



COMMITTEE ON AGRICULTURE
(2009-2010)

FIFTEENTH LOK SABHA

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

DEMANDS FOR GRANTS (2010-2011)

SIXTH REPORT



LOK SABHA SECRETARIAT
NEW DELHI

APRIL, 2010/ CHAITRA, 1932 (Saka)

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Presented to Lok Sabha on 22.04.2010

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COMPOSITION OF THE COMMITTEE ON AGRICULTURE (2009-2010)

Shri Basudeb Acharia - Chairman

MEMBERS

LOK SABHA

2. Shri Narayan Singh Amlabe
3. Shri K.C. Singh 'Baba'
4. Shri Thangso Baite
5. Shri Jayant Chaudhary
6. Smt. Shruti Choudhry
7. Smt. Ashwamedh Devi
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15. Shri Premdas
16. Shri Vitthalbhai Hansrajbhai Radadiya
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18. Shri Bhoopendra Singh
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20. Shri Jagdish Thakor
21. Shri Hukmdeo Narayan Yadav

RAJYA SABHA

22. Shri Narendra Budania
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24. Shri A. Elavarasan
25. Shri Sharad Anantrao Joshi
26. Shri Vinay Katiyar
27. Shri Mohd. Ali Khan
28. Shri M. Rajasekara Murthy
29. Shri Bharatsinh Prabhatsinh Parmar
30. Prof. M.S. Swaminathan
- *31. Vacant

** Vice Shri Khekiho Zhimomi who ceased to be the Member of the Committee on his retirement from Rajya Sabha on 2 April, 2010.*

SECRETARIAT

1. Shri S. Bal Shekar - Joint Secretary
2. Shri P. C. Koul - Additional Director

INTRODUCTION

I, the Chairman, Committee on Agriculture, having been authorized by the Committee to submit the Report on their behalf, present this Sixth Report on the Demands for Grants (2010-2011) of the Ministry of Agriculture (Department of Agriculture & Co-operation).

2. The Committee considered the Demands for Grants (2010-11) of the Department of Agriculture and Co-operation, which were laid on the table of the House on 11 March, 2010. The Committee took evidence of the representatives of the Department of Agriculture & Co-operation, Indian Council for Agricultural Research, Ministry of Chemicals and Fertilizers (Department of Fertilizers) and the Planning Commission at their Sitting held on 23 March, 2010. The Committee wish to express their thanks to the officers of the Department of Agriculture & Co-operation and others for appearing before the Committee and furnishing the information that the Committee 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 20 April, 2010.

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

NEW DELHI;
20 April, 2010
30 Chaitra, 1932 (Saka)

BASUDEB ACHARIA
Chairman,
Committee on Agriculture

ABBREVIATIONS

ACA	Additional Central Assistance
AIC	Agriculture Insurance Corporation of India, Ltd.
ATMA	Agriculture Technology Management Agency
A3P	Accelerated Pulses Production Programme
BE	Budget Estimates
CFQC&TI	Central Fertilizer Quality Control and Training Institute
CSCs	Common Service Centres
CSO	Central Statistical Organisation
DAC	Department of Agriculture and Cooperation
FQCL	Fertilizer Quality Control Laboratories
GCF	Gross Capital Formation
GDP	Gross Domestic Product
HYV	High Yielding Variety
ICAR	Indian Council of Agriculture Research
ICT	Information and Communication Technology
ISOPOM	Integrated Scheme of Oilseeds, Pulses, Oil palm and Maize
KCC	Kisan Credit Card; Kisan Call Centre
KVK	Krishi Vigyan Kendra
MANAGE	National Institute of Agricultural Extension and Management
MSTL	Mobile Soil Testing Laboratories
MT	Metric Tonne
NABARD	National Bank for Agriculture and Rural Development
NAFED	National Agriculture Cooperative Marketing Federation
NAIS	National Agriculture Insurance Scheme
NARS	National Agricultural Research System
NBS	Nutrient Based Subsidy
NPF	National Policy for Farmers
NCDC	National Cooperative Development Corporation
NFSM	National Food Security Mission
NGO	Non-Governmental Organisation
NLCPR	Non Lapsable Central Pool of Resources
NPC	National Productivity Council
NPMSF	National Project on Management of Soil Health & Fertility
NRAA	National Rainfed Area Authority

PEO	Programme Evaluation Organisation
PRIs	Panchayati Raj Institutions
RADP	Rainfed Area Development Programme
RE	Revised Estimates
RKVY	Rashtriya Krishi Vikas Yojana
RRBs	Regional Rural Banks
SAU	State Agricultural University
SCBs	State Cooperative Banks
SEWP	State Extension Work Plan
STL	Soil Testing Laboratories
TMC	Terminal Market Complex
TMOP	Technology Mission on Oilseeds and Pulses
UT	Union Territory
UC	Utilisation Certificate

CHAPTER – I

OVERVIEW

I **Introductory**

During the last more than six decades after independence, the changing profile of Country's economy has led to several significant developments. Several new sectors have emerged and they are contributing in a substantial manner to our economy and Gross Domestic Product (GDP). The role and contribution of the previously existing sectors have, accordingly, witnessed adjustments and re-orientation to the corresponding extent. For instance, the Agriculture and allied activities sector, which has been the bulwark of our predominantly agrarian economy since time immemorial, has seen a sharp decline in its contribution to GDP. From more than 50% at the time of independence, the contribution of agriculture and allied activities stand at 15.7% of India's GDP (at 2004-05 prices) during 2008-09. The Eleventh Plan Document also raises concerns about the GDP from agriculture, having more than quadrupled from Rs. 108374 crore in 1950-51 to Rs. 485837 crore in 2006-07 (both at 1999-2000 prices), but the increase per agriculture worker, in terms of increase in income, is rather modest. Against this four-fold increase in overall real per capita GDP, the GDP per agricultural worker is currently (2008-09) around Rs. 2000 per month which is only about 75% higher in real terms than in 1950.

1.2 Notwithstanding these declining trends the agriculture sector contributed a significant 10.23% to total export earnings in 2008-09. Most importantly, it continues to provide employment to 58.3% of the total work force.

1.3 The Government of India acknowledges the important role the agriculture sector is playing in the context of Country's economy. The Annual Report (2009-10) of the Department of Agriculture & Co-operation (DAC) admits that the centrality of agriculture

to Indian economy has been reaffirmed by the impact of deficient rainfall, during South West Monsoon 2009. The deficiency of 23% was the most since 1972. The drought situation led to price rise and brought to the fore the chinks in food stock management, the crying need for urgent attention to increase food production & productivity and the larger issue of our food and livelihood security. Besides, the world has, in the recent past, witnessed the impact of various food, financial and economic crises. This has compromised the lives, livelihood and food security of the people. Therefore, there is a compelling case for increased investment in the sector. The continued high growth of agriculture is essential to meet the food and nutritional security requirements of the people and provide livelihood and income in rural areas. Agriculture will have to be accorded primacy in national policies and plans, since the nation's food security depends on the performance of the agricultural sector.

1.4 The annual growth rate of total GDP vis-à-vis growth rate in agriculture and allied sectors from 2005-06 to 2009-10 is given below:

Growth in agriculture and allied sector GDP vis-à-vis total GDP
from 2005-06 to 2009-10 (at 2004-05 prices)

Year	Total GDP	Agriculture and allied sector (%)
	Actual Growth	Actual Growth
2005-06	9.5	5.2
2006-07	9.7	3.7
2007-08	9.2	4.7
2008-09	6.7	1.6
2009-10(AE)	7.2	(-) 0.2

Source: Planning Commission, CSO

Note : CSO has changed the base year from 1999-2000 to 2004-05.

This drop has been attributed to the overall deficit of 23% in South West Monsoon rainfall that adversely affected Kharif production, particularly that of paddy.

The production of food grains, oilseeds and sugarcane is accordingly expected to decline by 8 per cent, 5 per cent and 11.8 per cent respectively, as compared to the previous year. Production of cotton, horticulture crops and vegetables is however expected to increase by 0.2 per cent, 2.5 per cent and 4.8 per cent respectively.

Crop Production

1.5 As per the information furnished by the Department, the production of food grains during 2009-10 is estimated at 216.85 Million Tonnes (MT) as per 2nd Advance Estimates compared to 234.47 M.T. achieved during 2008-09. Production of rice is estimated at 87.56 M.T. which is 11.62 M.T. lower compared to 99.18 M.T. during the previous year. Production of wheat is estimated at 80.28 M.T. (2nd Advance Estimates) which is 0.4 MT less as compared to 80.68 M.T. in 2008-09. Production of coarse cereals during 2009-10 is estimated at 34.27 M.T. (2nd Advance Estimates) compared to the previous year's production of 40.03 M.T. during 2008-09.

