut across each and every activity, that sometimes we feel that whatever we can do will not be enough or sufficient.

Sir, as you are aware, in the last 11th Plan, we saw a growth rate of 3.64 per cent in the agriculture and allied sectors which is a considerable improvement over the growth rate in the 9th and 10th Plans. If we break down this growth rate, we find that the forestry and logging sector, which is included as a part of the agriculture and allied sector, showed a growth rate of only 2.2 per cent which is why the growth rate of the entire sector came down to 3.6 per cent. Otherwise, the growth rate of agriculture sector, if we just look at agriculture, is closer to 3.8 per cent which though still 0.2 per cent short of the target that we stipulated for ourselves and which the NDC had imposed upon us for the 11th Plan, though we fell short of that, but you would surely agree that in view of the initiatives we had taken in the past five years and despite the occurrence of major droughts – 2009 drought was all pervasive across the country and 2010 drought extended to large parts of eastern India – despite that to achieve nearly 3.8 per cent average growth in the agriculture sector, I think is fairly satisfactory.

However, we are fully aware that there is a lot of distance to be travelled before we can take some satisfaction at the work that we have done whether it is in the instance of increase in the credit flow to the farmers where again over the past five years the credit flow has I think increased by more than five times or whether it is increased risk coverage where admittedly the risk coverage mechanisms at our disposal still remain somewhat unsatisfactory and still remain not to the liking of the farmers. We are trying to address this in a major way.

We have made substantial improvements in the availability of inputs and in the availability of quality seeds. We are on the verge of a break through of releasing new varieties especially of pulses and oilseeds, especially in the case of pulses the genome of the pigeon pea and chickpea have been decoded and that we feel is a very encouraging step for our scientists to be able to take forward their research and engineer such varieties that would suit local agro-climatic situations, be pest tolerant, be pest resistant and serve to increase yields and increase the prosperity of the farmers.

We are trying to focus on establishment of farmer producer organisations, through SFAC, who we have directed to focus mainly on the rain-fed areas in the country so that they can aggregate the farmers of these areas, especially the pulses and oil seeds farmers, aggregate their produce, help in realising better money for their produce by pledging their crops to the accredited warehouses and then disposing it of at times when the prices are the most suitable. This is a direction that we have been trying to take. We are aware that the marketing channels in the country still remain fragmented, the value chain still remains fragmented and broken and the farmer is not in a very good position to realise best value for his produce. As you are aware, there is a Committee of Agricultural Marketing Ministers of all the States that is looking into the aspect of marketing reforms. We hope that this Committee will come up with suggestions that would be acceptable and amenable to all States so that farmers are in a position to obtain best value for their produce. Even today, except in a few States, except in the crops of wheat and rice in which there is a credible procurement mechanism, farmers of other crops are still not in a position to obtain even the Minimum Support Prices and the best value for their produce. So, the issue of markets and the issue of aggregation is what we are wanting to focus on. We are trying to initiate a lot of new activities as far as extension is concerned. As you are aware, after the late sixties and early seventies, when there was a huge induction of village level workers in the agricultural sector through training & visit programme which was funded by the World Bank at that time, after that practically in every State the induction of employees into the agricultural sector had virtually dried up. Through our ATMA Programme over the past two years, we have been successful in creating at least 18,000 more posts which have been spread across various States. This move, I believe, will help in reaching out to the people in a more credible manner where the best technologies, and the best agronomic practices can be delivered to them more effectively. There are other agencies, there are other instrumentalities of the ICT that we are trying to take advantage of in this endeavour. But, as always, we will be guided by the wisdom of this Committee in trying to look at the way forward and we will constantly strive to improve ourselves. It is with the help of this Committee, we have been able to ensure a lot of flexibility in the functioning of this Ministry. Now, nearly half of our Budget goes to the RKVY which is available to the States. Even the other

Centrally-sponsored schemes, we basically accept and approve whatever is proposed to us by the States by way of their Annual Action Plans that they present in the months of March and April every year. So, I think, we are on the right track. With the blessings of the Committee and with the cooperation of the Finance Ministry, most importantly, I am sure we will be able to achieve the target of the 12th Five Year Plan in the agricultural sector".

2.7 The Committee was concerned about the non-remunerative agricultural practices which leads to migration to the urban areas and creates uncertainty of future and pressure on the service sector in the urban areas. When the Committee enquired about this transition, the Secretary informed that the retention in agriculture sector is not an easy task. The transition from agrarian to industrial society will certainly lead to reduction in number of people involved in agriculture practice. On being queried as to what role was being played by DAC to ensure that this transition is smooth, the Secretary submitted that those who are practising non-agriculture vocations in villages, their development is the mandate of Ministry of Rural Development those who have migrated to the urban areas, their development falls in purview of Ministry of Urban Development and Ministry of Labour & Justice. Further, the National Skill Development Crop (NSDC) is entrusted the responsibility of skill development of the migrated labour and road side dwellers. The NSDC is an umbrella organisations having mandate over 14 Departments, including Department of Agriculture and Cooperation

He further submitted that according to the estimates of 2009-10, the per capita average income was Rs. 44,000. When we further break this up, agriculture and allied sectors contribute only Rs. 10,000 per capita income whereas the services sector contributes around Rs. 80,000 to this figure.

2.8 Land degradation, deteriorating Soil Health, shrinking land base, dwindling water resources, adverse impact of climate change, shortage of farm labour and increasing costs of inputs, declining returns and uncertainties associated with volatility in international markets are some of the challenges besetting Indian Agriculture. Some of these have been there in the past and some are recent phenomenon. However, these challenges pose a real and serious threat to our farming community and the Nation as a whole too. Enhancing public sector investment particularly in research and technology transfer, institutional reforms towards delivery, conservation of land water and biological resources, development of rain-fed agriculture, efficient use of water, timely and adequate availability of inputs, developing efficient marketing infrastructure and increasing flow of credit particularly to the small and marginal farmers, are some of the areas requiring focussed policy interventions so as to ensure food security commitments.

Inspite of the fact that India being an agrarian dominant economy, the Committee have observed that this sector is not getting its due from the planners in terms of public investment, which with the advancing years is on the decline. Further, though the Schemes being implemented by the Central and State Governments seem well meaning on paper, yet their implementation on the ground has left a lot to be desired. And unless the gap between formulation and implementation is narrowed down comprehensively, Indian agriculture will unfortunately continue to be stuck in a quagmire.

The burgeoning population too is posing a serious challenge to our aim of food security to all. Thus, the need of the hour is to increase productivity as well as ensure viability, sustainability and induce profitability in this vital sector. The Committee, therefore, recommend that all agencies entrusted in functioning of the agriculture sector across the length and breadth of the Country work in unison and tandem from now on and not work at cross-purposes as is evidently in vogue now. If the implementing agencies justly keep the farming community at the epicentre of all their activities and then start their formulation of Schemes, a turnaround in the fortunes of this Sector would surely be on the anvil. In addition, a judicious blend of modern scientific techniques alongwith traditional agricultural practices would act as a fillip. Lastly, the Committee are sanguine that if concerned parties pay heed to their recommendation, the Nation would be able to tactfully confront these challenges and successfully overcome them.

2.9 The Committee note that as the developing economy moves from a traditional agriculture-based to industrial including service sector, the growth in agriculture sector dips. The Department too have informed that transition from agricultural to industrial society will lead to decline in the size of population involved in the agriculture sector. Also, the agriculture sector is becoming non-remunerative day-by-day leading many to migrate towards urban areas for better employment opportunities. Since these migrants are not skilled, there is an added handicap to their employment opportunities, coupled with the pressure of leaving behind their social support group, being rendered landless and with no assured source of income.

Expressing their serious concern over the fact that the Department of Agriculture and Cooperation have no mechanism/ provision that would provide succour to such migrants who have shifted from agricultural to non-agricultural sector, the Committee recommend the Department to proactively take up in coordination with the other concerned agencies so as to enable these economically and socially vulnerable strata of our society to find gainful employment at the earliest and not to be left at the mercy of vested interests of the unscrupulous sections of the society. They further desire that the progress achieved herein be intimated to them at the earliest.

2.10 On a more alarming note, the Committee express their concern over the Free Trade Agreements (FTAs) entered in the agriculture sector. Having experienced that Indian farmers have been hit hard by the earlier FTAs which have negatively impacted the plantation and cash crops, cheap imports of these commodities have led to drastic fall in domestic production and destruction of livelihoods. Sudden spurt in farmer's suicides in regions where these crops are grown optimise the stark reality of domestic interests being blind sighted at the altar of free trade. However, rather than adopt of policy of going slow on these FTAs, the Government went on entering into more FTAs. Inspite of the widespread protests against Indo-ASEAN FTA, the Government is not yet ready to introspect on this contentious issue. Strongly deprecating this parochial attitude of the Government of carrying forward its agenda of trade liberalization, which has cost farming community heavily, the Committee exhort upon the Government to first work on building the broad consensus amongst various stakeholders across the country encompassing all strata of society, for not only

safeguarding the interests of the ever tolling farmer, but simultaneously negate the nefarious designs of vested interests, before entering into further FTAs.

2.11 Another area of concern is the price support mechanism in agricultural commodities, which is perceived to be distorted. Non remunerative prices of agricultural commodities and deficient institutionalised price support mechanism have impacted the agriculture sector badly. Distress sale of various commodities; have been reported, for one reason or the other, causing great economic loss and temptation to withdraw from the profession for ever. Market interventions price support, which is seldom conducted timely, has not been able to ameliorate the sufferings of the farmers. The present support price mechanism, which is applicable for few commodities, has been found to be wanting since the farmers' interest is not being protected adequately for variety of reasons. In the absence of state sponsored price support for majority of the crops, the farmers are left to fend for themselves. The unbridled market forces which come into play and determines the price structure of agriculture commodities do not often meet the aspirations and expectations of farmers. Many a times, the farmers have been reported to unable to recover the production cost even. It has been also noticed that sometime import of agricultural produce resorted to contain inflationary trends, tend to depress domestic price, causing manifold loss and untold misery to the farmers. In order to harmonise the interest of farmers and consumers, the Committee desire that Govt. should maintain price parity between imports and domestic price, so as to afford reasonable fair and just price to the farmers, for his produce. At the same time, the Committee recommend that all the agricultural commodities including cash and plantation crops be subjected to state

determined price support mechanism, so as to prevent distress sale and protect farmers' interest. The Committee is of the view that if implemented, these steps will go a long way in improving the conditions of the farmers. The Committee would like to be apprised of the action taken in the matter.

2.12 The subsequent narratives deals with detailed examination of the working of the Department in terms of implementation of its Schemes and financial performance during the Fiscal, 2012-13 and projections for the year 2013-14. The Committee desire that the Demand No. 1 of the Ministry of Agriculture, Department of Agriculture and Cooperation, be approved.

CHAPTER – III

OVERVIEW

(i) Overview

Agriculture provides livelihood to majority of population and thus remains linchpin of Indian economy. Though agriculture sector's contribution to national GDP has declined to 13.9% in 2011-12 due to relatively higher growth experienced in industries and services sectors, agriculture remains the principal source of livelihood for more than 58% of country's population. Indian economy is growing and to sustain this growth agriculture sector has to perform well. How to produce more of agriculture produce with limited natural resources in sustainable manner for ensuring food and nutritional security and increasing income of farmers, are major challenges before the Nation.

3.2 As per the land use statistics 2009-10, the total geographical area of the country is 328.7 million hectares, of which the net sown area is 140.0 million hectares. The gross cropped area is 192.2 million hectares and thus the cropping intensity works out to 137.3%. The net irrigated area is 63.3 million hectares.

(ii) Overview of Demands

3.3 Demand No. 1 pertaining to the Department of Agriculture & Co-operation for the year 2013-14 was laid in the Lok Sabha on 19 March, 2013. It provides for implementation of various Central Sector, Centrally Sponsored and State Plan Schemes, for Plan and Non-Plan activities.

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

(Rs. in Crore)

Section	Plan	Non-Plan	Total
REVENUE			
Voted	21550.55	323.79	21874.34
Charged	-	-	-
CAPITAL			
Voted	58.45	0.71	59.16
Charged	-	-	-
GRAND TOTAL	21609.00	324.50	21933.50

3.5 The total allocation for Department of Agriculture & Co-operation is Rs. 21933.50 crore for the Fiscal 2013-14. Out of this Rs. 21550.55 crore and Rs. 323.79 crore are on Plan and Non-Plan sides respectively under the Revenue Section. Similarly, Rs. 58.45 crore and Rs. 0.71 crore are on the Plan and Non-Plan sides respectively under the Capital Section.

3.6 The comparison of Revised Estimates for the year 2012-13 and Budget Estimates for 2013-14 is given in the table below:

(Rs. in crore)

	RE 2012-13		BE 2013-14	
	Plan	**Non-Plan**	**Plan**	**Non-Plan**
REVENUE	17822.03	306.02	21550.55	323.79
CAPITAL	45.29	0.60	58.45	0.71
Total	17867.32	306.62	21609.00	324.50
GRAND TOTAL	**18173.94**		**21933.50**	

The Revenue Section (Plan Side) BE for 2013-14 at Rs. 21550.55 crore shows an increase of Rs. 3728.52 crore from RE 2012-13 of Rs. 17822.03 crore. Similarly on Non-Plan Side, in comparison to BE 2013-14 of Rs. 323.79 crore, the 2012-13 RE allocation was only Rs. 306.02 crore. The BE for 2013-14 in the Capital Section Plan Side is Rs. 58.45 crore, in comparison to RE 2012-13 of Rs. 45.29 crore. On the Non-Plan Side BE for 2013-14 at Rs. 71 lakh is higher in comparison to RE at Rs. 60 lakh for 2012-13.