Production of sugarcane during 2009-10 is estimated at 251.27 M.T. (2nd Advance Estimates) against 285.03 M.T. achieved during 2008-09. Cotton production is estimated at 223.18 lakh bales during 2009-10(2nd Advance Estimates) against 222.76 lakh bales during 2008-09. The production of Jute & Mesta during the year 2009-10 is estimated at 103.57 lakh bales (2nd Advance Estimates) as against 103.65 lakh bales during 2008-09.

II Functions of Department of Agriculture & Co-operation

1.6 The Department of Agriculture and Cooperation is one of the three constituent Departments of the Ministry of Agriculture. The other two being the Department of Animal Husbandry, Dairying and Fisheries (DAHD&F) and the Department of Agricultural Research and Education (DARE).

The functions of the Department are as follows : –

- (i) Formulation & implementation of National Policies and Programmes for achieving rapid growth and development of Agriculture through optimum utilization of country's land, water, soil and plant resources;

- (ii) Undertaking developmental planning, and assist States in undertaking scarcity relief measures and in management of natural calamities relating to drought;
- (iii) Formulation of policies relating to co-operation and co-operative organisations, co-operative training and education;
- (iv) Bring about integrated development of markets for agricultural produce with a view to safeguard economic interests of farmers;
- (v) Formulation of policies for improving agricultural extension services, aiming for integrated extension services by adopting new institutional arrangements with involvement of NGOs, Farmer's organisations and Agricultural Universities;
- (vi) Strengthening co-operative movement through National Co-operative Development Corporation (NCDC), National Agricultural Co-operative Marketing Federation of India Limited (NAFED) and National Co-operative Union of India (NCUI);
- (vii) Promoting plant protection measures and practices through dissemination of information and education of various functionaries involved in agricultural production;
- (viii) Supplementing efforts of State Governments for increasing production and productivity of agricultural and horticultural crops through promotional programmes;
- (ix) Promoting measures for production of quality seeds and distribution of improved plant varieties developed by agriculture research institutes and agriculture universities, for increasing productivity;
- (x) Promotion of farm mechanization;
- (xi) Developing suitable strategies for rainfed farming through peoples' participation for holistic and integrated development of potential watersheds and promotion of farming system approach for augmenting income and nutrition levels of agricultural communities; *and*
- (xii) Arranging Agricultural Census and inputs survey through States for providing information on land uses, cropping pattern, tenancy, irrigation, seeds, disbursal of operational holdings and consumption of various inputs.

1.7 The Department are organised into 25 divisions and a Technology Mission on Oilseeds, Pulses and Maize (Annexure-I). In addition, it has four attached offices and 21 subordinate offices all over India for coordination with State-level agencies and implementation of Central Sector Schemes of their respective fields. Further, there are two public sector undertakings (PSUs), eight autonomous bodies, 11 national-level cooperative organisations and two authorities under the administrative control of the Department.

III Overview of Demands

1.8 Demand No. 1 pertaining to the Department of Agriculture & Co-operation for the year 2010-11 was presented to the Lok Sabha on 11 March, 2010. Demand No. 1 provides for implementation of various Central Sector, Centrally Sponsored and State Plan Schemes, for Plan and Non-Plan activities. The Centrally Sponsored Schemes are implemented by the State Governments and managed by the Centre as well as the States. The funding pattern is either 100% Central share or it is shared by the Centre and the States. The beneficiaries are the States and the funds are released by the Government of India in the form of Grants-in-Aid depending upon the pattern of assistance. The State Government provides its share wherever required and also the infrastructure including logistics and manpower. The Central Sector Schemes are normally implemented by the Central Government but in certain cases through the State Governments. The funding pattern is generally 100% Central share for such schemes. The State Plan Schemes are mainly run on the Additional Central Assistance (ACA) mode; the release of funds depending upon the States meeting the various qualifying guidelines set for the respective schemes.

1.9 The details of Revenue as well as Capital expenditure under the Plan and Non-Plan Sides of Demand No. 1 are as under :

	Plan	Non-Plan	(Rs. in Crore) Total
REVENUE			
Voted	14958.75	605.37	15564.12
Charged	-	-	-
CAPITAL			
Voted	83.25	0.60	83.85
Charged	-	-	-
GRAND TOTAL	15042.00	605.97	15647.97

1.10 The total allocation for Department of Agriculture & Co-operation is Rs. 15647.97 crore for the year 2010-11. Out of this Rs. 14958.75 crore and Rs. 605.37 crore are in Plan and Non-Plan sides respectively under the Revenue Section. Similarly, Rs. 83.25 crore and Rs. 0.60 crore are in the Plan and Non-Plan sides respectively under the Capital Section.

1.11 The comparison of Revised Estimates for the year 2009-10 and Budget Estimates for 2010-11 are given in the table below:

(Rs. in crore)

	RE 2009-10		BE 2010-11	
	Plan	Non-Plan	Plan	Non-Plan
REVENUE	10894.78	1150.75	14958.75	605.37
CAPITAL	70.45	0.65	83.25	0.60
Total	10965.23	1151.40	15042.00	605.97
GRAND TOTAL	12116.63		15647.97	

The Revenue Section (Plan Side) for 2010-11 shows an increase of 37.30% compared to the RE figure of Rs. 10894.78 crore for 2009-10. However, the Non-Plan side of Revenue Section, the BE of 2010-11 has seen a significant reduction of 52.61% from RE of 2009-10. The BE for 2010-11 in Capital Section (Plan Side) is Rs. 83.25 crore which is a hike of 18.17% over the RE for 2009-10 of Rs. 70.45 crore. In the Non-Plan side, the RE 2009-10 of Rs. 65 lakh has been marginally reduced to Rs. 60 lakh for 2010-11.

IV Plan Allocation

1.12 For the Eleventh Plan the Department of Agriculture and Cooperation have been allocated Rs. 66,577 crore against a proposal for Rs.51,052.12 crore. The allocation and expenditure for the Eleventh Plan period till now are as under :-

(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	10617.30*
2010-11	15042.00	-	-

* Upto 29 March, 2010

1.13 During 2009-10 the BE of Rs. 11307.07 crore was reduced to Rs. 10965.23 crore in the Revised Estimates. The Department have been able to utilize Rs. 10617.30 crore (96.83%) out of the allocated funds upto 29 March 2010. The Plan Outlay of DAC (2010-11) has been enhanced by 33.03% in comparison to BE 2009-10. Inclusive of the State Plan Schemes of Rashtriya Krishi Vikas Yojana and Control of Shifting Cultivation, the provision for DAC in 2010-11 is Rs. 15042.00 crore, made against a proposal for Rs. 17080.30 crore.

1.14 Regarding utilization of funds during the Eleventh Plan and the ability of the Department to absorb the remaining funds earmarked for them for the Plan, the Department have submitted that an amount of Rs.27,554.03 crore (actual for year 2007-08 and 2008-09 and RE of 2009-10) would have been utilised from 2007-08 to 2009-10 (inclusive of State Plan Schemes), for implementation of various Plan schemes of the Department. However, when the actual expenditure of Rs. 10617.30 crore for 2009-10 is considered instead of the RE figure, the total utilisation of funds during the Eleventh Plan stands at Rs. 27206.10 crore. Allocation for 2010-11 is Rs.15,042 crore (inclusive of State Plan Schemes). When the latter figure is taken into account, the total expenditure in first four years of XI Plan period will be Rs.42,248.10 crore which leaves Rs.24329.00 crore to be allocated in final year 2011-12.

1.15 On being asked about the reasons for the lopsided procedure of allocation/release of funds for DAC and the efforts made by the Department to seek a more equitable release of funds during each Plan year, the Department submitted that the Eleventh Five Year Plan envisaged greater degree of back-loading of investments compared to normal, due to fiscal consolidation mandated by Fiscal Responsibility and Budget Management Act, which got further accentuated due to global financial crisis, occurring just after start of XI Plan, requiring fiscal stimulus measures being un-rolled by the Government, thereby directing available resources for activities which were not part of XI Plan. Additionally, DAC's outlay (including state plan schemes) was increased, substantially from Rs. 13,300 crore in X plan to Rs. 66,577 crore in XI plan, which could only have been up-scaled gradually.

DAC project their requirements of funds for Plan schemes, to Planning Commission, every year as part of Annual Plan exercise and emphasizes need for higher allocations, at every opportunity. Planning Commission, allocates annual plan ceiling for DAC, after taking into account overall availability of resources and also relative priority of programmes of different Ministries. The Plan allocation for DAC has been substantially enhanced over the past years.

1.16 The Department have informed the Committee that they are confident of utilizing the remaining amount of Rs. 24329.00 crore demarcated for them for the last year of the Plan. When asked whether any road map has been worked out for utilizing funds to this tune and whether the States/Implementing Agencies would be able to absorb this last minute rush of funds, the Department stated that RKVY funds utilisation has increased from Rs. 1,247 crore in 2007-08, to Rs. 2,887 crore in 2008-09, to App. Rs. 3,755 crore in 2009-10. RKVY funds allocation is Rs. 6,722 crore in 2010-11. With this trend increase and States having by now fully geared up their machinery for

utilization of funds effectively, the DAC are confident that remaining amount for 2011-12 will be fully and optimally utilized. Similarly for other schemes also if remaining Eleventh plan funds are allocated in 2011-12, DAC can utilize the same. Scheme wise allocation will be finalized at the time of finalization of Annual Plan 2011-12.

State Governments and Implementing agencies have geared up their machinery for utilization of funds effectively and the DAC are confident that funds will be optimally utilized. Physical targets are set according to fund availability and the Department are confident that funds will be effectively utilized by States.

V Annual Plan

1.17 As against a proposed outlay of Rs.17080.30 crore for the Annual Plan 2010-11, the Planning Commission have approved an outlay of Rs.15042.00 crore for DAC. Out of the approved outlay 10% has been earmarked for the North-Eastern States as per standing guidelines. The allocation to DAC amounts to about 2.86% of the massive Central Plan Outlay of the Government of India of Rs. 524484.31 crore for 2010-11.

VI Monthly Expenditure Plan

1.18 When asked about the actual monthly expenditure incurred by the Department during 2009-10 vis-à-vis the Monthly Expenditure Plan appended to the Demands for Grants 2009-10 of the Department, the Department submitted that as per instructions of Ministry of Finance pertaining to Modified Cash Management System, exchequer control would apply cumulatively at the Demand for Grant level on quarterly basis. The saving under Quarterly allocations would not be available for automatic carry forward to next quarter. The Department has to approach Ministry of Finance for revalidations who will consider the request within 15 days of receipt, failing which the request for

revalidation would be deemed to have been granted. The instructions envisage that spill over not inconsistent with quarterly allocation would not require prior revalidation.

In view of this, quarterly projection vis-à-vis expenditure during 2009-10 in respect of Grant No. 1 is as under:-

	(Rs. in crore)		
BE 2009-10	11915.22		
RE 2009-10	12116.63		
	Projection	Expenditure	Variation
For 1st Quarter	1976.53	1963.64	-12.89*
Upto IIrd Quarter	6170.38	5855.95	-314.43*
Upto IIIrd Quarter	8137.74	8357.59	219.85
Upto IVth Quarter	11915.22	10544.71**	

*Ministry of Finance was requested to revalidate short-fall for utilisation in next quarters.

** Up to Feb., 2010

VII Mid Term Appraisal

1.19 During the examination of Demands for Grants 2009-10, the Committee were informed that the Mid Term Review Meeting was held under the Chairmanship of Member (Agriculture), Planning Commission on 23 September, 2009. They were also informed that the Mid Term Appraisal (MTA) of the Eleventh Five Year Plan for the Department of Agriculture and Co-operation would be approved by the full Planning Commission by December, 2009.

However, the Department when asked to submit the same to the Committee now have informed that the Planning Commission has circulated draft Mid Term Appraisal (MTA) Document on 26 February, 2010 for comments. The comments of DAC on draft MTA document have been sent to Planning Commission on 15 March, 2010. The Planning Commission is in the process of finalizing MTA for XI Five Year Plan and it will be made available to the Hon. Committee, as and when received.

1.20 When asked about the Department's own assessment of their performance in the context of MTA during the Oral Evidence held on 23 March, 2010, the Secretary, Department of Agriculture and Co-operation submitted:

"....On the Schemes, broadly the findings are that RKVY and NFSM are very well received, and they have had an impact on the field. This is what its says. However, they had also identified a lot of areas like extension, land reforms, insurance, modified NAIS, etc. These have been identified as areas where action needs to be taken by the Department. Broadly, MTA is supportive of the Department."

VIII Results Framework Document

1.21 It has been reported that the Ministries will submit a Quarterly performance report for the period January-March, 2010 to the Cabinet Secretariat. The data is to be furnished according to the Results Framework Document (RFD). It has been further mentioned that the RFD guidelines include broad sections on standard format, Methodology for evaluation and process and timelines. For being evaluated the Ministries/Departments would be required to specify one or more success indicators or key performance indicators or key result areas. Asked in this context as to whether the Department of Agriculture & Co-operation are also required to submit RFD it was stated that the Government have approved a system for monitoring and evaluating the performance of Government Departments and Ministries, in Sept-Oct' 2009. Under this system, all Departments are expected to prepare a Results Framework Document (RFD) summarizing the main objectives and corresponding action for the year. However, since a major part of the year 2009-10 was already over, only an abbreviated document covering the period January 1, 2010 to March 31, 2010 was to be submitted by November 30, 2009.

Accordingly, this Department submitted its RFD for the period January 1, 2010 to 31 March 2010, which coincides with the last quarter of 2009-10. Success indicators include various items such as, timely release of funds and approval of proposals, achievement of physical targets in some important schemes and certain action in the direct purview of the DAC.

IX Investment in Agriculture

1.22 Public investment in agriculture, in real terms, had witnessed a steady decline from the Sixth Five Year Plan (1980-85) to the Ninth Five Year Plan (1997-2002). However, this trend was reversed in the Tenth Plan (2002–07), with public investment in agriculture to the tune of Rs.67,260 crore. Data on public and private investment in agriculture and allied sectors since 2004-05 is given below:

Public and Private Investment in Agriculture and Allied Sectors (at 2004-05 prices)

Year	Investment in Agriculture & Allied sectors (Rs. crore)			Share in investment (per cent)	
	Total	Public	Private	Public	Private
2004-05	78848	16183	62665	20.5	79.5
2005-06	93121	19909	73211	21.4	78.6
2006-07	94400	22978	71422	24.3	75.7
2007-08	110006	23039	86967	20.9	79.1
2008-09	138597	24452	114145	17.6	82.4

Source: Central Statistical Organisation

Note: CSO has changed the base year from 1999-2000 to 2004-05

1.23 The share of agriculture and allied sectors in total gross capital formation has also progressively declined for nearly two decades. However, this trend has since been arrested and the share of capital formation of agriculture and allied sectors in GDP has increased from 14.1 per cent in 2004-05 to 21.3 per cent in 2008-09 (at 2004-05 prices). The share of public investment to GDP of agriculture and allied sectors has also increased from 2.9 per cent in 2004-05 to 3.8 per cent in 2008-09 (at 2004-05 prices).

The share of private investment to GDP of agriculture and allied sectors has also increased from 11.2 per cent in 2004-05 to 17.5 per cent (at 2004-05 prices) in 2008-09. Gross capital formation public and private in agriculture and allied sectors and its percentage share to GDP of agriculture and allied sectors is given below:

Gross Capital Formation (GCF) Public and Private in Agriculture and Allied Sectors and its percentage share to GDP of Agriculture and Allied Sectors(at 2004-05 prices)

(in Rs. crore)

Year	Public Investment (Rs. crore)	%age share in Agriculture and Allied Sector GDP	Private Investment (Rs. crore)	%age share in Agriculture and Allied Sector GDP	Total Investment (Rs. crore)	% share in GDP for Agriculture and Allied Sector
1	2	3	4	5	6	7
2004-05	16183	2.9	62665	11.2	78848	14.1
2005-06	19909	3.4	73211	12.4	93121	15.8
2006-07	22978	3.8	71422	11.7	94400	15.4
2007-08	23039	3.6	86967	13.6	110006	17.2
2008-09	24452	3.8	114145	17.5	138597	21.3

Source: Central Statistical Organisation

Note: CSO has changed the base year from 1999-2000 to 2004-05

1.24 When queried about the various steps taken by the Government to encourage Private Sector Investment in Agriculture Sector and the core areas/activities in the Sector in which private investment is envisaged, the Department stated in a written reply that the Government announced the National Policy for Farmers (NPF) in 2007 based on the recommendations of the National Commission on Farmers (NCF) set up under the Chairmanship of Prof. M.S. Swaminathan. The following points relating to private sector participation in agriculture appear in the policy document:-

1. Non-governmental organisations (NGO) and private sector research and development (R&D) institutions would also be included under the National Agricultural Research System (NARS) umbrella.
2. Bio-technology research in the area of vaccine development would be stepped up, encouraging public private partnerships.
3. Cooperatives require an entrepreneurial approach, competitive edge through suitable enterprise focus and strategic alliances with private and public sector units.