(iii) Allocation & Utilization of Funds during Eleventh Plan period

3.7 For the Eleventh Plan the Planning Commission had approved an outlay of RS.66,577.00 crore for the Department of Agriculture and Cooperation. However, the Department was allocated Rs.59137.61 crore as BE. The allocation and expenditure for the Eleventh Plan period under Plan and Non-Plan is as under:-

Plan

(Rs. in crore)

Year	BE	RE	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	17052.59
2011-12	17122.87	16515.05	16558.4
Total	**59137.61**	**61527.90**	**61069.68**

Non-Plan

(Rs. in crore)

Year	BE	RE	Expenditure
2007-08	387.21	885.57	972.68
2008-09	628.78	644.66	644.99
2009-10	608.15	1151.40	1064.84
2010-11	605.97	441.48	281.09
2011-12	400.00	310.26	194.96
Total	**2630.11**	**3433.37**	**3158.56**

The above table shows that RE figures have exceeded the BE figures and actual expenditure has always been lower in comparison to the RE during the course of the Eleventh Plan.

3.8 In response to a query regarding allocation of funds not being commensurate with the approved Outlays, the Department in their written submission stated that although Planning Commission had approved an allocation of Rs. 66577 crore for XI Plan, it provided Rs. 59137.61 crore at BE stage after taking into consideration resource availability and demands from other competing national priorities. An amount of Rs. 3500 crore was provided for Rainfed Area Development Programme(RADP) for XI Plan. This scheme was approved towards the end of XI Plan as a part of RKVY. As against the Rs.25,000 crore under RKVY for XI Plan, Planning Commission has provided about Rs. 22378 crore under RKVY for the same period. They further stated that Budgetary figures for Annual Plan & Five Year Plan are projected based on requirement scheme-wise and based on pattern of expenditure during past years. Based on overall budget allocation made by the Planning Commission, scheme-wise allocations are made in the Department based on their inter-se priorities and focussed areas for the governments. The allocations are made in such a way that the chances of over spending / savings are a rare phenomenon.

3.9 In their written response to a query regarding the reasons for RE figures exceeding the BE figures, the Committee were informed that additional allocation is provided, at the revised estimate stage, at the time of half yearly review of the plan schemes. Additional allocation is sought for schemes which have more demand leading to, at times, RE exceeding BE. Revised Estimate is finalized in the month of November or December. Accordingly funds are received in the last quarter of the Financial Year with rider of releasing only 33% of the approved amount. This entails limiting the release of funds leading to less expenditure than the RE.

3.10 When asked as to why the Department were unable to fully utilize the allocated funds during the Eleventh Plan period, the Secretary, Department of Agriculture and Cooperation during Oral Evidence submitted:

> "This shortfall in expenditure over the RE is possibly less than 0.2 per cent or something like that. It is a very small amount. It is about Rs.500 crore in a sum of Rs.61,000 crore. So, the shortfall is not very much if you look at it in percentage terms. However, I take your point that we should not leave any money that is put at our disposal unspent. What happens is that in any typical budgeting exercise, once funds are allocated for each activity and each component, sometimes, some activities and components fail to take off. For instance, historically, we had a problem in spending fully the extent of funds allocated for the North-East. There is a problem of lack of absorption capacity in the North-East. But, over time, that has improved and, I believe, last year it was something like 93 per cent which has been able to be utilised in the North-East. Similarly, there are components of various programmes in which the allocation, as we envisaged, has not been able to be utilised. But if you look at this allocation in its entirety, you would agree that it is a very small amount in percentage terms".

(iv) <u>Twelfth Plan Document</u>

3.11 The Committee have been informed that the Twelfth Five Year Plan (2012-17) was to be operationalized from 01 April, 2012. Having been a witness to the detrimental effects of delay in finalization and implementation the Eleventh Five Year Plan by all agencies concerned leading to reduced allocation, staggering of timelines which ultimately reduced the viability and efficacy of a Scheme, the Committee had recommended that the multi-level planning process be streamlined. However, they have observed that till date the Twelfth Plan Document has not been finalized.

3.12 On being queried about the reasons for this delay in finalizing the Twelfth Plan Document, its possible ramifications and the likely time period by which the Twelfth Plan Document would finally see the light of the day, the Committee were informed that the Twelfth Five Plan has been finalized by National Development Council (NDC), headed by the Prime Minister on 27th December 2012. As most of the schemes of the Department, which were in operation in 11th Five Year Plan, are continuing in the first and second year of 12th Five Year Plan, no adverse impact in the Agriculture sector is envisaged due to late finalization of the schemes during 12th Five Year Plan. It may, however, be stated that various schemes of the Department in the revised format are presently at various stages of finalization.

3.13 In response to a query on the New Schemes that are to be introduced in the Twelfth Plan and their present status, the Department submitted a list of the following Schemes:

1.	National Mission on Agriculture Extension and Technology
2	National Mission on Sustainable Agriculture
3.	National Mission Oilseeds & Oil Palm
4.	Integrated Scheme for Farmers Income Security (ISFIS)
5.	Integrated Scheme on Agriculture Census
6.	Integrated Scheme on Agriculture Marketing
7.	Integrated Scheme on Agriculture Cooperation

On their present status, it was stated that Planning Commission has given “In-principle” approval of the missions/schemes proposed by the Department for Twelfth Five Year Plan. Draft Note for Expenditure Finance Committee (EFC) has been circulated to all concerned for seeking comments. As and when the EFC approves, restructured new missions/schemes will be operationalized.

3.14 When enquired about-procedures that ought to be followed for initiating new Schemes, the Department stated that introduction of any new scheme is through an established procedure of formulation of the scheme, which entails appraisal of the proposed scheme through comments of the relevant Departments/Ministries of the Government and Planning Commission. Thereafter, the proposal is evaluated through EFC and then CCEA's approval is obtained wherever necessary. Department is trying its level best to approve all the new mission/schemes which will be operationlized during 2013-14.

3.15 During the course of Oral Evidence in response to a pointed query as to whether it was desirable that all Schemes be implemented from the first day of the Plan period, the representative of the Planning Commission submitted as under:-

> "The NDC approved the 10th Plan in December, 2002, in the first year itself. In the 11th Five Year Plan, it was from 19th December, 2007. It was again the first year of the Plan. This year it is 27th December, 2012, which is the first year of the Plan".

3.16 On being pressed further, he admitted that:

> "It is desirable. But we have to see the circumstance, which led to this delay. In the present case, the plans have been prepared in the context of rural term loan, which affected the projection of the sources. This was an unprecedented situation with which this plan has been prepared. So, it took time for finalization of the resources by the Planning Commission and arriving at the final projections. But in the meantime, the plan was launched. A lot of schemes are going to be continued".

3.17 On being asked his view point on the extant system of planning presently in vogue, the Secretary of the Department of Agriculture and Cooperation stated:

> "It is not the view of the Department of Agriculture, but it is my personal view. I think it is now high time that we appreciate that planning has to be a dynamic exercise. The tendency to fall back upon on a five year plan does not make sense these days. And, we are increasingly dependent upon the global scenario, which is not in our control. For instance, when the State Governments come to the Planning Commission for their annual plans, then the situation is all the more irrelevant because the devolution of funds to the State are decided by a formula. There is nothing that the Planning Commission can really give to the States by way of additions or deletions.
>
> So, the planning exercise probably needs to be restructured; it needs to be dynamic; it needs to be able to address the current issues, the issues that immediately take shape year to year. What happens is that occasionally, we are handicapped by the fact that the Five Year Plan allocation is fixed; and therefore, we cannot go beyond that even though we have something new to suggest.
>
> To answer your question, Madam, there are four schemes of the previous plan, which did not take off at all. They were rejected. But I do not think that it is such a serious issue. They were rejected for reasons which were considered to be good at that time. The point that I am trying to make is that you are right that ideally the plan should commence on the first day; and everybody should have knowledge of the resources at their command; and they should know exactly how they are going to proceed in the five years. As it happens for all practical purposes, the plan like you said, commences more or less after two years after its inception. And, it continues for five years. It is not a very satisfactory outcome. But that is the way it has been happening and that is the way it would continue to happen. I do not understand why our schemes have to be tied down to a finite and artificial time period created by a plan?
>
> If there are schemes which are inherently good, they should be allowed to continue for all time to come until they are stopped expressly by the Government. But our schemes are only approved for finite periods. That is the problem. This is a kind of self-goal that we inflicted upon us. So, I think it is an extremely important issue that the Committee has raised but obviously it has to be tackled at a larger forum. It cannot be tackled at the level of the single Department or a Ministry because it concerns the Government as a whole but it does create unnecessary complications in implementation of the schemes. The Member is absolutely right when she says that for the first few years of the Plan period, in fact, we struggle with getting new approvals, even for the existing schemes. For instance, the National Horticulture Mission, though it continues albeit under a different nomenclature, but we have to take fresh approval for it at every stage".

3.18 He further submitted that:

> "….I am bound by the rules of business of the Government of India. I cannot breach those rules, obviously. Planning is an exercise which has been given under the rules of business to the Planning Commission. This issue has to be addressed by the Planning Commission and the larger Government".

(v) Financial Allocation and Utilization during First Year of the Twelfth Plan i.e. 2012-13

3.19 The Department have submitted that for the Fiscal 2012-13, they had proposed an Outlay of Rs. 49674.34 crore against which the Planning Commission allocated a sum of Rs. 20,208.00 crore only. Due to the slow utilization of funds during the course of the first six months, the Ministry of Finance (Department of Expenditure) curtailed the allocation at RE stage to Rs. 17867.32 crore and the actual expenditure Rs. 13478.19 (till 31.12.2012).

3.20 The Department further informed that Fiscal 2012-13 was projected based on requirement scheme-wise and based on pattern of expenditure during past years. Rs. 25,000 crore was proposed for RKVY whereas the Department got only Rs. 9217 crore at BE stage. Funds were provided after taking into consideration resource availability and demands for other competing national priorities.

3.21 On being queried about the reasons leading to reduction of BE at RE stage, as well as the Contingency Plan drawn to cope with this reduced allocation, the Department in their written reply submitted as under:

An amount of Rs.9217 crore was provided at BE stage to RKVY which is a State Plan Scheme. This allocation has been reduced to Rs.8400 crore at RE stage. The main reason is reduction of allocation to the Department at RE stage. New

Missions/schemes proposed in 12th Plan are likely to be approved during the 2013-14 then the allocation is likely to be enhanced to cater to emerging needs.

3.22 During the course of his Oral deposition before the Committee, the Secretary of the Department in response to a query on the Mismatch between proposal and allocation stated as under:-

> "…..Sir, it is a negotiation ploy. It is like I say a first offer that was made from our side. We know that the ways and means position and the financial health of the Government would not permit such a huge outlay. But, nevertheless we strive to take as much as we can".

He further stated that:-

> "Sir always we ask for more, but we get slightly less. There is a bit of negotiation and we settle for something in between. These are stratagems we employ. Everybody sees through these stratagems unfortunately because every Department does it".

ALLOCATION AND UTILIZATION OF FUNDS DURING ELEVENTH PLAN PERIOD

3.23 During the course of the Eleventh Plan period the Committee have observed the Department were allocated an amount of Rs. 59137.61 crore only against the approved outlay of Rs.66577.00 crore by the Planning Commission. This, inspite of the fact that the Department's expenditure being in the range of 95% of the amount finalized in the revised estimates. They are of the firm opinion that had the balance Rs.5049.10 crore been allocated, the Department would have been able to acquit themselves better in the implementation of Schemes. The Committee further observe that the allocations at BE vis-à-vis RE stage fluctuated in that while for the fiscals 2007-08 and 2010-11, showed increased RE, in the remaining three Fiscals the RE was less than the approved BE. They are

aggrieved to note that their constant pleas to rectify the imbalances have gone unheard during the Eleventh Five Year Plan. Not wanting to ponder over the past and noting that the Twelfth Five Year Plan is in its nascency, the Committee impress upon all the agencies concerned i.e. the Planning Commission and the Ministry of Finance (Department of Expenditure) to approach allocation to the Department on a new platform and not cling onto the past as a benchmark. The allocation of funds to the Department must be evenly spread across all the five fiscals to avoid back loading of plan funds. This would ensure that the Department are allocated maximum funds out of the approved outlay and are able to absorb these funds easily and ensure optimum utilization of allocated resources.

3.24 The Committee also observe that the Department have not accredited themselves well as they have been unable to utilize even this reduced allocation in its entirety during the course of the Eleventh Plan. Being well aware of the reasons for this, they exhort the Department to take proactive steps to utilise even the reduced allocations to the hilt as in the entire Eleventh Plan period, the Department consistently failed to utilise the same. They also impress upon the Department to incorporate the views of States / UTs while drawing up the modalities of a Scheme. This in their considered opinion would ensure active participation of States / UTs in all Centrally Sponsored and Central Schemes which would result in optimum utilization of allocated funds.