4. The Common Service Centres (CSCs) of the Department of Information Technology, Government of India and those set up by the state governments and private initiative programmes will be evolved for inclusive and broad-based development.
5. Terminal markets for agriculture would be developed in public-private-partnership mode to provide better market access to farmers with better price realisation in a transparent trading environment with suitable backward linkages to give technical backstopping services needed for quality and demand driven production.
6. In order to attract youth to the agriculture sector, a number of vocational training courses in different aspects of agricultural and allied activities including value addition and processing of agro-products shall be introduced and recognised. The KVKs, institutions of state governments/ICAR and competent private institutions may also provide such recognised vocational training to the youth.

Subsequently an Inter-Ministerial Committee finalized a Plan of Action for Operationalisation of the NPF, 2007 in which further steps have been identified.

As regards the Action Taken and the results achieved there against in respect of the 6 points of the NPF, 2007 listed above the Department submitted the following through a written reply:

(1)

- ICAR organizes the Breeder Seed production through the NARS network in which private companies and other institutes/organizations are involved for multiplication and sale to farmers. The project on “Seed production in Agricultural Crops and Fisheries” has accelerated the supply of quality basic/breeder seed of parental lines, open pollinated varieties and planting materials to all agencies including the private sector.
- ICAR has implemented its guidelines for IP management and technology transfer/ commercialization which provide for dissemination of ICAR technologies including seeds in partnership with public and private sectors based on the principles of joint IPR ownerships and pre-decided licensing rights on mutually agreed terms.
- ICAR has embarked upon functional Public-Private Partnership for extending the benefit of hybrid technology to the target beneficiaries i.e. farmers on a large scale. Sharing of rights, germplasm and technology is being effected through MOUs, MOAs and non-exclusive licenses, etc. IARI, the premier unit of the ICAR has functional and effective MOUs with M/s Mahyco, Ankur, Nirmal Seeds, Advanta, Indo-American Seeds, J.K. Agri-Genetic, etc. Spectacular success has

been achieved in the case of Pusa rice hybrid RS-10 and very high yielding rice variety Pusa 1121.

- Under the component “Assistance for Boosting Seed Production in Private Sector” back ended capital subsidy @ 25% subject to a maximum of Rs.25 lakhs is provided among others to the SHGs for setting up of seed processing units and seed storage capacity. Till November, 2009; 216 proposals have been sanctioned involving seed processing capacity of Rs.43.42 lakh quintals and storage capacity of 15.72 lakh quintals.
- DARE has reoriented and strengthened the National Fund for Basic and Strategic Research to function as National Fund for Basic, Strategic and Frontier Application in Agriculture in the XI Plan to address key issues like gene pyramiding, bio prospecting and allele mining, nanotechnology, transgenics, etc. 21 projects have already been sanctioned at a total cost of Rs.33.0 crore under this scheme. This is in addition to the ongoing National Agricultural Innovative Project funded by the World Bank, which also addresses research of basic and strategic in nature. Already, 61 projects have been approved under this component, at a total cost of Rs.30.4 crore, with a unique feature of having partners from diversified fields like private industries, premier institutions like CSIR, IISc, IITs and from the National Agricultural Research System.

(2)

- ICAR is conducting regular Research in developing molecular diagnostic kits and vaccines. The technology is being transferred to industries for large scale production to meet the continuous needs of the livestock farmers.
- Department of Biotechnology has also been supporting private initiatives in the field of Agriculture.

(3)

- Under NHM, all types of PHM infrastructure including creation/modernization of Cold Storage are already being taken up by involving private entrepreneur, farmers group/ association, cooperative societies, companies incorporated in public and private sector, etc.
- Under ISOPOM, private and cooperative sectors are being involved in the Maize seed distribution
- To encourage setting up of cold chain facilities and backward linkages in the country, Ministry of Food Processing Industries (MFPI) has a Plan Scheme for Cold Chain, Value Addition and Preservation Infrastructure during the 11th Plan to provide financial assistance to project proposals received from public/private organizations including cooperatives.

(4)

- The infrastructure being developed under National e-Governance Plan (NeGP) to link all the blocks by a Wide Area Network and provide connectivity up to the village level through Common Service Centres (CSCs) would provide important support at all levels including extension. The scheme also proposes to optimally

use the ICT infrastructure available in the private sector and agri-clinics in the villages and to integrate it in into the public extension systems to increase its effectiveness, quality and outreach. Out of 122918 CSCs to be set up in the first phase in 28 States / Union Territories, 71078 CSCs have been set up till 28.02.2010.

(5)

- The Ministry have taken the initiative to promote state of the art modern market infrastructure through ' setting up Modern Terminal Market Complex (TMC) for fruits, vegetables and other perishables in important urban centres in the country under the National Horticulture Mission.' These markets would provide infrastructure facilities for electronic auction, cold chain and logistics and operate through primary collection centres conveniently located in producing areas to allow easy access to farmers. The TMC are envisaged to operate on a HUB and SPOKE format wherein the terminal market (HUB) would be linked to a number of collection centres (SPOKES), conveniently located in key production centres to allow easy access to farmers for the marketing of their produce.
- The revised scheme of setting up terminal market Complex has been introduced since 2009-10 under National Horticulture Mission. In principle approval of Executive Committee of NHM has been accorded for TMC project at Babangaon in Thane District of Maharashtra, Perundurai in Erode District of Tamil Nadu, Patna in Bihar and Sambalpur in Orissa based on the feasibility report and proposal of respective State Governments. Request of Qualification issued and finalized Request for Proposal issued for Perundurai of Erode Distt. of Tamil Nadu, Patna in Bihar and Baban Gaon in Thane Distt. of Maharashtra to select the private entrepreneur for these projects.

(6)

- In order to ensure promotion of multi-agency extension strategies, and to implement scheme activities in Public- Private-Partnership (PPP) mode, minimum 10% of scheme allocation on recurring activities at district level is to be incurred through non-governmental sector. Also, non-governmental implementing agencies will be eligible for service charge up to a maximum of 10% of cost of extension activities (but no staff cost) implemented through them. Quite a few success stories have been seen under this Scheme.

X Allocation of Funds to the North Eastern States

1.25 All Ministries / Departments of the Government of India, except those specifically exempted, are required to 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. Since 1998-99, unutilized portion of funds earmarked by non-

exempted Ministries/Departments is surrendered in a Non-Lapsable Central Pool of Resources (NLCPR) set up in Ministry of Finance, D/o Expenditure which is maintained on proforma basis. As intimated by M/o Development of North Eastern Region, the total accruals to NLCPR Pool so far is Rs. 15224.31 crore (Provisional).

1.26 The lump sum provision for projects/schemes for the benefit of North-Eastern Region and Sikkim for 2009-10 at the BE stage was Rs. 720.00 crore which was reduced to Rs. 694.82 crore at the RE stage. When asked about the utilization of the allocation for North Eastern States during 2009-10 and the accumulation of funds in the NLCPR, the Department informed that out of Rs. 694.82 crore available in RE 2009-10 for North Eastern States (NES), Rs. 470.11 crore has since been re-appropriated to functional major heads and amount released to NES. The unspent balance of this earmarked 10% of GBS is pooled in NLCPR. Funds allocated during 2009-10 for Agri Business Centres & Agri Clinics, National Project on Organic Farming, Construction of Rural Godowns were Rs. 0.70 crore, Rs. 4.91 crore and Rs. 7.00 crore respectively. They all remained unutilised during the year. Though in the initial reply furnished to the Committee, Post Harvest Technology was shown to be without any allocation, the Department later claimed that the Scheme had an allocation of Rs. 5 crore for 2009-10. However, the extent of utilization under the Scheme has not been intimated. For National Food Security Mission in the North Eastern Region, out of Rs. 90.00 crore, only Rs. 36.16 crore was utilised. Broad reasons intimated by the Department for underutilisation are absence of proposals and utilization certificates from States Governments and unspent balances with States. In case of the poor performance in Construction of Rural Godowns Scheme, the Department have furnished the following reasons for slow pace of implementation of the Scheme in North-Eastern Region :

- (i) lack of availability of land with clear title, because of which, financial institutions face difficulty in extending the loan,

- (ii) Predominantly marginal or small farmers have small marketable surpluses & also limited capacity to go for construction of Rural Godown,
- (iii) due to lack of financial strength of farming community, they are unable to take benefit of the scheme,
- (iv) there are not sufficient marketable surplus of agricultural commodities in N.E.Region. All the N.E. States are regarded as deficit States in terms of food-grain, pulses & oilseeds production; and
- (v) Production of horticultural crops is major thrust area in all the hill states of North East. Most of horticultural produce is perishable in nature and cannot be stored in rural godowns, for long periods of time.

It has been further submitted that the capacity of North-Eastern States to absorb earmarked allocation for various planned schemes can be improved suitably by gearing-up of local administrative machinery, improvement in infrastructure, human resource development, etc.

1.27 When it was enquired as to why in spite of the huge potential in North Eastern States horticulture was still undeveloped and the bottlenecks faced by the Department in this regard, it was submitted that the major bottlenecks in tapping potential of North-Eastern States for horticulture development, are as given below:-

- Poor infrastructure such as roads/rail connectivity to production centres
- Inadequate infrastructure for transport and marketing of produce
- Non availability of sufficient electricity and its timely distribution for various horticultural operations
- Difficulties in taking up various package of practices involved in production and handling of produce in the farmers field, due to difficult terrain, poor accessibility and lack of approach roads.

XI Extension of 'Green Revolution' to Eastern Region

1.28 The Finance Minister in his Budget Speech 2010-11 announced that as part of the strategy to spur growth in agriculture sector, it has been decided to extend the 'green revolution' to the Eastern Region of the Country comprising Bihar, Chhattisgarh, Jharkhand, Eastern UP, West Bengal and Orissa. A sum of Rs. 400.00 crore has been allocated for the purpose. Regarding the reason for choosing the Eastern Region for the purpose, sufficiency of the amount allocated, roadmap for extended 'Green Revolution' to other parts of the Country, etc. the Department submitted that Eastern Region of the Country comprising Bihar, Chhattisgarh, Jharkhand, Eastern UP, West Bengal and Orissa have low agricultural productivity despite favourable water endowment and substantial land, which is not cropped in Rabi and Summer seasons. In addition, productivity levels in the States are low, in all crops as compared to potential yields, obtained in frontline demonstrations. Therefore, there is substantial scope of productivity enhancement of potential crops, especially rice, in the Region. This Region has potential to produce additional food grain, similar to the first green revolution. The Government announced its intent to focus on food production and productivity programme in Eastern Region as a part of budget 2010-11. Extension of green revolution to Eastern India is also necessary to ensure food security of the nation. A beginning has been made with specific earmarking of Rs. 400 crore for this purpose. This will help in leveraging specific strategies and technologies like shallow wells programme, rapid farm mechanisation, speeding up certified seed replacement programme. Resources will also be available from other programmes like RKVY and NFSM. Schemes/ Projects are being firmed-up in consultation with States and scheme-wise/project wise break-up is under finalization. At this point of time, extending of green

revolution to Eastern Region of the Country is envisaged. However, focused approach on food production and productivity is continuing in all parts of the Country through NFSM, RKVY, MMA.

ACTION PLAN FOR A TURNAROUND IN AGRICULTURE SECTOR

1.29 The Committee are really concerned about the current trends in the agriculture sector. The growth rate is fluctuating and is most of the time showing a downward movement. The food grains production has also more or less hit a plateau. There also seem to be no signs on the horizon of a repeat of the spectacular achievements of the Green Revolution in the near future. Most disturbingly, while the GDP from agriculture has more than quadrupled from Rs. 108374.00 crore in 1950-51 to Rs. 4,85,937.00 crore in 2006-07 (at 1999-2000 prices), the increase per worker is only about 75% higher in real terms than in 1950. As mentioned in this Report previously, both the Planning Commission as well as the Government are acutely aware of the problems besetting the agricultural sector. However, the remedial measures are not coming, unfortunately, in the requisite doses and with the requisite alacrity. As will be borne out by the succeeding paragraphs, the Planners and the Government, though aware of the problems, are yet to synergise their efforts and energies to tackle them in a holistic and lasting manner. The Committee strongly feel that the agriculture sector after years and years of neglect needs to be given a fresh look, in all its ramifications. Any half measures or isolated knee jerk reactions to situational requirements like low productivity or natural calamities or climate change would not only prove grossly inadequate but are surely bound to fail. It should not be forgotten that a global position of pre-eminence can be achieved only after domestic food security and the well being of the agriculture sector,

which still continues to provide livelihood to more than half of our work force, is ensured. The Committee, therefore, desire that an Action Plan for the turnaround of the agriculture sector be prepared by the Department immediately on the basis of the recommendations made by the National Commission for Farmers in consultation with all concerned and be implemented at the earliest. The Committee would like to be apprised of the efforts of the Department in this direction within three months of presentation of this Report to the Parliament.

ALLOCATION & UTILIZATION OF FUNDS

1.30 As had also been commented in the First Report of the Committee, the Department of Agriculture and Co-operation have been allocated a sum of Rs. 66577.00 crore for the Eleventh Plan. Though substantially higher than the allocation of the Department for the Tenth Plan, the inter se allocation and release in the Annual Plans of the Eleventh Plan have been highly lop-sided. The utilization of funds, which more or less equals the allocations, in the first three years of the Eleventh Plan is Rs. 27206.10 crore which works out to 40% or so of the total allocation for the Plan, leaving 60% of the funds for allocation and utilization during the last two years of the Plan. The Committee had expressed their serious concern with this massive backloading of Plan funds, in their First Report. The Government has, however, failed to learn from its past mistakes. Out of the remaining 60% funds (Rs. 39371.00 crore), Rs. 15042.00 crore only has been provided to DAC for 2010-11 leaving a huge sum of Rs. 24329.00 crore for the last year of Eleventh Plan. This translates to about 36.5% of the total allocation. The Department are optimistic about utilizing the entire remaining sum if it is allocated during the last year of the Plan, i.e., 2011-12. However, the Committee do not share their optimism. The backloading of funds in the Eleventh

Plan has resulted in a situation where the Department have to either perform extraordinarily to absorb these funds, a situation which has its own well known pitfalls, or will have to settle for a curtailment of the approved outlay for the Plan. Going by the past record, the second scenario seems to be a greater possibility. The Committee, therefore, desire that the Plan allocation in favour of DAC for 2010-11 be enhanced to at least Rs. 20,000 crore so that not only the Schemes being implemented get the much needed infusion of funds this year but also the huge unspent balance for the last year of the Plan comes within the realms of the spending capacity of DAC.

RATIONALISATION OF SYSTEM OF PLANNING

1.31 Apart from this Eleventh Plan specific measure, the Committee would also like the Department to take up the issue of backloading of Plan funds and related issues right now with all concerned and other relevant fora so that this situation is avoided in the Twelfth Plan.

The Committee also observe with utmost concern that the agriculture sector growth has dipped from 1.6% in 2008-09 to -0.2% in 2009-10. The Department have very conveniently attributed this to the failure of South West Monsoon in 2009. The Committee, however, feel that if things were planned properly, an occasional failure of monsoon would not have resulted in a major calamity with disastrous effects on growth rate and other vital indices. More than the National Calamities, which visit not only us but also other Countries with monotonous regularity, it is the lack of proper planning, delays in approvals, allocations and releases of funds, mismatches in releases and requirements for timely implementation of Schemes, which are the bane of the agriculture sector in India. The Committee, therefore, wish to reiterate the recommendation made in

their First Report regarding the pressing need for rationalizing the system of planning, the mechanism of approvals and allocation and releases. The Committee expect that as the nodal Department for agriculture, DAC would take the requisite steps without fail and with due promptitude.

MONTHLY EXPENDITURE PLAN

1.32 The Committee observe that the Ministries/Departments covered under the Modified Cash Management System are required to append a Monthly Expenditure Plan to their respective Demands for Grants. This Plan is also appended to the Demands for Grants of DAC. With a view to know as to what extent this Monthly Expenditure Plan is followed in practice, the Committee had sought the actual monthly expenditure data of DAC for 2009-10 so as to compare it with the Monthly Expenditure Plan appended to the Demands for Grants 2009-10. In response, the Department have produced quarter-wise cumulative projection and expenditure figures for 2009-10 under the plea that as per instruction of Ministry of Finance pertaining to Modified Cash Management System, exchequer control would apply cumulatively at the Demands for Grants level on quarterly basis. The Committee are not ready to buy this argument of the Department. The Monthly Expenditure Plan appended to the Demands for Grants is not a cosmetic requirement; it has been put there for a definite assessment purpose. The Committee, therefore, desire that the Department should without any further loss of time furnish the actual monthly expenditure figures for 2009-10 to them. They also desire that the Department obtain a factual note from the Ministry of Finance on the reasons behind the requirement of Monthly Expenditure Plan in their Demands for Grants and submit the same to the Committee for further consideration.