3.25 Noting that the lack of absorption capacity in the North-Eastern States was blotting the other-wise excellent performance of the Department in terms of

utilization of funds, the Committee desire that agriculture related developmental schemes / projects specifically tailor made for North-Eastern be drawn up for implementation. At the same time, the North-Eastern States be motivated to improve their absorption capacity by furnishing utilization certificates of past utilizations as well as furnishing of fresh proposals on a timely basis. If worked upon methodically, the Department would be in a position to ensure cent per cent utilization of allocation in the years to come.

TWELFTH PLAN DOCUMENT

3.26 The Committee are exasperated to be apprised that all agencies concerned with finalization of the Twelfth Plan Document have not paid any heed to their advise contained in their Thirty-fourth Report on Demands for Grants (2012-13) for streamlining the planning process as the incumbent process is riddled with the need for obtaining multi-agency clearances which are time consuming. The fate that befell the Eleventh Plan was the guiding factor for the Committee's instant recommendation. On being informed that though the National Development Council approved the Twelfth Plan on 27 December, 2012, yet it is unable to see the light of the day, further aggravates the Committee. The representatives of the Planning Commission have confessed during the Oral Evidence that even during the Tenth and Eleventh Five Year Plan, there had been remarkable delay in their finalization, which had a negative impact on not only the new Schemes but also the prospects of ongoing Schemes were also severely hampered. Such a position on this important issue worries the Committee that the coming Thirteenth Five Year Plan would also be delayed. The concerned agencies taking refuge that extant planning process as well

thought of and one that has stood the test of time does not cut any ice with the Committee. Having been a witness to the detrimental effects of the prevalent system in terms of reduced outlays and staggering of timelines, the Committee recommend that all the concerned should break free from the shackles of the past and streamline this time consuming process and also ensure compliance to the guidelines of the extant planning process, and thereby aid the planning process in getting rid of its systemic ills.

FINANCIAL ALLOCATION AND UTILIZATION DURING FIRST YEAR OF THE TWELFTH PLAN

3.27 The Committee are aggrieved to note the quantum variation in the funds sought by the Department and the actual allocation done by the Planning Commission, which seems to make a mockery of the extant planning process. The rather candid admittance of the Secretary that their proposal for allocation of funds to the Planning Commission is a negotiation ploy and is more like a first offer in a negotiation process to arrive at negotiated amount does not augur well for the process of planning being witnessed in the Country. The Committee further note the contradiction in the above-stated stand of the Ministry and the one stated by them in their written replies wherein they submitted that proposed allocation for Fiscal 2012-13 was projected based on allocation for Fiscal 2012-13 was projected based on requirement Scheme-wise and based on pattern of expenditure during past year. The Planning Commission on its part have stated that funds are provided after taking into

consideration resource availability and demands for other competing national priorities.

Having enlightened themselves with the viewpoint of the Department and the Planning Commission, the Committee impress upon both the agencies to arrive at a model wherein the figures of proposed allocation and actual allocation are brought on an even keel.

3.28 Constrained to note that the financial performance of the Department during the first fiscal of the Twelfth Plan is reminiscent of the problems plaguing the system of planning and implementation. During the year 2012-13 against a proposal of Rs. 49,674.34 crore, the allocation by the Planning Commission as reflected in BE for 2012-13 was mere Rs. 20,308.00 crore. Further, due to the tardy utilization of funds by implementing agencies during the first two quarters, the RE was curtailed to Rs. 17867.32 crore. The actual expenditure was approximately Rs. 13478.19 crore (till 31 December, 2012). The Department attributed this to reduction at BE in funds sought for RKVY. Though the Department sought Rs. 25,000.00 crore, they were allocated only Rs. 9217.00 crore as BE. This was further pruned at RE to Rs. 8400.00 crore.

Being concerned to note that the first Fiscal of the Twelfth Plan is reminiscent of the past ones, the Committee urge all the agencies concerned to introspect at their working, identify their weak areas, work on them and thereby ensure that things turnaround in the next Fiscal and the variation between proposals, allocation and utilization is negated to the extent possible.

CHAPTER – IV

SCHEMATIC ANALYSIS

(i) National Food Security Mission (NFSM)

Based on the resolution adopted by the National Development Council (NDC) to launch a Food Security Mission in the country to enhance the production of rice, wheat and pulses by 10, 8 and 2 million tones, respectively by the end of XI Plan, a Centrally Sponsored Scheme on National Food Security Mission has been launched from Rabi, 2007-08 with three major components viz. NFSM-Rice, NFSM-Wheat and NFSM-Pulses.

The aim of the Mission is to increase production of rice, wheat and pulses through area expansion and productivity enhancement; restoring soil fertility and productivity; creating employment opportunities; and enhancing farm level economy to restore confidence of farmers of targeted districts.

4.2 The following main strategies are being followed under the Scheme:

(i) Implementation in a mission mode through active engagement of all the stakeholders at various levels,

(ii) Promotion and extension of improved technologies i.e. seed, integrated nutrient management including micro-nutrients, soil amendments, Integrated Pest Management (IPM) and resource conservation technologies along with capacity building of farmers,

(iii) Flow of fund would be closely monitored to ensure that interventions reach the target beneficiaries in time,

(iv) Various interventions proposed would be integrated with the district plan and targets for each identified districts would be fixed, and

(v) Constant monitoring and concurrent evaluation for assessing the impact of the interventions for a result oriented approach by the implementing agencies.

4.3 During the Eleventh Plan, NFSM –Rice was implemented in 144 districts of 16 States, NFSM-Wheat in 142 districts of 9 States and NFSM-Pulses in 468 districts of 16 States. From the year 2012-13, six (6) NE States, viz, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Sikkim have been included under NFSM-Rice and two Hill States, viz, Himachal Pradesh and Uttarakhand under NFSM- Rice and Wheat and J&K under NFSM-Wheat. Thus, the NFSM is being implemented during 2012-13 in 27 States of the country. The programme is implemented through State Departments of Agriculture, ICAR, Central and State Seed Producing Agencies, IIPR, Kanpur, ICRISAT, ICARDA, etc. Panchayati Raj Institutions are actively involved for undertaking following activities:

(i) Selection of beneficiaries and identification of priority areas for the implementation of Mission interventions; and

(ii) Implementation of local initiatives in identified districts.

4.4 NFSM is a Centrally Sponsored Scheme of Government of India. Funds for implementing the NFSM programmes are directly released to the identified State Level Implementing Agency with the approval of National Food Security Mission Executive Committee (NFSMEC). The State Level Agency would make funds available to District Level Agency/Nodal Departments in accordance with approved programmes of the District. The expenditure for implementation of the scheme is 100% funded by the Government of India. Beneficiary farmers have to contribute 50% of cost of the activities to be taken up at their / individual farm holdings. Beneficiaries may choose to draw loans from the Banks, in which case subsidy amount prescribed for a particular component for which the loan has been availed will be released to the Banks.

4.5 Financial allocation and expenditure during the last two Fiscals is as under

(Rs. in crore)

Year	**BE**	**RE**	**Expenditure**
2011-12	1350.00	1316.00	1285.95
2012-13	1850.00	1763.57	1672.63 (as on 22.03.2013)

Allocations have been reduced at RE stage during 2011-12 due to reduction in allocation of North-East States from Rs. 100 crore at BE to Rs. 66 crore at RE. Also in 2011-12 only two North-East States of Tripura and Assam were covered under NFSM and Rs. 100 crore was not able to be allocated to these two States. During 2012-13, there has been overall reduction in the funds provided to the Department at RE stage; therefore, there was proportionate decrease in NFSM from Rs. 1850 crore to Rs. 1763.57 crore.

4.6 On being asked to explain the reasons for a quantum enhancement in BE for 2012-13, the Department in their written submission informed that BE for the current fiscal was enhanced as the Pulses Villages scheme was subsumed under NFSM-Pulses and to make provision for incorporation of Nutri-Cereals and fodder Crops in NFSM in Twelfth Plan. They further stated that in the current fiscal year, 94.84% of funds has been already released as on 22.03.2013 and it is expected that the balance funds would be released by 31st March, 2013 and no shortfall is expected.

4.7 The Committee have also been informed that NFSM has helped to widen the food basket of the country with significant contributions coming from the NFSM districts. The focussed and target oriented implementation of mission initiatives has resulted in bumper production of wheat, rice and pulses. The production of wheat has increased from 75.81 million tonnes (in Pre-NFSM year of 2006-07) to 94.88 million tonnes during 2011-12, i.e., 19.00 million tonnes against the envisaged target of 8 million tonnes. Similarly, the total production of rice has increased from 93.35 million tonnes (in pre – NFSM year 2006-07) to 105.31 million tonnes in 2011-12 with an increase of nearly 12.00 million tonnes against the target of 10 million tonnes. The total production of pulses has also increased from 14.20 million tonnes during 2006-07 to 18.24 million tonnes during 2010-11 with an increase of 4.04 million tonnes against the envisaged target of 2.0 million tonnes. During 2011-12, production of 17.09 million tonnes of pulses is achieved. Farmers have enthusiastically responded to NFSM supported farm machinery components, especially to Zero till seed drill, rotavator etc. which is evident from the increased sale of these machines supported by Mission. The awareness generated through demonstration and distribution of seed minikits of newly released varieties to the farmers has triggered substantial increase in the use of high yielding varieties of wheat and rice seeds in identified district. Capacity building exercises for farmers through Farmers Field Schools were helpful in orienting the farmers towards adoption of new agriculture technologies. Significant output under NFSM have been recorded during the course of implementation of Programme during 2007-08 to 2011-12. New farm practices have been encouraged as nearly 8.19 lakhs demonstrations of improved varieties of rice, wheat and pulses have taken place. System of Rice Intensification (SRI) for rice as well as hybrid rice has been promoted. Nearly, 174.56

lakhs qtls of seed of rice (high yielding variety/hybrids), wheat and pulses have been distributed. More than 122.90 lakhs ha area has been treated with soil ameliorants (gypsum/lime/micro nutrients) to restore soil fertility. About 49.53 lakh ha of crops land has been covered under Integrated Pest Management (IPM) and 74.70 lakh improved farm machineries/water saving devices (including sprinkler, pumpsets/pipes) have been distributed. Capacity building of farmers has been encouraged through conduct /organization of 49182 Farmers' Field Schools.

4.8 On being asked by the Committee to explain the reasons the physical achievements under the Scheme for Fiscals 2011-12 and 2012-13 being nowhere near the target set as well as the steps taken to ensure that achievement match the target set, the Ministry in their written replies stated that in the year 2011-12, physical achievement against targets of demonstrations under NFSM (rice, wheat, pulses) has been more than 110%, for HYV seed distribution 93.52%, FFS 91.95%, IPM 90.12%, machineries (including machines, sprinklers, pumps, pipes) 179.65%, which have offset relatively lower performance of certain other components/sub-components like distribution of hybrid seeds of rice (44.41%), INM (76.44%), sprinklers (63.56%), which are below physical targets set. Owing to climatic conditions and other administrative measures, States' action plans are revised to give additional allocation to needed technical components. In the current Fiscal, the achievement reported so far under demonstrations is 79.42%, cropping based trainings 75.15%, seed distribution 73.72%, IPM 66.51%, machineries 91.25%. However, reports for 2012-13 are yet to be received and the position is expected to be favourable. States are being requested time and again to submit their monthly progress reports along with fund utilization regularly. The progress of the States in terms of physical and financial achievements against targets is also monitored in the NFSM Executive Committee meetings quarterly as well as through monitoring visits of DAC officials.

4.9 During the course of his oral deposition, on being asked to clarify whether the continued shortfall in achievement of physical targets was because of reduced allocations or any other factors, the Secretary, Department of Agriculture and Cooperation, clarified as under:-

> "Under the NFSM, we have achieved the target of production with a lot to spare. In terms of physical targets, we had exceeded the target by a fairly considerable degree. On the rice side, under the NFSM, we introduced Assam later into it, and later Tripura. The allocation that was earmarked, as you are aware, we have to earmark a certain percentage of plan outlays for expenditure in the North Eastern Region.
>
> If you look at the each component, there will be variations because the State Governments have been provided with the authority for inter se transfer of components from one to the other. But if you look at the overall picture, I do not think, the situation is that bad. These are components that were prescribed, but what is actually demanded for in the local situation is what has actually been expended. Overall, under the NFSM, the expenditure has been adequate except admittedly in the North Eastern Region last year; this year, we have spent that also, because after the inclusion of the North Eastern Region under NFSM, that expenditure is also made".

4.10 On a specific query of the Committee regarding there being any delay on the part of the States in furnishing their monthly progress report along fund utilization report, the Department in their Post-Evidence reply submitted that funds are released to the States / Implementing Agencies under NFSM only on receipt of Provisional Utilisation Certificates (UC) and Cumulative Monthly Progress Reports (MPRs) indicating both physical and financial progress of the previous financial year. Thereafter, second and final instalments are released on receipt of Audited Utilisation Certificates, Audited Statement of Accounts and latest Monthly Progress Reports during the current year. Since the scheme is basically a crop oriented one and action plans are devised keeping in view the Kharif and Rabi priorities of the States, inter componental changes are made during the course of implementation, which require modifications in the physical and financial targets and achievements.

Generally MPRs along with status of expenditure from the States are received in time. As a result during 2012-13, an amount of Rs.1725.65 crore has been released under NFSM against RE 2012-13 of Rs.1763.57 crore, which is 97.85% of RE.

(ii) <u>National Mission on Micro-Irrigation (NMMI)</u>

4.11 Micro Irrigation is an advanced irrigation technology carrying desired water and nutrients mixture directly to the root zone of the plant, drop by drop or in tiny streams or sprays through a network of plastics pipes and emitters resulting in enhanced water use efficiency, increased productivity and higher return for the farmer.

As per recommendation of Task Force on Micro Irrigation constituted by Government of India during 2004, "Centrally Sponsored Scheme on Micro Irrigation" was launched in January 2006. The scheme is continuing in mission mode since June 2010 as the "National Mission on Micro Irrigation "(NMMI) with enhanced scope for coverage incorporating revised cost norms as well as inclusion of additional components.

Under this scheme Government subsidy is provided to farmers for limited area of 5 ha per beneficiary. Assistance is provided @ 60% of the system cost for small and marginal farmers and @ 50% for general farmers out of which 10% is from State Government. Besides, assistance is also provided for technology support towards conducting demonstration, training, awareness and publication.

4.12 The National Mission on Micro-Irrigation (NMMI) has a three tier structure i.e. National, State and District level for its implementation, coordination and monitoring. The expected outcome of NMMI is as under:

i) Enhance water use efficiency through MI technology implementation in both agriculture and horticulture field;
ii) Savings in use of irrigation water, fertilizer and electricity;
iii) Increase in production, productivity and quality of crops;
iv) Convergence with other ongoing schemes of DAC and other Ministries on creation of water harvesting structures, linking the same with micro-irrigation system for higher water use efficiency;
v) Enhanced return to the farmers.

4.13 Allocation and Expenditure for NMMI during the last six Fiscals is enumerated below.

(Rs. in crore)

Year	**BE**	**RE**	**Expenditure**
2007-08	550.00	430.00	411.26
2008-09	500.00	470.00	470.00
2009-10	430.00	480.00	480.00
2010-11	1000.00	982.00	997.25
2011-12	1150.00	1150.00	1227.00
2012-13	1500.00	1217.29	1032.13 (As on 11.02.2013)
2013-14	1693.00	-	-

From the above table, it can be inferred that BE figures were pruned at RE stage during the Fiscals 2007-08, 2008-09, 2010-11 and 2012-13. However, the actual expenditure has more or less matched the RE figures and in the Fiscal 2011-12, actual expenditure has exceeded the RE.

4.14 The Department in their written submission have attributed the reason far pruning of BE funds to the fact that in 2007-08 and 2008-09, funds were released directly to the districts and the scheme was not so popular. After the Scheme was launched in mission mode during 2010-11 and funds were released to the State Headquarters, expenditure was more in the subsequent years. In 2010-11, pruning was marginal. In 2011-12, expenditure was more than BE. In 2012-13, pruning of BE was due to overall cut in the budget of the Ministry. It was further submitted that the Scheme is extremely popular in most of the states and there is huge demand of funds. Hence, Rs.1693.00 crore during the current Fiscal shall be utilized.

4.15 The physical achievements under this Scheme during the last six Fiscals is as follows:

(Area in lakh ha)

Year	**Target**	**Achievement**
2007-08	3.32	4.32
2008-09	4.56	5.59
2009-10	4.54	5.96
2010-11	7.15	6.90
2011-12	7.09	6.08
2012-13 (Upto 28th Feb, 2013)	7.77	4.80
Total	**34.43**	**33.65**

The achievements during the Fiscals 2007-08, 2008-09 and 2009-10 were in excess of the targets fixed. The Department have attributed this due to utilization of unspent balance of earlier years.

4.16 On being queried about the under-achievement of target for the Fiscal 2012-13, the Committee were informed that target of 7.7 lakh hectare was set against the BE of Rs. 1500.00 crore. However, as RE has been reduced to Rs.1217.29 crore, it may not be possible to achieve the original target. As on 20th February 2013, 4.10 lakh hectare is covered under Micro Irrigation. By 31st March 2013, it is expected to be 6.00 lakh hectare.

The Department also submitted that the basis of the target of 10.25 lakh hectare for the Fiscal 2013-14 has been made on the basis of popularity, success and demand from the State Governments.

(iii) National Mission on Oilseeds and Oil Palm (NMOOP)

Oilseeds Production under Integrated Scheme of Oilseeds, Pulses, Oilpalm and Maize

4.17 The Technology Mission on Oilseeds (TMO) was launched by the Central Government to increase the production of oilseeds to reduce import and achieve self-sufficiency in edible oils. Subsequently, pulses, oilpalm and maize were also brought within the purview of the Mission in 1990-91, 1992 and 1995-96 respectively. The Technology Mission on Oilseeds, Pulses, Oilpalm & Maize have since been discontinued and merged in to a Centrally Sponsored Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM) w.e.f.1.4.2004. The ISOPOM scheme was launched during tenth plan and has continued during XI Five Year Plan. In order to provide flexibility to the States in implementation based on regionally differentiated approach, to promote crop diversification and to provide focused approach to the programmes, the four erstwhile schemes of Oilseeds Production Programme(OPP), Oil Palm Development Programme(OPDP), National Pulses Development Programme (NPDP) and Accelerated Maize Development Programme(AMDP) have been merged into one Centrally Sponsored Integrated Scheme of Oilseeds, Pulses, Oilpalm and

Maize (ISOPOM) since 1.4.2004. The pulses component of ISOPOM has been merged with National Food Security Mission (NFSM) –Pulses w.e.f. 1.4.2010. Now, ISOPOM scheme focuses on the oilseeds, maize and oil palm crops. Under ISOPOM, assistance is provided for various critical inputs like production and distribution of seed, distribution of seed minikits, sprinkler sets, rhizobium culture and Phosphate Solubilising Bacteria (PSB), supply of plant protection chemicals/weedicides/bio-pesticides and plant protection equipment, micro-nutrients, improved farm implements, distribution of bio-fertilizers and gypsum etc. In order to disseminate the production technology amongst farmers, integrated pest management demonstrations are organized through State Department of Agriculture Frontline demonstrations are conducted by the Indian Council of Agricultural Research (ICAR) for oilseeds and maize crop development programmes. For Oil Palm, assistance is provided towards the maintenance of plantation made during implementation of oil palm development programme under ISOPOM, cultivation inputs, installation of drip irrigation system, diesel pump sets, training, development of waste-land, extension and publicity, establishment & staff, frontline demonstrations, and innovative interventions etc. In compliance to the announcement made in the budget for 2011-12, a special programme for Oil Palm Area Expansion (OPAE) was launched under RKVY during 2011-12.

4.18 Oilseeds production programme is being implemented under ISOPOM from 1st April, 2004 in 14 states (Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, U.P. & West Bengal).

The diverse agro-ecological conditions in the country are favourable for growing 9 annual oilseeds which include 7 edible oilseeds (groundnut, rapeseed mustard, soybean, sunflower, sesamum, safflower and niger) and 2 non-edible oilseeds (castor and linseed). The oilseeds, raised mostly under rainfed conditions, are important for the livelihood of small and marginal farmers in arid and semi arid regions of the country. The area, production and productivity of oilseeds from 2008-09 to 2012-13 (2nd Advance Estimates for Kharif-2012 and Rabi 2012-13 is as under :

(Area-Million hectares; Production – Million Tonnes; Yield-kg/hectare)

Year	Oilseeds			
	Area	Production		Yield
		Target	Achievements	
2008-2009	27.56	31.75	27.72	1006
2009-2010	25.96	31.60	24.88	958
2010-2011	27.22	33.20	32.48	1193
2011-2012*	26.31	33.60	29.80	1133
2012-13**	26.32	33.50	29.47	1120

* Final Estimates

** 2nd Advance estimates for 2012-13

The Committee have been informed that Implementation of oilseeds production programme has helped in increasing the production of oilseeds from 10.83 million tonnes in 1985-86 to 29.80 million tonnes during 2011-12. The productivity of oilseed achieved was 1133 kg/ha during 2011-12.

However, the Department have also submitted that the production of oilseeds had shown a fluctuating trend and in production of oilseeds past years, particularly in 2009-10 when major oilseeds growing states faced a severe drought in Kharif 2009. The total production of oilseeds declined to 24.88 million tonnes in 2009-10. However, the production of oilseeds was increased to a level of 32.48 million tonnes due to favorable weather condition and impact of oilseeds programme. The final Estimates released for 2011-12, however, indicate decline in production over 2010-11 due to slight decrease in total area coverage. During the year 2012-13 the oilseeds area maintained at 26.32 million hectare as per 2nd advance estimates of Dte. of E & S, production will be 29.47 million tonnes.

4.19 The Department have also listed the following constraints in oil seeds production:

- Low productivity primarily due to cultivation in un-irrigated drought prone areas.
- Highly risky crop affected by vagaries of nature like floods and drought in Kharif and frost in Rabi.
- Susceptibility to a number of pests and diseases which lower productivity.
- Use of poor quality seeds by the farmers and their reluctance to provide cash inputs as growing of oilseeds is risky.
- Lack of proper marketing infrastructure and higher fluctuation in the prices lead to uncertainty in economic returns.
- Lack of high-yielding varieties suitable to the local agro-climatic regions.
- Non-availability of hybrids in Mustard, Groundnut, Sesame, soybean, Niger and pests and disease resistant varieties.

On being queried as to why the Government have not been able to eliminate these long-standing constraints that were hampering the production/productivity of oilseeds, the Department in their written submission furnished that about 72% oilseeds are grown under rain fed conditions in the country. The oilseeds crops are also prone to various biotic stresses. Productivity of oilseeds is directly influenced by the rainfall pattern during the crop season. Seed Replacement Rate (SRR) is also low in case of major oilseeds crops like groundnut and soybean mainly due to high seed rates and low Seed Multiplication Ratio (SMR). Besides, due to lack of assured procurement unlike wheat and rice, the price of oilseeds falls below Minimum Support Price (MSP) during the bumper crop season. The international prices of Crude Palm Oil (CPO) have declined during 2012-13 leading to increase in imports of CPO. This has put downward pressure on prices of edible oils in domestic market, further discouraging farmers to take up oilseeds cultivation. Despite all these factors, the production of oilseeds has increased from 25.19 million tonnes in 2003-04 (prior to ISOPOM) to 29.80 million tonnes in 2011-12. This was brought about not only by increase in area but also by improving the productivity from 1064 kg. to 1133 kg. per hectare during the above period. Despite increase in production and productivity, the production of oilseeds is less than the demand. Today, India is one of the fastest growing economies of the world with enough resilience; India had successfully weathered the recent economic downturn globally. Income levels, standards of living and consequently levels of consumption have risen at a faster pace. During the last few years, from 2007-08 to 2011-12, the domestic demand of edible oils have increased substantially from 14.25 million tonnes to 18.96 million tonnes. The import of vegetable oils during the oil year 2011-12 (Nov.-Oct) was 9.94 million tonnes. The growth in production of domestic edible oils has not been matched with that of growth in consumption. As a result, the gap is met by imports. Hence, there is an imperative need to give a serious thought for increasing domestic production of oilseeds/edible oils.

4.20 In response to a query on the remedial measures undertaken the Department stated that In order to enhance production of oilseeds, the Government of India is implementing various schemes viz; Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM), Macro Management of Agriculture (MMA) and Rashtriya Krishi Vikas Yojana (RKVY). ISOPOM is implemented in 14 major oilseeds growing States to increase the production of oilseeds. The Macro Management of Agriculture (MMA)

Scheme provides assistance for oilseeds development to the States not covered under ISOPOM. Under Rashtriya Krishi Vikas Yojana (RKVY), the States can support crop development activities approved by the State Level Sanctioning Committee headed by the Chief Secretary of the State.

In order to overcome the constraints and to narrow down the gaps between existing productivity and yields of oilseeds achieved under demonstrations, the Government of India have focused on transfer of technology through demonstration and trainings and supply of critical inputs under the scheme. The various interventions under ISOPOM scheme are:

- **Seeds**: Assistance for purchase of breeder seed and also for production of foundation seed and certified seed.
- **Information Education and Communication (IEC)**: To transfer new technology, front line demonstrations are conducted at the farmers fields under the supervision of scientists through Indian Council of Agricultural Research (ICAR). Besides this, assistance for publicity, block demonstration and Integrated Pest Management (IPM) demonstration is given through State Department of Agriculture.
- **Minikits:** Seed minikits of oilseeds are supplied to the states for the varieties/hybrids released during last 10 years free of cost.
- **Seed Infrastructure**: Assistance is also given for creation of seed production infrastructure at government farms for production of quality seeds.
- **Training**: Training of farmers and extension workers
- **Other inputs**: Distribution of plant protection chemicals, plant protection equipments, weedicides, supply of rhizobium culture/phosphate solubilising bacteria, distribution of gypsum/pyrite/liming/dolomite

Further, to make ISOPOM more effective, the Government of India has modified/restructured Centrally Sponsored Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM) during XI plan period. The details of modification made under ISOPOM are as under;

i) Pulses have been taken out from the ISOPOM to National Food Security Mission NFSM) w.e.f. 1.4.2010 so that greater thrust will be on oilseeds.

ii) To increase the Seed Replacement Rate (SRR), the assistance on Production of Foundation and Certified Seed has been enhanced from Rs. 500/- per qtl to Rs. 1000/- per qtl. Similarly, the subsidy on Distribution of Certified Seed has been enhanced from Rs. 800/- per qtl to Rs. 1200/- per qtl during 11th Plan Period.

iii) The Private Sector seed producing agencies have been involved in the distribution of Certified Seeds of Oilseeds besides NSC, SFCI, NAFED, KRIBHCO and IFFCO.

iv) Enhancement / rationalization of subsidy on demonstration, sprinkler sets, rhizobium cultures, irrigation pipes inclusion of new components i.e. supply of improved farm implements and micronutrients have already been made during 11th Plan Period.