MID TERM APPRAISAL

1.33 During the examination of Demands for Grants (2009-10) of the Department, the Committee had observed that the meeting for Mid Term Appraisal (MTA) of the performance of the Department during Eleventh Plan was held on 23 September, 2009. On being queried about the date of completion of MTA, they were informed that by December, 2009 the MTA for the Department would be approved by the full Planning Commission. To the astonishment of the Committee this very important exercise is yet to be completed.

Similar to the delays in planning process, approval/implementation of Schemes, funds allocations/releases, etc., the MTA has also not conformed to the fixed schedule. The MTA, is supposed to be conducted during the half way mark of a Plan with a view to critically analyse the performance of Schemes/programmes of the Department and suggest/implement requisite mid-course corrections/modifications during the remaining half. Considering this, the Committee cannot but deplore the delay in completing the MTA exercise even at the beginning of the fourth year of the Plan. The very purpose of conducting the exercise takes a beating due to this inordinate delay in its completion. The Committee are of the opinion that if the relevance of MTA as an assessment and corrective tool is to be maintained it has to be conducted with all seriousness and within the timelines prescribed. More so, when the relevant data in most of the cases, is not difficult to obtain nowadays. The Committee hope that all those involved in the MTA mechanism would heed to their advice in letter and spirit.

RESULTS FRAMEWORK DOCUMENT

1.34 The Committee note with appreciation that the Government have approved a new system for monitoring and evaluating the performance of the Ministries/Departments in September-October, 2009. Henceforth, all Ministries/Departments will be required to submit a Results Framework Document summarizing their main objectives and the action taken to achieve them during the year. The Committee also note that for obvious reasons of time, only an abbreviated document covering the period January to March, 2010 has been submitted by the Department to the Cabinet Secretariat sometime in November, 2009. The submission of DAC is based on success indicators like timely release of funds and approval of proposals, achievement of physical targets in some important Schemes and certain action under their direct purview.

As the new system of evaluation and monitoring has only begun w.e.f. the last quarter of 2009-10 Fiscal, it is too early to have a definite view about its efficacy and performance. However, since the period January-March, 2010 is over now, the Committee would, to begin with, like to have a factual note from the Department about their actual performance during the quarter vis-à-vis their submissions to the Cabinet Secretariat in the form of RFD. They would also like to be apprised about the Evaluation Report/Feedback from the evaluating authority in the matter, if any.

INVESTMENT IN AGRICULTURE

1.35 The Committee note that the combined public and private investment in Agriculture & Allied Sectors has increased from the Tenth Plan period onwards steadily. However, the share of public investment in the Sector has come down from 20.5% in 2004-05 to 17.6% in 2008-09. The space yielded by public

investment has obviously been occupied by the private investment which has increased from 79.5% to 82.4% during the same period. However, despite the dip in quantum of investment, the share of public investment to GDP of agriculture & allied sectors has increased from 2.9 per cent in 2004-05 to 3.8 per cent in 2008-09. The share of private investment to GDP has also increased from 11.2% to 17.5% during the same period.

The Committee also note that the Government have taken various steps to encourage private sector investment in Agriculture Sector. Most of the initiatives are based on the recommendations of the National Commission for Farmers (NCF) encapsulated in the National Policy for Farmers (NPF), 2007. A large part of these initiatives fall in the domain of Research & Development. However, the Committee are not convinced by the efforts made by the Government in Post Harvest Management, creation of Common Service Centres (CSCs), setting up of Terminal Markets, etc. Even, otherwise, there are not enough mentionable examples seen in other areas concerning agriculture and allied sectors.

In the opinion of the Committee, all these shortcomings are mainly because of the piecemeal approach of the Government towards agriculture sector and the problems plaguing it. They are confident that once the Government chalk out an all encompassing and holistic 'Plan of Action' as recommended previously in this Report, for the purpose, there will be a significantly accelerated improvement in the situation on all fronts. It goes without saying that the trend of declining public investment has to be reversed forthwith.

ALLOCATION TO NORTH EASTERN STATES

1.36 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 out of Rs. 694.82 crore made available in RE 2009-10 for North Eastern States, only Rs. 470.11 crore has been released to them. Since 1998-99, unutilized portion of funds earmarked by non-exempted Ministries/Departments is surrendered in Non-Lapsable Central Pool of Resources (NLCPR). The total accrual in NLCPR Pool so far is Rs. 15224.31 crore which almost equals the allocation for the entire 2010-11 for DAC.

The Committee are given to understand that the broad reasons for gross underutilization of funds earmarked for North Eastern States are absence of proposals from States, non-production of Utilization Certificates and huge unspent balances with States. They are, however, happy to note that the situation is not beyond redemption. The Department have informed that the capacity of North-Eastern States to absorb earmarked allocation for various planned schemes can be improved suitably by gearing-up local administrative machinery, improvement in infrastructure, human resource development, etc.

Going through the submissions by the Department, the burgeoning accruals in NLCPR, the huge unspent balances with NE States, the non-production of utilization certificates, etc., the Committee are of the firm opinion that this laudable measure for expeditious development of the NE States requires to be revisited for reorientation and fine tuning. The Committee, therefore, recommend that the reasons for poor performance of these States have to be

studied more carefully 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 NLCPR be invariably utilized for development of infrastructure like roads, ICT, electrification, etc. that can help implementation of Schemes more efficiently. 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.

EXTENSION OF 'GREEN REVOLUTION' TO EASTERN REGION

1.37 There are no two opinions on the fact that the Eastern Region of the Country comprising of Bihar, Chhattisgarh, Jharkhand, Eastern Uttar Pradesh, West Bengal and Orissa missed the first green revolution and have, therefore, not been able to contribute to the food security of the nation to their fullest potential. The Committee, therefore, heartily welcome the Scheme for Extension of Green Revolution to Eastern Region. They, however, simultaneously also feel that a step of such a vast magnitude would require something far more substantial than Rs. 400.00 crore earmarked by the Government. As stated previously, most of the Schemes of the Government though well meaning, have failed to take off/ deliver mainly due to half-hearted measures and piecemeal approach of the system. Lest this very noble endeavour should meet a similar fate, the Committee desire that the allocation for the Scheme rather being an exercise in tokenism be rationalised on the basis of a well worked out strategy and according to the actual field level requirements. The Government's contention that some moneys may also come the way of the Scheme from RKVY and/or NFSM are, in the view of the Committee,

mere micawberian vision, which should not be relied upon. Furthermore, in view of the importance of this initiative towards ensuring food security of the nation, the Committee expect their instant recommendation for enhancement of funds for the Scheme immediately rather than waiting till the RE stage.

CHAPTER – II

EVAULATION OF SCHEMES

(A) AGRICULTURE EXTENSION AND TRAINING

(i) Support to State Extension Programmes for Extension Reforms

The scheme, Support to State Extension Programmes for Extension Reforms, launched during 2005–06, aims at making the 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 the district level to operationalise extension reforms. ATMA has active participation of farmers/farmer groups, NGOs, KVKs, PRIs and other stakeholders operating at the district level and below. The release of funds under the ATMA scheme is based on State Extension Work Plans (SEWPs) prepared by the State Governments. At present, the scheme is under implementation in 583 districts in 29 States/UTs in the Country.

2.2 Allocation and Expenditure relating to Support to State Extension Services during the Eleventh Plan is as follows:

(Rs. in crore)

Year	BE	RE	Actual Expenditure
2007-08	230.00	153.53	156.35
2008-09	290.00	198.00	193.01
2009-10	298.00	188.98	176.00
2010-11	250.00		

The BE for the Scheme is seen to be consistently reduced at the RE stage during the last three Fiscals. The Committee have been informed that the Budget Outlays for 2008-09 and 2009-10 had to be reduced at the RE stage due to delayed approval to the revamping of the Scheme. The actual expenditure for 2009-10 is Rs. 176.00 crore

while the RE was Rs. 188.98 crore. For 2010-11, the Department proposed an amount of Rs. 400.00 crore against which Rs. 250.00 crore has been allocated for year.

2.3 Explaining the curtailment of funds at the RE stage during 2009-10, the Department have furnished that major reduction at RE Stage took place in Extension Reforms Scheme. When formulating BE for the year 2009-10, it was anticipated that the Revised Scheme on Extension Reforms will be approved early during the course of the year. However, due to various administrative reasons, approval of the Revised Scheme got delayed. Moreover, the States were unable to absorb more money due to paucity of adequate extension related manpower (which is now proposed to be given under the Revised Scheme). This is why a sum of Rs. 109.02 crore was slashed from the Extension Reform Scheme at the RE Stage. After accounting for other minor changes and increase in allocation for North Eastern States in some other Schemes, there was an overall reduction of approximately Rs. 100 crore at RE Stage.