4.21 The Committee were also informed that the Government of India is contemplating to launch a National Mission on Oilseeds and Oil Palm (NMOOP) during XII Plan period to strengthen and focus on oilseeds production that envisages a strategy for minimizing the gap in demand and supply of edible oils by way of improving productivity of major oilseeds, harnessing potential of possible areas, enhancing on farm investment, resource conservation, speedy inclusion of new varieties and hybrids, supply of quality seeds with high Seed Replacement Rate (SRR) and Varietal Replacement Rate (VRR), training and demonstrations etc and also to bring more area under oil palm cultivation to create permanent reservoir of palm oil in potential states besides efforts to maximize output from Tree Borne Oilseeds (TBOs). An allocation of Rs. 3507.00 crore (including Rs. 57.00 crore for TBOs) has been made for NMOOP during XII plan. The proposed NMOOP will consist of three mini-missions i.e., MM-I on Oilseeds, MM-II on Oil Palm and MM-III on Tree Borne Oilseeds. The above Mission is under consideration.

(iv) <u>National Mission on Agricultural Extension and Technology (NMAET)</u>

Support to State Extension Programmes for Extension Reform

4.22 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 the form of an Agricultural Technology Management Agency (ATMA) at district level to operationalize the 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. The release of funds under ATMA scheme is based on State Extension Work Plans (SEWPs) prepared by the State Governments. At present the scheme is under implementation in 614 districts in 28 States and 3 UTs in the Country.

4.23 In order to promote key reforms under the scheme, ATMA Cafeteria 2010 continues to support activities in line with the 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, agri-preneurs, input suppliers, corporate sector, etc.
- **Farming system approach:** The activities specified in the 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:** The 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:** The 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 the SEWP to be submitted by the 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.

4.24 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) set up by KVKs/SAUs are 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 agri-preneurs.
- 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.

4.25 The allocation and expenditure during the last six years alongwith BE for the current Fiscal for the Scheme is as follow:

(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	458.60	433.87
2012-13	600.00	504.13	369.59 (upto January, 2013)
2013-14	550.00	-	-

The above table reveals that the BE for the Scheme has consistently been reduced at RE stage during the last six years. When asked to furnish the reasons for the same, the Department in their written submission stated that during the During the year 2007-08, the Centrally Sponsored Scheme "Support to State Extension

Programmes for Extension Reforms” was sought to be modified. An EFC Memorandum was prepared and budgetary provisions were made accordingly for the year 2008-09. The approval of revamped Scheme was delayed, as the EFC, in its first meeting on 30.01.2009, directed the Department to recast the Memorandum for administrative and financial reasons. The Scheme was finally considered by EFC on 04.08.2009 and its approval was conveyed on 29.10.2009. The Cabinet Committee on Economic Affairs (CCEA) approved the Scheme on 19.03.2010. Thus, the budget outlays planned in anticipation of the approval of the Scheme during the period 2007 to 2010 had to be reduced at RE stage. Moreover, the States were unable to utilize the funds available to them in the absence of dedicated manpower for extension activities during this period.

4.26 When asked to furnish the reasons for doubling of BE for the Fiscal 2011-12, the Committee were informed that the Scheme has been modified in 2010 inter-alia with provision of manpower down to the block level and infrastructure support at State Agriculture Management and Extension Training Institute (SAMETI) level. 90% of the expenditure on manpower at various levels from the State to Block level and 50% of the expenditure on Farmer Friends is to be borne by the Government of India. This is why allocation was doubled. Against over 18,000 sanctioned posts during 2012-13, 27 States/UTs have reported filling up of 12276 posts upto March 25, 2013 (information collected on different dates from various States/UTs till 25.03.2013). The remaining posts are being filled on priority basis. With sanctioned manpower being gradually deployed and the States chalking out comprehensive State Extension Work Plans (SEWPs), speed and extent of implementation of field activities also is picking up.

4.27 Observing that the BE for the current Fiscal at Rs. 550.00 crore was lower in comparison to Rs. 600.00 crore for the preceding Fiscal, the Department submitted that Budget Estimate (BE) of Rs. 550 crore for the year 2013-14 may not be adequate in view of latest monthly pace of expenditure reported by the States. In fact, the States could not deploy full sanctioned contractual staff due to the less remuneration particularly for the post of Subject Matter Specialists.

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

- 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 614 districts and Block Technology Team (BTT) in 5533 Blocks and Farmer Advisory Committees (FACs) in 5533 Blocks have been constituted at District level (416) and State level (15).
- SEWP of 30 States/ UTs in prepared and approved based on District Agriculture Action Plans of 613 ATMA districts.
- As against the B.E. of Rs. 600.00 crore, which has been reduced to Rs. 504.13 crore at RE stage, an amount of Rs. 416.75 crore has been released to the States up to February, 2013 for implementation of the scheme.

4.29 Responding to the Committee's specific query on how to motivate States to improve their participation during the current Plan period, the Department stated that the National Mission for Agricultural Extension & Technology (NMAET) is expected to enhance participation of the States in the Scheme. Additional provisions have been suggested for strengthening and accelerating implementation of various ongoing initiatives and introducing some new components which includes increasing number of SMSs at Block level to 3/4 with increased remuneration of Rs.15000 per month, support for women food security groups, low cost publications, display boards, provision for operational expenses on FAC meetings, hand-held devices and pico-projector for technology dissemination, *Kala Jatha*, National e-Governance Plan-Agriculture in all States, joint visits by scientist and extension functionaries and incentive for exemplary extension work etc.

4.30 The Scheme of Support to State Extension Programmes Reforms Scheme (ATMA Model) launched during 2005-06, aims 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 operationalize the extension reforms. The Committee have been apprised that ATMA is supposed to have active participation of farmers / farmer's group, NGOs, Krishi Vigyan Kendras (KVKs), Panchayati Raj Institutions and other stakeholders operating at district level and below. The release of funds under ATMA scheme is based on State Extension Work Plans (SEWPs) prepared by the State Government. At present the scheme is under implementation in 614 districts in 28 States and 3 Union Territories in the Country.

4.31 However, the Committee based on their vast experience have noted that there lies a large gap between the position as present in the Government's documents and the actual position on the ground. Expressing deep anguish over this sordid state of affairs, the Committee on Agriculture during the course of oral evidence of the representatives of the Department on Agriculture and Cooperation observed as under:

> "…..The district plan is never prepared in consultation with the stakeholder which is required to be done. The ATMAs rarely meets. This Committee in its earlier recommendations suggested that District Magistrate have multifarious activities. He is so busiest officer in the District. We have entrusted this ATMA with the District Magistrate. You were there in one meeting. I was attending a meeting of District Level Bankers Coordination Committee meeting. The District

Magistrate is the Chairman of that Committee. He did not have the time to attend the meeting also. I pointed out that. So, the District Magistrate has hardly any interest in this matter and he is still the Chairman of ATMAs. The District Level Committee very rarely meets because it not only needs preparation of District Level Plan but there is a need for monitoring."

The Secretary of the Department responded as under:

"Sir, when I was a referring to the practice of approval of District Agriculture Plans, I was referring to the onus cast upon the District Planning Committees. The onus cast upon the District Planning Committee is by virtue of the Constitution. These plans are discussed and decided. I do accept the fact that they are not the best documents that can be prepared because there is lack of capacity in the Districts and sometimes, more often than not, may be these plans become more a list of demands rather than actual planning exercise. But at least this list of demands is there on paper, out of which we expect that proposals should flow up in the form of projects to the State Level sanctioning Committee"

(v) <u>National Mission on Sustainable Agriculture (NMSA)</u>

National Project on Management of Soil Health and Fertility

4.32 Department of Agriculture & Cooperation has introduced "National Project on Management of Soil Health & Fertility" (NPMSH&F) to promote balanced and judicious use of fertilizer in conjunction with organic manure on soil test basis. The scheme has been taken up from 2008-09 with an outlay of Rs.429.85 crore during 11th Plan period. The Central Sector Scheme on Central Fertilizer Quality Control & Training Institute / Regional Laboratories has been subsumed in the new scheme from 01.04.2009. The 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

4.33 Regarding performance under the Scheme, the Committee have been informed that during 2009-10, a 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, a total expenditure of Rs.42.27 crore was incurred against BE of Rs.47.00 crore for the above components including other components on Integrated Nutrient Management and expenditure incurred by Central Fertilizer Quality Control & Training Institute (CFQC&TI). There was a shortfall of Rs.4.73 crore due to non furnishing of UC and progress by some States and less demand from Central/Regional Fertilizer Quality Control Labs for building/infrastructure.

During 2010-11, a total of 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 and total of Rs.20.82 crore incurred against BE of Rs.25.00 crore for the above components including other components on Integrated Nutrient Management and expenditure incurred by CFQC&TI. There was a shortfall of Rs.4.18 crore due to non furnishing of UC and progress by some States and less demand from CFQC&TI for building and infrastructure.

During 2011-12, a total of 2 new mobile STLs, strengthening of 15 existing STLs, 1 new FQCL and strengthening of 6 FQCLs has been sanctioned and total of Rs. 15.02

crore incurred against BE of 30.00 crore for above components including other components on Integrated Nutrient Management and expenditure incurred by CFQC&TI. There was a shortfall of Rs.14.98 crore due to non furnishing of UC and progress by some States and no demand from CFQC&TI for building and infrastructure.

The actual expenditure during 11th Plan is Rs. 94.74 crore (i.e. 22.04%) against approved outlay of Rs.429.85 crore for whole plan. The physical achievement is full for the components of training, however, there has been shortfall in setting up/ strengthening of soil testing/ fertilizer quality control laboratories.. The 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 2009-10,2010-11 and 2011-12 due to non furnishing of UCs & progress, lack of proposal from State/ implementing agencies and less demand from CFQC&TI for building and infrastructure.

During 2012-13, against BE of Rs.30.00 crore, RE 2012-13 is Rs.13.20 crore which is likely to be fully utilized. The physical achievement is likely to be full for the components of trainings, however, there is likely to be shortfall in setting up of laboratories due to non-furnishing of UCs and progress from states and less demand from CFQC&TI for building and infrastructure.

4.34 The financial allocation and utilization of funds during the last five Fiscals in enumerated below:

(Rs. In crore)

Year	**BE**	**RE**	**Actual Expenditure**	**Shortfall/excess if any**
2008-09	47.00	19.98	16.63	30.37
2009-10	47.00	42.71	42.27	4.73
2010-11	25.00	23.85	20.82	4.18

2011-12	30.00	21.59	15.02	14.98
2012-13	30.00	13.20	13.20	16.80
2013-14	30.00			

On being queried about the reasons leading to pruning of BE funds at RE stage during the last five Fiscals, the Committee were informed that the reasons for curtailing of funds under the scheme at RE stage are that during the 1st year of implementation, i.e. 2008-09, the Scheme was started late in November, 2008 after finalization of guidelines of the scheme. Under utilization of funds has been due to non furnishing of UCs and progress by States and less demand from Central Fertilizer Quality control & Training Institute for building/infrastructure. In addition, the States developed preference for seeking funds for these components under RKVY due to flexible guidelines under that scheme.

State-wise/year-wise details of outstanding balances are enumerated below:

S. No.	Name of State	Unspent amount as on (Rs. In lakhs)				
		31.03.09	31.03.10	31.03.11	31.03.12	25.03.13
1.	Andhra Pradesh	175.00	186.82	8.21	145.64	0.00
2.	Arunachal Pradesh	75.00	0.00	75.00	0.00	0.00
3.	Bihar	0.00	904.687	95.00	95.00	95.00
4.	Chhattisgarh	0.00	0.00	59.40	43.64	2.27
5.	Goa	05.00	0.00	0.00	0.00	0.00
6.	Gujarat	0.00	0.00	0.00	186.25	162.50
7.	Haryana	0.00	0.00	144.10	0.00	121.00
8.	Himachal Pradesh	35.00	83.47	0.00	0.00	0.00
9.	Jharkhand	0.00	255.80	255.80	255.80	15.69
10.	Karnataka	125.40	395.97	316.98	250.59	51.63
11.	Kerala	150.00	327.30	286.20	42.04	0.00
12.	Madhya Pradesh	86.00	86.00	86.00	86.00	0.00
13.	Maharashtra	65.00	280.00	340.00	60.00	323.25
14.	Manipur	0.00	0.00	0.00	0.00	0.00
15.	Meghalaya	0.00	60.00	60.00	0.00	0.00

16.	Mizoram	60.00	0.00	0.00	0.00	0.00
17.	Nagaland	15.00	0.00	0.00	0.00	0.00
18.	Odisha	217.50	217.50	230.00	0.00	0.00
19.	Punjab	35.00	170.00	145.00	37.27	161.89
20.	Puducherry	0.00	0.00	0.00	0.00	10.00
21.	Rajasthan	415.00	682.60	686.25	686.25	281.53
22.	Sikkim	0.00	0.00	65.00	65.00	65.00
23.	Tamil Nadu	0.00	250.00	250.00	0.00	83.28
24.	Tripura	0.00	136.50	136.50	136.50	62.51
25.	Uttar Pradesh	15.00	240.00	82.60	82.60	82.60
26.	Uttarakhand	25.00	25.00	25.00	25.00	20.68
27.	West Bengal	163.75	163.75	163.75	163.75	163.75
28.	IISS Bhopal	0.00	389.873	288.873	480.76	480.76
	Total	1662.65	4855.27	3799.66	2842.09	2183.34*

*Including Rs. 851.33 lakh released during the current year 2012-13

4.35 The department further submitted that in order to expedite furnishing of UCs by errant States, apart from seeking periodical UCs and progress from States, regular letter and d.o. letters from Senior Officers are being written to the States for furnishing UCs and progress report. Time to time review meetings are also being held with errant States for furnishing UCs and progress.

4.36 The Committee were also informed that one of the reasons attributed to under-utilization of funds was owing to less demand from Central Fertilizer Quality Control and Training Institute for building/infrastructure. On being asked to furnish reasons for the same, the Department submitted that during the 11th Plan four Regional Fertilizer Quality Control Laboratories were approved at Kandla Vizag, Mangalore and Kanpur respectively. The matter regarding allotment of land was pursued with State Government of Gujarat, Andhra Pradesh, Karnataka, National Sugar Institute, Kanpur;

Kandla Port Trust and Mangalore Port Trust. However, the land deed could not be finalized at any place.

State-wise detail of Fertilizer Quality Control Laboratories (FQCLs) set-up since 2008-09 is listed below:

Sl. No	**State**	**New FQCLs**	
		Target (No)	**Achievement (No)**
1.	Andhra Pr.	2	1
2.	Maharashtra	1	1
3.	Orissa	1	0
4.	Punjab	1	1
5.	Rajasthan	3	0
6.	Uttar Pradesh	3	0
7.	Bihar	1	0
8.	Jharkhand	1	0
9.	Fert Cos.	1	0
10.	Gujarat	1	0
	Total	**15**	**3**

4.37 On the issue of Soil Health Cards, the Department in their written submission informed the Committee that Soil Health Card is a documented account of result of soil analysis communicated to respective farmers and contains information on soil health aimed at soil fertility management with focus on fertilizer use for enhancing crop productivity. Soil Health Cards lists outcome of tests conducted on soil sample. By maintaining data of soil tests, record of soil health may be built which facilitates soil fertility management.

The State Governments are issuing soil health cards to the farmers. As per Agricultural Statistics at a Glance, 2011, there are 1292.22 lakhs land holdings in the country and as per information provided by States about 505 lakh soil health cards have been issued.

It was further submitted that Indian Institute of Soil Science Indian Institute of Soil Science (IISS), Bhopal has been sanctioned a project for preparation of Geo-referenced soil fertility maps including interlinking of soil fertility status with Soil Test Crop Response (STCR) data to generate site specific recommendations in 19 major States (171 districts). IISS, Bhopal has uploaded the digitized soil fertility maps of 118 districts. The project is scheduled to be completed by 31.3.2013 in all 171 districts. In addition, certain states such as Karnataka, Haryana, Andhra Pradesh, Orissa, West Bengal, Gujarat etc are also in the process of preparing their Soil Health Maps.

4.38 State-wise details of number of land holdings and number of Soil Health Cards issued is listed below:

(No. in lakhs)

Sl. No.	**State**	**No. of land holdings**	**No. of Soil Health Cards**
1	Andhra Pradesh	120.44	42.08
2	Arunachal Pradesh	1.08	1.75
3	Assam	27.50	5.72
4	Bihar	146.57	8.11
5	Chhattisgarh	34.60	4.72
6	Goa	0.53	2.18
7	Gujarat	46.61	44.73
8	Haryana	16.03	15.17
9	Himachal Pradesh	9.33	10.46
10	Jammu & Kashmir	13.78	1.45
11	Jharkhand	N.A.	1.66
12	Karnataka	75.81	59.12
13	Kerala	69.04	18.63
14	Madhya Pradesh	79.08	20.93
15	Maharashtra	137.15	27.18
16	Manipur	1.50	1.54
17	Meghalaya	2.03	0.84
18	Mizoram	0.90	1.42
19	Nagaland	1.69	0.37
20	Odisha	43.56	21.22
21	Punjab	10.04	25.29
22	Rajasthan	61.86	24.77

23	Sikkim	0.73	0.64
24	Tamil Nadu	81.93	39.84
25	Tripura	5.65	1.16
26	Uttarakhand	9.21	2.29
27	Uttar Pradesh	224.57	118.27
28	West Bengal	61.92	3.08
29	A & N Islands	0.11	0.03
30	Chandigarh	0.01	0.00
31	Dadra & Nagar Haveli	0.14	0.05
32	Daman & Diu	0.07	0.00
33	Delhi	0.25	0.07
34	Lakshadweep	0.10	0.00
35	Puducherry	0.31	0.23
	Total	1292.22	505.01

On being asked to justify the reasons due to which against total landholdings of 1292.22 lakh, only 505 lakh Soil Health Cards being issued, the Department in their written submission stated that Soil Health Cards are issued by the State Governments. This is an ongoing process which is to be repeated every 3-4 years and there is no time period fixed. In addition there are other methods available like digital soil health maps, which give soil health status of districts. Package of practices developed by State Governments also provide fertilizer recommendations.

4.39 State-wise details of Static/Mobile Soil Testing Laboratories set-up under the Scheme since 2008-09 are given below:

Sl. No	**State**	**New Static STLs**		**New Mobile STLs**	
		Target (No)	**Achieve-ment**	**Target (No)**	**Achievement**
1.	Andhra Pr.	5	5	3	3
2.	Arunachal Pr.	2	2	3	3
3.	Goa	0	0	0	0
4.	Himachal Pr.	0	0	2	2
5.	Karnataka	17	16	1	0
6.	Kerala	3	3	7	4

7.	Madhya Pr.	3	0	3	3
8.	Maharashtra	12	9	8	4
9.	Mizoram	1	1	3	3
10.	Nagaland	0	0	0	0
11.	Orissa	6	2	5	5
12.	Punjab	0	0	0	0
13.	Rajasthan	24	14	19	15
14.	Uttar Pradesh	0	0	0	0
15.	Uttarakhand	0	0	0	0
16.	West Bengal	1	0	7	0
17.	Bihar	15	0	15	0
18.	Jharkhand	8	0	3	0
19.	Meghalaya	0	0	3	0
20.	Tamil Nadu	0	0	13	0
21.	Tripura	2	0	1	0
22.	Fert Companies	17	2	13	1
23.	Haryana	4	3	3	1
24.	Sikkim	2	0	2	2
25.	Chhattisgarh	2	1	2	1
26.	Gujarat	0	0	2	0
	Total	**124**	**58**	**118**	**47**

It was stated that the remaining Soil Testing Laboratories are under the process of being set up. The Department further furnished a list of STLs/FCLs set-up under Rashtriya Krishi Vikas Yojana since 2008-09:

Sl. No	**Zone/State**	**No of Soil Testing Laboratories / FCL**		
	Static	**Mobile**	**Mobile**	**Total**
I	**South Zone**			
1	Andhra Pr.	Nil	Nil	Nil
2	Karnataka	22 +7 FCL		29
3	Kerala	Nil	Nil	Nil
4	Tamil Nadu	30	16	46
5	Pondicherry	Nil	Nil	Nil
6	A&N Island	Nil	Nil	Nil

	S. Zone Total	**59**	**16**	**75**
II	**West Zone**			
7	Gujarat	81		81
8	Madhya Pr.	15 + 4 FCL		19
9	Maharashtra	29		29
10	Rajasthan	21 +4 FTL	11	36
11	Chhattisgarh	8	4	12
12	Goa	Nil	Nil	Nil
	W Zone Total	**162**	**15**	**177**
III	**North Zone**			
13	Haryana	30	1	31
14	Punjab	Nil	Nil	Nil
15	Uttarakhand	7		7
16	Uttar Pradesh	27		27
17	Himachal Pradesh	6 +5 FCL	3	14
18	J&K	13	7	20
19	Delhi	Nil	Nil	Nil
	N. Zone Total	**88**	**11**	**99**
IV	**East Zone**			
20	Bihar	Nil	Nil	Nil
21	Jharkhand	8	2	10
22	Odisha	21	0	21
23	West Bengal	11	0	11
	East Zone Total			
V	**N.E. Zone**			
24	Assam	8	6	14
25	Tripura	Nil	Nil	Nil
26	Manipur	Nil	Nil	Nil
27	Meghalaya	Nil	Nil	Nil
28	Nagaland	Nil	Nil	Nil
29	Arunachal Pr.	Nil	Nil	Nil

30	Sikkim	Nil	Nil	Nil
31	Mizoram	Nil	Nil	Nil
	NE Zone Total	**48**	**8**	**56**
	Grand Total	**357**	**50**	**407**

4.40 During the course of his oral deposition before the Committee on being queried as to why the reach of Soil Testing Laboratories was not widespread, the Secretary responded as under:

> "That is true but the problem is actually in the sanction of manpower to use these soil testing labs. It is easy to set up physical infrastructure but it is difficult to actually operate. For that State Governments have to create requisite posts of the people who can take, test and analyse and give the report. That State Governments as you are aware are reluctant to create additional manpower. We have also been advising the State Governments to try this out in PPP mode with other third party that they can operate under restrictions or parameters laid out by States. Some States have done that but not all States have gone in for that model. Main problem is regarding manpower that is something we are unable to address through this scheme".

4.41 Asked to furnish details on the number of STLs operational out of the sanctioned 407 STLs under RKVY, the Secretary pleaded that the information was not readily available with him and he would have to get it. Regarding under-utilization of funds under the Scheme, the Secretary submitted:

> "It is true that under the specific scheme of soil testing laboratories expenditure has not taken place to the desired level as per the allocation. However, expenditure has taken place under the RKVY model. Obviously States find it much better because then there is no question of counter-part funding and States find it much easier to sanction it under RKVY. A lot of States are sanctioning. When you sanction in a project type mode you can also sanction posts under RKVY. So, the State Governments are reluctant to fund under this scheme. That is the difference".

He further stated that:

> "Under the regular scheme National Project on Management of Soil Health and Fertility we only sanction the equipment and the building, if need be. That is

why the States are adopting RKVY as a preferred mode of establishing labs because what they do is that they sanction the project which comprises not only the building and equipment but also within the project component sanctions contractual staff".

4.42 On the specific issue of Mobile Soil Testing Kit, the representative of the Department stated as under:

"How much of it is an improvement over the earlier kit, I do not know. But a Mobile Soil Testing Kit has been developed by ICAR. In a soil testing lab, if you are doing micro nutrient analysis as well, then you need a much larger complement of staff, about 7 to 8 people per lab. Even that can be funded. We can approach the Ministry of Finance for funds to make this possible. But somehow, I think all of us need to appreciate that while everybody talks about agriculture, there is a strange reluctance on the part of everybody to do something about it. Under the ATMA Programme, we sanctioned 18,000 posts. Despite lot of pressure from our side, it took four years and even now only 12,500 people are in place. We fund 90 per cent of the cost of there posts. In any scheme where there is a sharing of resources, I find that the approach of State Governments towards the agriculture sector in not very forthcoming. But we will certainly take it up with the Ministry of Finance. If we are successful, it is good".

(vi) Outstanding Utilization Certificates (UCs)

4.43 The Department in one of their document furnished to the Committee in the context of examination of Demands for Grants (2013-14) have submitted the following statement highlighting the status of pending Utilization Certificates:-

	UCs Pending as on 1.4.2011	**UCs Pending as on 1.4.2012**	**Amount liquidated upto 31.12.2012**	**Amount of UCs pending as on 31.12.2012**
No. Of UCs	857	1306	1017	289
Amount (Rs/ crore)	4142.17	5575.67	5066.76	508.91

It was further submitted that the Department is making concerted efforts for liquidating outstanding Utilization Certificates due from State Governments/ Implementing Agencies. No. release is made to State Governments/Implementing Agencies who have not furnished UCs.