2.4 The Secretary of the Department submitted the following during the Oral Evidence regarding the improvements contemplated in the implementation of the Scheme:

“About the technology transfer to the farmers, especially the small and marginal farmers, who do not have access to information easily, the big farmers may be able to contact the block or district office and get the information or even more progressive farmers may get it through Internet or other sources. So, what is very important and which is one of the weakest areas in agriculture is the extension, as you rightly pointed out. And the weakness in the extension system is inhibiting us from getting the full advantage of the technological development that is taking place in the shape of better seeds and agronomical practices. We have a lot of information with ICAR, with the State Government and SAUs but it is not reaching the farmers very easily. We had the ATMA Scheme which was framed a few years back. But unfortunately ATMA Scheme did not have lot of manpower or it was just a structure in the sense that a few officers at the district level were constituted into the ATMA and similarly at the block level they were pooled from the existing staff, which itself was very depleted. I have information from some of the States and we have gathered that the current vacancy itself is about 36,000 which also is outdated information. With such huge vacancy, and then trying to pool people, it became very difficult to actually have a foot soldier on the ground who would go and meet the farmers. And that was the

biggest gap and remains the biggest gap in agriculture today. If there is one problem that we have to fix in agriculture, this is it. Therefore, we framed a new scheme, which is in its final stages and I believe that the Government has approved it also. What we have done is, instead of relying on the Government machinery alone, we will rely on the Government machinery up to a level and finally rely on the farmer to disseminate the information. So, it would not be 100 per cent Government-driven because that did not work. The concept is, we will have farmer's friend in each village or at least one person in two villages and he will be a farmer who is slightly progressive and who can get information and disseminate between other farmers in the village. Why we did this is, our experience is that the best way that the farmer learns is from another farmer. That is the best channel of communication. If he finds one of his co-villager has done some hybrid variety and he has got benefit, he would believe him rather believe some block staff or some extension staff. So, the philosophy behind that was this. However, just by putting a farmer friend will not help unless that farmer friend is given the technology and knowledge. Therefore, at the block level we have tried to put block technology persons, who will be subject matter specialists and similarly at the district level, we tried to strengthen. The ATMA which was just collection of existing officials will have a proper office and Project Director and subject matter specialists. Once this comes into play, we hope that extension services would be better off than what exists today.

Other than this, for instance, some States like Gujarat and others have a different kind of model where the whole collection of experts and people move to villages instead of depending on one or two people and this kind of one month long programme is held. They call it a Krishi Mahotsav in which all inputs, all advice is given to farmers. That model is also being adopted by some of the States and we have also advocated to the States during the Kharif and Rabi Conference and we believe that with these different kind of approaches we may be able to do a better job in extension than what is currently getting done.”

2.5 For 'Support to State Extension Services' in the North-Eastern Region, a BE of Rs. 30 crore was allocated. At the RE stage, this was pruned down to Rs. 19.90 crore. As on 19 March, 2010 a sum of Rs. 9.51 crore stands released out of this. When the Committee wanted to know the reasons for under utilization of funds under the Scheme in the North Eastern Region, the Department replied that the earmarked R.E. amount of Rs.19.90 crore, could not be released in entirety to the N.E. States due to lack of committed manpower support at district/ state level, which resulted in non-utilization/ delayed utilization of funds already released for implementation down to the Block level. Besides this, there have been other reasons, as enumerated below due to which funds could only be released to 4 of the 7 N.E. States:

- (i) delayed/ non-receipt of UCs of previous releases (UCs still pending from Manipur, Meghalaya & from Assam received only on 28.3.2010);
- (ii) Inordinate delay in submission of State Extension Work Plans (Work Plan of Manipur received in March, 2010 and that of Meghalaya not received till date);
- (iii) Delay in submission of Annual Progress Report (APR) and Monthly Progress Reports (MPRs); and
- (iv) Non-operationalisation of the scheme in Meghalaya.

(ii) Establishment of a Network of Agri Clinics and Agri-Business Centres

2.6 Agri-clinic and Agri-business Centres Scheme aims to provide extension services to farmers on payment basis through setting up of economically viable self-employment ventures. Selected trainees are provided agri-preneurship training for a period of two months by MANAGE through identified Nodal Training Institutions in various states, who also provide handholding support for one year. NABARD monitors credit support to Agri-Clinics through Commercial Banks. Provision of credit-linked back-ended subsidy @ 25% of capital cost of project funded through bank loan as well as full interest subsidy for first two years on bank credit, has recently been approved under the scheme. Subsidy would be 33.33% in respect of candidates belonging to SC, ST, women and other disadvantaged sections and those from North-Eastern and Hill states.

2.7 The allocation and expenditure for 'Establishment of a Network of Agri-Clinic and Agri-Business Centres' for the last four years has been as under :

(Rs. in crore)			
Year	BE	RE	Actual Expenditure
2007-08	22.00	5.00	5.00
2008-09	10.00	10.00	7.51
2009-10	10.00	10.00	7.93
2010-11	10.00		

It may be seen from the above that the actual expenditure under the Scheme has never matched the allocation. Against an approved outlay of Rs. 150 crore, only Rs. 20.44 crore has been utilized in the first three years of the Eleventh Plan (13.63%).

Though the physical targets set under the Scheme (Training of Agriculture Graduates) for Eleventh Plan Period is 15000, the actual achievement of the last three years (up to 28.2.2010) is 7032 as against the last three years target of 9000 agriculture graduates which comes to 78.13%.

2.8 The Department have stated that the underutilization of funds under the Scheme may be on account of the fact that the Scheme has also provision of Back Ended Credit Linked Subsidy. The expenditure under this head has been slow due to slow financing and disbursement of subsidy. Regarding the poor response to the Scheme during the Eleventh Plan period as seen above, it has been further submitted that out of the outlay of Rs 150 crore only Rs. 37.12 crore pertains to training and remaining amount was allocated for subsidy. The Training amount had been utilized to a large extent. The expenditure under subsidy has been less due to lack of awareness and lack of active involvement of banks while financing for the scheme. The following measures are proposed to popularize the scheme among the agriculture graduates and farmers.

- i. Revisions in the objectives of the scheme making it broad based.
- ii. Opening the scope of the scheme to other categories of candidates also viz. Graduates in Agriculture and Allied subjects from SAUs/ Central Agricultural Universities/ Universities recognized by ICAR/ UGC, diploma holders in agriculture and allied subjects and Science Graduates with Post Graduation in Agriculture & Allied subjects.
- iii. Enlarging network of nodal training institutes.
- iv. Wide publicity to the scheme through brochure, poster etc. Intensive documentation and dissemination.
- v. Strict monitoring of training and handholding and revising the training cost with incentives for the training in North East and Hilly areas.
- vi. Good liaison with state governments and agri-business companies.
- vii. Enhancing the cost ceiling of the projects
- viii. Simplifying the procedure for disbursement of subsidy.

A proposal incorporating the above modifications is in process and is likely to be implemented during the year 2010-11.

(B) AGRICULTURE CENSUS

Agriculture Census

2.9 The objective of Agriculture Census is (i) collection of information on operational holdings, including land utilisation, live-stock machinery and implements, use of fertilisers, etc. (ii) to provide benchmark data needed for formulating new agricultural development programmes and for evaluating their progress, (iii) to lay a basis for developing an integrated programme for current agricultural statistics.

2.10 So far seven Agriculture Censuses from 1970-71 and six Input Surveys since 1976-77 have been completed. The 8th Agriculture Census 2005-06 and 7th Input Survey 2006-07 have been launched in the Country and are targeted to be completed by March, 2011, in all respect. The necessary preliminary steps have also been initiated to launch next Agriculture Census 2010-11 and Input Survey 2011-12, in the Country. Agricultural Census Scheme was converted from a Centrally Sponsored Scheme to a Central Sector Scheme in 2007-08. Expenditure on Agricultural Census is met from a Central Sector Scheme, under which 100 % financial assistance is given to States/UTs. for payment of salaries, office expenses, travel expenses, honorarium and tabulation cost, printing of schedules and instructions, etc. As per the Outcome Budget 2010-11, the Census has missed the earmarked timelines for completion twice. When asked about the reasons for this the Department have stated that the coverage in Agriculture Census is vast and data is collected on a large number of parameters, scrutiny/cleaning/generation of statistical tables and preparation of report at different levels of administration like block, tehsil, district, State and All India, takes considerable time. Expenditure involved in Agriculture Census operations is quite meagre, compared

to other Census operations like Population Census, Livestock Census etc, which is a de-motivating factor for field functionaries.