A State-wise outstanding UCs in respect of Grant No. 1 as on 31 December, 2012 for grant release upto 31 March, 2011 is list below:

State-wise Outstanding Utilisation Certificates in respect of Grant No. 1 as on 31-12-2012 for the grant released upto 31-03-2011		
Name of State	**No. of Ucs**	**Amount in Rs.**
Andhra Pradesh	14	1742733800
Assam	6	62935000
Bihar	11	211242343
Chhattisgarh	5	91488700
Daman & Diu	2	1200000
Gujarat	8	81295000
Haryana	10	43141000
Himachal Pradesh	7	79485000
J & K	3	1302078
Jharkhand	9	66301000
Karnataka	20	655014000
Kerala	20	50241528
Lakshadweep	1	200000
Madhya Pradesh	16	93866378
Maharashtra	15	103013856
Manipur	3	21150000
MEGHALAYA	3	22673000
Mizoram	2	40869000
Nagaland	2	1100000
New Delhi	41	471601760
Orissa	18	96562878
Puducherry	1	2722000
Punjab	4	24869000
Rajasthan	13	225838500

Sikkim	3	14600000
Tamil Nadu	12	34641000
Tripura	3	13680000
Uttar Pradesh	22	75824937
Uttrakhand	4	5629000
West Bengal	11	753833750
Grand Total	**289**	**5089054508**

4.44 On being queried about the reasons for this backlog, the Department in their written reply stated that the backlog of UCs was created because of the either late submission of the UCs or incorrect UCs submitted by the Grantee Institutions. The Grantee Institutions submit the UCs without adjustment of unspent balance and is not provided in standard format duly countersigned by the Dy. Secretary/Under Secretary.

4.45 The Department further stated that Principal Accounts Office, M/o Agriculture has taken various steps to liquidate the outstanding Utilisation Certificates. The special UCs Audit have been conducted for the various States which has yielded tremendous results. Principal Accounts Office is monitoring status of UCs rigorously for all the Divisions and had directed PAOs not to make any payment without submission of the UCs by the Divisions. Divisions have also responded positively and submitted many UCs and only 289 UCs were pending as on 31.12.2012. Divisions have given undertaking to the Pay and Accounts Offices concerned to submit the remaining UCs by 31.03.2013.

As on 15.03.2013 there are only 201 UCs for Rs.419.56 Crores are outstanding. Out of these UCs only 02 UCs for RKVY Rs. 235.98 Crores are pending. All the efforts are being made to liquidate the remaining UCs. RKVY Division has also been requested to liquidate the outstanding UCs before 31.03.2013.

State-wise Outstanding Utilisation Certificates in respect of Grant No. 1 as on 15-03-2013 for the grant released upto 31-03-2011		
Name of states	**No. Of Ucs**	**Amount in Rs.**
Andhra Pradesh	9	1726558800
Assam	1	2156000
Bihar	10	192285343
Chhattisgarh	2	34788700
Daman & Diu	2	1200000
Gujarat	2	6006000
Haryana	6	34945000
Himachal Pradesh	6	4249000
J & K	3	1302078
Jharkhand	4	29935000
Karnataka	13	495448000
Kerala	15	31448528
Lakshadweep	1	200000
Madhya Pradesh	10	65546300
Maharashtra	11	94387856
Manipur	3	21150000
MEGHALAYA	3	22673000
Mizoram	1	1000000
Nagaland	2	1100000
New Delhi	36	445431760
Orissa	13	49912878
Punjab	1	3500000
Rajasthan	9	114326500
Sikkim	2	7100000
Tamil Nadu	7	11723000
Tripura	3	13680000
Uttar Pradesh	13	45557937
Uttrakhand	4	5629000
West Bengal	9	732353750
Grand Total	**201**	**4195594430**

(vii) Budgetary Allocation for North Eastern States out of Central Plan Allocation

4.46 As per instructions of Planning Commission, 10% of Central Plan Allocation has to be provided for North Eastern States. Also, as per instruction of Ministry of Finance, provisions for North-Eastern States is to be provided under Major Head 2552/4552 and funds from these Major Heads are to be re-appropriated to functional heads for eventual expenditure for benefit of North Eastern States.

4.47 The allocation and utilization for the period from 2007-08 to 2010-11 is given below:

(Rs. in crore)

Year	BE	RE	Re-appropriation to functional head	% age with reference to RE
2007-08	552.00	588.80	531.74	90
2008-09	690.00	686.83	515.01	75
2009-10	720.00	694.82	522.64	75
2010-11	828.00	950.59	730.62	77

4.48 On being asked to State the reasons for pruning of BE funds at RE stage, it was submitted that in case of RE being decreased, allocation for North Eastern States also got reduced proportionately.

4.49 Regarding under utilization of RE funds during the years 2008-09, 2009-10 and 2010-11, the Committee were informed that this was mainly on account of less proposals/non-finalization of proposals by these States. Also, some of the Schemes being demand driven, the expenditure is dependent on the initiatives taken by the stakeholders.

4.50 The Committee were further informed that during 2011-12 and 2012-13 out of the provision kept for NES, Rs. 694.77 crore and Rs. 783.50 crore were re-appropriated to functional heads for eventually release for the benefit of NES which was 92.75% and 93.69% of R.E. Also during the Twelfth Plan period the Department will monitor utilization of North Eastern States and will try to utilize allocation for North Eastern States.

NATIONAL FOOD SECURITY MISSION (NFSM)

4.51 The Centrally Sponsored Scheme of National Food Security Mission (NFSM) was launched from Rabi 2007-08 to increase production of rice, wheat and pulses by 10 million tonnes, 8 million tonnes and 2 million tonnes respectively by the end of the Eleventh Five Year Plan i.e. March, 2012. From the year 2012-13 NFSM is being implemented in 27 States of the Country. The Committee, however, note with concern that under this Scheme, BE 2011-12 of Rs. 1350.00 crore was revised downward at RE stage to Rs. 1316.00 crore and the actual expenditure was Rs. 1285.95 crore only. Similarly, during 2012-13 BE of Rs. 1850.00 crore was revised downward to Rs. 1763.57 crore and actual expenditure was Rs. 1672.63 crore (as on 22.03.2013). The Department have attributed the grant between BE, RE and Actual Expenditure in the Fiscal 2011-12 due to reduction in allocation of North-East States from Rs. 100.00 crore at BE to Rs. 66 crore at RE. It has further been stated that during the year 2011-12 only two North-East States viz. Assam and Tripura were covered under NFSM. The Committee, however, note with appreciation that the Department acted upon their recommendation contained in their Thirty-fourth Report on Demands for Grants

(2012-13) wherein they had emphasized the need to increase the coverage of the Scheme in the North-East States and also re-work the guidelines to suit the needs of this geographically unique area. From the year 2012-13 with the inclusion of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Sikkim, the whole North East Region has been brought under the ambit of NFSM. However, they note with concern that the geographical expansion of the Scheme has not resulted in improved financial performance of the Scheme during the last Fiscal. Keeping in view the pivotal nature of this Scheme in enhancing the production of rice, wheat and pulses in the identified areas, the Committee exhort upon the Department to motivate all implementing agencies to come forward and actively participate in the Scheme, which would ensure optimum utilization of funds and ensure synergy between allocation and utilization during the current Plan period.

4.52 The Committee note with concern that the malaise afflicting the physical achievements against the target set have continued unabated during the year 2011-12 and 2012-13. The Ministry on their part have pleaded that this mismatch between achievement and target during the Fiscal 2012-13 is because reports from States are yet to be received. However, they have been requesting all concerned States repeatedly to submit their monthly reports along with fund utilization regularly. Also, the progress of States in terms of physical and financial achievements against targets is also monitored in the NFSM Executive Committee meetings quarterly as well as through monitoring visits of the Department's officials. The Committee deprecate this delay in timely furnishing of data by the States as this hampers the monitoring and evaluation of the Scheme. This ultimately delays the initiation of corrective measures that would

ensure increased viability of the National Food Security Mission. They also do not buy the argument of the Department that rather than looking at individual components, the overall picture should be looked into. Guided by the adage that "Drops make an Ocean", the individual components should be looked into as they ultimately shape the overall picture. They, therefore, recommend that all implementing agencies undertake an in-depth analysis into the performance of individual components of this Scheme and thereby ensure that the existing gap between achievements and the targets set is bridged in quick time.

4.53 The Committee note that inspite of various inherent shortcomings, the National Food Security Mission since its inception has helped to widen the food basket of the Country with significant contributions coming from the NFSM areas. The focussed and target oriented implementation of mission initiatives by resulted in bumper production of wheat, rice and pulses. The production of wheat has increased from 75.81 million tonnes in the year 2006-07 to 94.88 million tonnes in 2011-12. Similarly, the total production of rice has increased from 93.35 million tonnes in the year 2006-07 to 105.31 million tonnes in 2011-12. The total production of pulses has also increased from 14.20 million tonnes during 2006-07 to 18.24 million tonnes during 2010-11. They further note that interventions via NFSM seem to have gone done well with the farming community who have enthusiastically responded to NFSM supported farm machinery components, capacity building exercises, awareness generation programmes which have resulted in new farm practises. However, they exhort the Government not to rest upon their laurels and continue to further fine tune the NFSM in accordance with the needs and requirements of the States and farmers. If done so, the Committee

are sanguine that NFSM will usher in the desired results and bring the Nation closer towards attaining Food Security to all in near future.

NATIONAL MISSION ON MICRO-IRRIGATION

4.54 The Committee observe that as per the recommendation of the Task Force on Micro-Irrigation constituted by the Government of India during 2004, the Centrally Sponsored Scheme on Micro-Irrigation was launched in January, 2006. The Scheme is continuing in mission mode since June 2010 as the National Mission on Micro-Irrigation. They are, however, discerned to note that the BE figures have generally been pruned at RE stage during the last six Fiscals, though the actual expenditure has matched the RE figures and exceeded the RE in the year 2011-12. The rationale put forth by the Department for pruning of funds at RE stage to the fact that in 2007-08 and 2008-09, funds were released directly to the districts which resulted in the Scheme not being so popular. However, consequent to the Scheme being launched in mission mode during 2010-11, wherein funds were released to the State Headquarters, the pace of expenditure improved. Notwithstanding, the arguments put forth by the Department, the Committee note that apart from the Fiscal year 2011-12 where BE funds were maintained at RE stage and the actual expenditure was in excess of the allocation, the same story has been repeated in the Fiscal 2012-13. Pruning of BE funds at RE stage is resorted to by the Ministry of Finance (Department of Expenditure) based on the financial performance of a Scheme during the first six months of a Fiscal. As witnessed here, the slow-paced utilization in the first two quarters results in Department of Expenditure using its sniping scissors. As this is a perennial problem, the Committee exhort the nodal agency and the

implementing agencies to make a concerted effort and reverse this dismal trend. In the instant Scheme wherein actual utilization more or less matches the allocation, an even paced utilization of funds would ensure optimal utilization of funds and avoid pruning of BE funds at RE stage. If successful, the National Mission on Micro-Irrigation would go a long way in freeing the toiling agriculturist from over dependence on rainfed irrigation and ensure that his irrigation woes would be greatly limited, which then would be greatly limited, which then would have a positive impact on his produce.

4.55 On the physical achievements front, the Committee have observed that as against the target of 34.43 lakh hectares, the actual achievement is 33.65 lakh hectares for the last six Fiscals. The gap between achievement and target has attributed to reduction of funds at RE stage. However in percentage terms, the achievement rate is a healthy 97%. The achievement for the Fiscal Years 2011-12 & 2012-13 (upto Feb. 2013) does not inspire much confidence. However, being aware of the pitiable situation prevalent at the ground level, the Committee impress upon the Government to work on brining greater areas under the coverage of micro-irrigation by not only increasing the targets, but also ensuring that the same are achieved as well in the ensuring years. This will then ultimately contribute to NMMI being able to attain its five pronged outcome.

OILSEEDS PRODUCTION UNDER INTEGRATED SCHEME OF OILSEEDS, PULSES, OILPALM AND MAIZE

4.56 Oilseeds production programme is being implemented under ISOPOM from 1 April, 2004 in the States of Andhra Pradesh, Bihar, Chhatisgarh, Gujarat, Haryana, Karnatka, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan,

Tamil Nadu, Uttar Pradesh and West Bengal. As informed, this programme has helped in increasing the production of oilseeds from 10.83 million tonnes in 1985-86 to 29.80 million tonnes during 2011-12. The maximum yield achieved was 1133kg/ha during the Fiscal 2011-12. Although, various schemes / projects, were instrumental, in improving the productivity, much more needs to be desired to enhance it further. Then there is yawning gap between demonstration average yield and local average obtained in the fields. For instance demonstration yield of mustard, soyabean and sunflower is in the vicinity of 14-16 q/ha, whereas it just 12 in a famers' field. However, what concerns the Committees is not only the fluctuating trend in production of oil seeds, as a result of the vagaries of climate but also yielded. The Committee, therefore, impress upon the Government to look into these areas urgently and ensure that oilseeds production and productivity receives a shot in the arm, as this will not only enable to Country to attain self-sufficiency in oils, whilst reducing the nation's import bill as well. This would also help boost the production of anima fodder.

4.57 On a serious note, the Committee deprecate the repetitive constraints in oil seeds production as listed by the Government. It has further been stated that 72% oilseeds are grown under rainfed conditions in the Country and oilseed crops are also prone to various biotic stresses. This further gets compounded by low Seed Replacement Rate (SRR) and low Seed Multiplication Ratio (SMR). Lack of Minimum Support Price (MSP) also compounds the problems. Noting the above-mentioned systemic inadequacies, which in the Committee's opinion have to be tackled headon, they urge the Government to synergize various programmes being implemented in the Agriculture Sector to ensure that benefits

from Schemes are interlinked. Then only the constraints in oil seeds production will be overcome. They, further desire that the Government embark upon an action plan as suggested post haste and intimate the Committee of the same. As efforts to tap potential from Tree Borne Oilseeds (TBO) have not yielded the desired results, the Committee desire focussed attention towards this nascent area

SUPPORT TO STATE EXTENSION PROGRAMMES FOR EXTENSION REFORMS

4.58 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 last six 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. However, much to their chagrin they note that nothing much has changed here as it evident in periodic reduction of BE at RE stage and actual utilization being lower in comparison to the allocation save for the Fiscal 2010-11. The ills plaguing the Scheme in the Eleventh Plan have spilled over to the Twelfth Plan as well. It is disheartening to note that manpower including subject matter specialists, were not be employed, as per sanctioned strength, impacting the implementation of the scheme. Keeping in view the vital nature of this Scheme, the Committee implore upon the

Government to take a pro-active approach in the instant matter and ensure the removal of systemic bottlenecks retarding the progress of this Scheme which aims at making extension system farmer driven and farmer accountable by way of new institutional arrangements for technology dissemination during the course of the Twelfth Plan period and thereby ensure optimum utilization of funds that would directly lead to increased dissemination of technology to farmer.

4.59 Guided by the fact that under the provisions of the Indian Constitution, wherein Agricultural is listed as a State Subject, the Committee cannot but over-emphasize the pivotal nature played by the State Governments and Union Territory Administration in determining the outcome of the Schemes of the Central Government. Thus, in the opinion of the Committee, the need of the hour is to motivate the States/UTs to enhance their participation in the said Scheme and avail more funds. As the Committee have been recommending time and again, the Central Government should consult the States/UTs while devising the Modalities of the Scheme and call for periodic feedback and then accordingly revise the guidelines of the Scheme under consideration. This would ensure that States/UTs consider themselves as active partners in the Scheme, which would ultimately result in optimum utilization of funds and ensure that the benefits of Extension Programmes percolate down to the field.

4.60 Observing that Agricultural Technology Management Agency (ATMA) is a purportedly farmer-driven institutionalized arrangement at district level for dissemination of farm technology and knowledge. Notwithstanding the arguments put forth by the Government, the Committee are flabbergasted to know that formulation of District Level Plans are being held up as the District

Magistrate being preoccupied with other work is unable to Chair the meeting of ATMA. The meetings of ATMA are hardly being held, which has a cascading effect down the lane in terms of delay in finalization of District Plans, which ultimately further delay finalization of State Extension Work Plans which then block release of funds for extension activities. In view of the fact that District Magistrate is rather hard pressed for time, the Committee recommend that either the Chairmanship of ATMA be entrusted to some other senior official or otherwise the District Magistrate be duty bound to Chair the Sitting of ATMA. Further, they desire that elected representatives of the people be also co-opted in the working body of ATMA to ensure accountability of the executive, which will ensure that extension system, is truly farmer driven and farmer accountable.

<u>NATIONAL PROJECT ON MANAGEMENT OF SOIL HEALTH AND FERTILITY</u>

4.61 The National Project on Management of Soil Health and Fertility was taken up from 2008-09 in order to promote balanced and judicious use of fertilizer in conjunction with organic manure on soil test basis. The Central Sector Scheme on Central Fertilizer Quality Control and Training Institute/Regional Laboratories has been subsumed in the Scheme from 1 April, 2009.

The Committee are, however, constrained to note that actual expenditure under the Scheme during the last five fiscals has always been lower than the allocated funds. The Department have attributed the same to non-furnishing of Utilization Certificates and progress by States and less demand from Central Fertilizer Quality Control and Training Institute. It was further stated that States

were developing preference for seeking funds for these components under RKVY due to flexible guidelines.

Guided by the candid explanation put forth by the Department, the Committee are of the opinion that this Scheme be subsumed with the Rashtriya Krishi Vikas Yojana as the success of RKVY was one of the factors retarding the progress of this Scheme. They further recommend that the Department take up post haste the construction of Fertilizer Quality Control Laboratories after obtaining the land clearance for these Labs from the concerned State Governments.

4.62 The Committee has taken note of the fact that presently as against 1292.22 lakhs land holdings, only 505 lakh soil health cards issued. Further, Geo-referenced soil fertility maps of only 118 districts have been completed. As against target of 242 static / mobile Soil Testing Labs, only 105 are in position. The Committee take the issue of deteriorating Soil Health/Fertility across the Country very seriously and direct the Government to embark upon the task of firstly obtaining the Soil Health status and then the remedial measures post haste. As stated by the Department this could be achieved by the three pronged strategy of issue of Soil Health Cards/digital soil maps/increasing the number of Static/Mobile Soil Testing Laboratories/development of Mini Soil Testing Kit. The testing should be comprehensive both in terms of Macro/Micro nutrients and this information should not be confined to District Headquarters, but be readily available at the farm level.

Once this exercise is accomplished then only can the process of improving soil health be initiated. The Committee, therefore, desire that the process of soil testing be completed across the Country during the next two fiscals. This would not only ensure in arresting the deteriorating soil health but would also ensure the inception of soil health improvement which directly reflects upon the production and productivity.

OUTSTANDING UTILIZATION CERTIFICATES (UCs)

4.63 The Committee applaud the Department for their concerted efforts which have resulted in a drastic reduction in the number of pending UCs from a figure of 1306 as on 1 April, 2012 to 289 as on 31 December, 2012. The figure has further been lowered to 201. However, as the liquidation of all Outstanding Utilization Certificates has not been achieved till date, the Committee recommend that the Government tackle this issue on a warfront and impress upon all States/UTs to clear their backlog. They further observe that this pendency is reflective of bad accounting and financial management being practised by the errant States/UTs, and urge them to initiate corrective measures at the earliest as in absence of the same, they are the ones who have to bear the consequences. Lastly, they plead upon the Government to ensure that the case of outstanding utilization certificates is eliminated during the current Plan period.

BUDGETARY ALLOCATION FOR NORTH EASTERN STATES OUT OF CENTRAL PLAN ALLOCATION

4.64 The Committee are aware that all Ministries/Departments of the Government of India, except a few specifically exempted ones , earmark 10 % of their annual budget, less allocation for externally aided schemes and local or

event specific schemes / projects, for expenditure in North Eastern Region. However, they are unhappy to note that utilization of funds has been lower in comparison to the RE during the Fiscals 2007-08 to 2010-11. The Committee are given to understand that the broad reasons for gross underutilization of funds earmarked for North Eastern States are reduction in BE at RE stage, absence of proposals/non-finalization of proposals from States. Also, as some of the Schemes are demand driven, expenditure is dependent on the initiatives taken by the stakeholder. They are, however, happy to note that the situation is not beyond redemption and with all North-Eastern States having been covered under the ambit of the National Food Security Mission, the change in fortunes is almost knocking at the door.

The Committee, therefore, recommend that the reasons for poor performance of these States augurs an in-depth study and the problems addressed with the feed back from the recipient States, their farmers and other Stakeholders. The Committee would also like the Department to prepare a case for ensuring that the funds accumulated in the Non-Lapsable Central Pool of Resources (NLCPR) be invariably utilized for development of infrastructure for the agriculture sector, that can help implementation of Schemes more effectively. They also desire that the Department should take up this matter, with utmost alacrity in the North East Council and impress upon all State Governments to come up with initiatives through Schemes specific to the special requirements of the Region.

NEW DELHI;	**BASUDEB ACHARIA**
17 April, 2013	***Chairman,***
27 Chaitra, 1935 (Saka)	***Committee on Agriculture***

APPENDIX-I

COMMITTEE ON AGRICULTURE

(2012-13)

MINUTES OF THE TWENTY SECOND SITTING OF THE COMMITTEE

*****

The Committee sat on Tuesday, the 02 April, 2013 from 1100 hours to 1310 hrs. and from 1410 hrs to 1645 hours in Room No. '53', Parliament House, New Delhi.

PRESENT

Shri Basudeb Acharia - Chairman

MEMBERS

LOK SABHA

2. Shri Narayansingh Amlabe
3. Smt. Ashwamedh Devi
4. Shri L. Raja Gopal
5. Shri Premdas Katheria
6. Shri P. Kumar
7. Sardar Sukhdev Singh Libra
8. Dr. Jyoti Mirdha
9. Shri Naranbhai Kachhadia
10. Shri Devji M. Patel
11. Shri Jagdish Singh Rana
12. Shri Rajaiah Siricilla
13. Shri Patel Kishanbhai V.
14. Dr. Vinay Kumar Pandey 'Vinnu'
15. Shri Hukamdeo Narayan Yadav

RAJYA SABHA

16. Smt. Mohsina Kidwai
17. Shri Rajpal Singh Saini
18. Shri Shivanand Tiwari
19. Shri S. Thangavelu
20. Shri Darshan Singh Yadav

SECRETARIAT

1. Shri R.S. Kambo - Joint Secretary
2. Shri C. Vanlalruata - Deputy Secretary

WITNESSES

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

S.No.	NAME OF THE OFFICER	DESIGNATION
1.	Shri Ashish Bahuguna	Secretary (A&C)
2.	Shri Siraj Hussain	Special Secretary
3.	Shri Anup Kumar Thakur	Special Secretary
4.	Shri Avinash K. Srivastava	Additional Secretary
5.	Shri Dalip Singh	Additional Secretary
6.	Mrs. Bhavani	Principal Adviser
7.	Shri Raghav Chandra	Addl. Secretary & Financial Adviser
8.	Shri R. Viswanathan	Economic and Statistical Advisor (ESA)
9.	Dr. Jeet Singh Sandhu	Agriculture Commissioner
10.	Dr. Anandi Subramanian	Member Secretary (CACP)
11.	Dr. Gorakh Singh	Horticulture Commissioner
12.	Shri E.K. Majhi	Joint Secretary
13.	Shri Mukesh Khullar	Joint Secretary
14.	Shri Sanjeev Gupta	Joint Secretary
15.	Shri R.K. Tiwari	Joint Secretary
16.	Shri Atanu Purkayastha	Joint Secretary
17.	Shri Sanjeev Chopra	Joint Secretary
18.	Shri Utpal Kumar Singh	Joint Secretary
19.	Shri Narendra Bhooshan	Joint Secretary
20.	Shri Raj Singh	Joint Secretary
21.	Shri Vimlendra Sharan	Joint Secretary
22.	Shri R.B. Sinha	Joint Secretary
23.	Dr. Vidya Dhar	DDG (AC)
24.	Shri Sanjay Kumar	DDG(NBM)
25.	Shri Vilas R. Ghodeswar	Chief Control of Accounts (CCA)

PLANNING COMMISSION

1.	Dr. J.P. Mishra	Adviser
2.	Shri Surinder Singh	Adviser

2. At the outset, the Chairman welcomed the members of the Committee and representatives of the Ministry of Agriculture (Department of Agriculture and Cooperation) and Planning Commission to the Sitting.

3. After the witnesses introduced themselves, the Secretary briefly highlighted the activities / achievements made by the Department during the Eleventh Plan Period and preceding Financial Year. The proposed outlay for Twelfth Plan, including various schemes to be taken up was also discussed. The Committee, thereafter, took oral evidence of the representatives of Ministry of Agriculture (Department of Agriculture and Cooperation) on Demands for Grants (2013-14) of the Department.

[At around 1310 hours the Committee adjourned for Lunch. The Sitting resumed at 1410 hours]

4. The Chairman and members of the Committee raised queries on several issues concerning progress made and the Demands for Grants of the ongoing Fiscal and proposed projection for Financial Year 2013-14. The witnesses 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 on which the Department could not clarify during the Sitting, to the Committee Secretariat by 08 April, 2013.

6. A verbatim record of the proceedings has been kept separately.

The Committee then adjourned.

APPENDIX-II

COMMITTEE ON AGRICULTURE
(2012-13)

MINUTES OF THE TWENTY FIFTH SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 17th April, 2013 from 1500 hours to 1600 hours in Room No. '53', Parliament House, New Delhi.

PRESENT

Shri Basudeb Acharia - Chairman

MEMBERS

LOK SABHA

2. Shri Narayansingh Amlabe
3. Shri Sanjay Singh Chauhan
4. Smt. Ashwamedh Devi
5. Smt. Paramjit Kaur Gulshan
6. Shri P. Kumar
7. Dr. (Smt.) Botcha Jhansi Lakshmi
8. Sardar Sukhdev Singh Libra
9. Dr. Jyoti Mirdha
10. Dr. Vinay Kumar Pandey 'Vinnu'

RAJYA SABHA

11. Shri Dharmendra Pradhan
12. Dr. K.V.P. Ramachandra Rao
13. Shri Shivanand Tiwari
14. Shri S. Thangavelu
15. Shri Darshan Singh Yadav

SECRETARIAT

1.	Shri R.S. Kambo	-	Joint Secretary
2.	Shri C. Vanlalruata	-	Deputy Secretary

2. At the outset the Chairman welcomed the members to the Sitting of the Committee. They Committee, thereafter, took up the following draft Report(s) for consideration:

(i) draft Report on Demands for Grants (2013-2014) relating to the Ministry of Agriculture (Department of Agriculture & Co-operation);

*(ii) xxxx xxxx xxxx xxxx xxxx;

*(iii) xxxx xxxx xxxx xxxx xxxx

3. After some deliberations, the Committee adopted the above draft Report(s) with some modifications. They also authorized the Chairman to finalise the above Draft Report(s) in the light of the factual verifications got done by the concerned Departments of the Ministry of Agriculture and present them to the Parliament.

The Committee then adjourned.

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***** *Matter not related to this Report.*