(C) FERTILIZER

National Project on Management of Soil Health & Fertility

2.11 The Government is promoting soil test-based balanced and judicious use of chemical fertilizers, bio-fertilizers and locally organic manures like farmyard manure, compost, *Nadep* compost, vermi compost and green manure to maintain soil health and its productivity. The Department were implementing the Centrally Sponsored Scheme on Balanced and Integrated Use of Fertilizers for this purpose earlier. This Scheme, subsumed under the Macro Management of Agriculture Scheme, provided for the promotion of soil test-based application of chemical fertilizers, strengthening of soil testing facilities in the Country and setting up of compost plants for conversion of biodegradable waste into organic manure.

'Balanced and Integrated Use of Fertilizers' was taken out of the purview of Marco Management of Agriculture Scheme and named as 'National Project on Management of Soil Health and Fertility (NPMSF)' with an outlay of Rs 429.85 crore for Eleventh Five Year Plan period. In addition, Central Fertilizer Quality Control & Training Institute Faridabad (CFQC& TI)/Regional Labs have also been subsumed in NPMSF scheme w.e.f. 01.04.2009. The NPMSF scheme has been introduced from November, 2008.

2.12 The objectives of the Scheme are:

(A) Strengthening of Soil Testing Laboratories (STLs)

- (i) Setting up 500 new Soil Testing Laboratories during 11th Five Year Plan period and 250 Mobile Soil Testing Laboratories (MSTLs) for micro nutrients analysis.
- (ii) Strengthening of 315 existing State STLs for micronutrient analysis.

- (iii) Capacity Building through training of STL staff/extension officers/farmers and field demonstration/workshop etc.
 - (iv) Creation of Data Bank for Balanced Use of Fertilizers, which is site specific.
 - (v) Adoption of village by STLs (10 Villages each) through Frontline Field Demonstrations.
 - (vi) Preparation of Digital District Soil Maps (using Global Positioning System) and Soil Fertility Monitoring System by ICAR/State Agriculture Universities (SAUs).
- (B) Promoting Use of Integrated Nutrient Management
- (i) Promotion of Organic Manuring – (0.5 million ha. during XI Plan).
 - (ii) Promotion of Soil Amendments (lime/basic slag) in Acidic Soils (0.5 million ha. during XI Plan).
 - (iii) Promotion and Distribution of Micronutrients (0.5 million ha. during XI Plan).
- (C) Strengthening of Fertilizer Quality Control Laboratories.
- (i) Strengthening/upgradation of the existing Fertilizer Quality Control Laboratories –target during XI Plan Period 63 Nos.
 - (ii) Setting up of new Fertilizer Quality Control Laboratories by State Governments – target during XI Plan Period 20 Nos.
 - (iii) Setting up of Fertilizer Testing Laboratories by Private/Co-operative Sector under PPP Mode For Advisory Purpose – target during XI Plan Period 50 Nos.

2.13 Against a proposal for Rs. 149.40 crore, the approved outlay for the Scheme for the year 2010-11 is Rs. 25.00 crore For the year 2009-10 National Project on Promotion of Soil Health and Fertility was allocated Rs. 47 crore which was reduced to Rs. 42.71 crore at the RE stage. The actual expenditure for the year is Rs. 43.67 crore. When asked whether the allocation of Rs. 25.00 crore would be sufficient to run the Scheme efficiently during 2010-11, the Department submitted that the Scheme envisaged setting up of 500 static and 250 mobile soil testing laboratories during 11th Five Year Plan. Curtailment of funds would affect number of soil testing laboratories to be set up under the Scheme. In case, proposals under the Schemes, received from State Governments during 2010-11, merit higher allocation, suitable higher allocation will be provided at RE (2010-11), stage.

2.14 Elaborating further in this matter, the Secretary of the Department stated :

“.....Both setting up of State Soil Testing Laboratories, Mobile Soil Testing Laboratories, small kits for testing primary and secondary nutrients and the fertiliser industry developing complex fertilisers which are useful, both these things have to happen together. Then, micro nutrients like Zinc and Boron are very crucial for us and zincated urea is also important. In the long run, each and every farmer has to be given a Soil Health Card. With this, the other benefits will flow and we will also understand as to how the industry operates now. So there will be a benefit definitely.”

2.15 The Department, in reply to a query whether the curtailment of funds affecting the setting up of Soil Testing Laboratories would have an impact on Soil Mapping, which, in turn would impinge upon the implementation of Nutrient Based Subsidy Regime replied that the States have been according priority to soil health management and have taken up schemes for this purpose under RKVY, apart from availing funds from NPMSF. In fact Agriculture Minister has written a letter to all Chief Ministers on 4 March, 2010, requesting States to strengthen and expand soil testing facilities, to avail funds under NPMSF as well as Rashtriya Krishi Vikas Yojana, for setting up soil testing laboratories. Moreover, implementation of NBS would facilitate balanced use of fertilizers even if based on existing soil mapping data. However, budget outlay for NPMSF scheme will be enhanced at RE stage, in case proposals from States require higher allocation of funds.

(D) HORTICULTURE

Micro Irrigation

2.16 The Centrally Sponsored Scheme on Micro-Irrigation, launched in 2006 for implementing drip and sprinkler irrigation in the Country, is aimed at achieving better water use efficiency (60–70 per cent), increase in yield (30–100 per cent), savings in fertilizer consumption (of up to 40 per cent), reduction of weeding costs and inter-cultural operations, better quality of produce, with enhanced productivity.

2.17 The main objective of the Scheme is to increase the coverage of area under improved methods of irrigation in the Country for better water use efficiency along with other benefits like fertigation, quality production, etc., and to provide stimulus to growth in the agriculture sector with the following components:

- (i) Coverage of area under drip and sprinkler irrigation;
- (ii) Human Resource Development (HRD) of farmers and developmental staff, demonstration awareness, quality control of Micro Irrigation Systems.

2.18 Under this Scheme, assistance is provided to all categories of farmers at the rate of 50 per cent of the cost of drip and sprinkler systems and at the rate of 75 per cent of the cost for demonstration purposes. The programme is implemented for horticulture and non-horticulture crops except oil palm and plantation crops like rubber, tea, and coffee.

2.19 Under the Scheme Micro Irrigation, the RE has been more than doubled for the year 2010-11 to Rs. 1000 crore compared to the BE of Rs. 430 crore during 2009-10. Explaining the reason for the sudden spurt in allocation and how will it be utilised effectively, the Department have informed that at present, Micro Irrigation Scheme is being implemented in 18 States. During the current year, the budget allocation of Rs. 430 crore was enhanced to Rs. 480 crore, which is being fully utilized. From the next Financial Year viz. 2010-11, the Scheme will be extended to all the States / Union Territories of the Country. Subsidy assistance has been revised from 40% to 50% for Small and Marginal farmers and Cost norms have also been enhanced by 10-20%. The Government of India has decided to launch a National Mission on Micro Irrigation from the Financial Year 2010-11, hence the budget outlay has been increased to Rs. 1000 crore for 2010-11.

2.20 In reply to a query regarding the changes the Scheme Micro Irrigation would undergo when it would be launched as a National Mission, the Department submitted as under :

- (i) All crops closed/wide spaced will be covered under NMMI for benefit of all categories of farmers.
- (ii) Enhanced rate of subsidy from 40% to 50%, for Small and Marginal farmers.
- (iii) Irrigation System required for protected cultivation under Green house, Poly house and Shade net house will be covered under NMMI.
- (iv) New components for efficient functioning of drip and sprinkler system like fertilizer tank, sand filters, release valves, throtal valves, etc., will be included.
- (v) Due to substantial increase in price of raw material, wage rate etc., unit cost will be revised.
- (vi) Funds will now be released to State Implementing Agency (SMIC).

(E) CROPS

National Food Security Mission

2.21 National Food Security Mission (NFSM) is a Centrally Sponsored Scheme launched in the second half of the year 2007. Whereas funding support in the form of 100% financial grant is given by the Central Government, it is the State Governments that have to implement the scheme. NFSM is targeting high potential districts to bridge the yield gaps so as to achieve additional production of 20 million tonnes of food grains (10 million tonnes of rice, 8 million tonnes of wheat and 2 million tonnes of pulses) by the end of 2012.

2.22 For National Food Security Mission the RE for 2008-09 was Rs. 1022.97 crore and the actual expenditure was Rs. 883.29 crore (86.35%). For 2009-10 the BE of Rs. 1350 crore was reduced to Rs. 1074 crore, out of which Rs. 1009 crore (93.95%) has been spent.

2.23 Explaining the reduction of allocation for the mission at the RE stage during 2009-10, the Department informed the Committee that NFSM-Pulses received higher allocation, due to inclusion of pulse programme under ISOPOM, in NFSM Pulse Programme and for implementation of new initiative under Accelerated Pulses Production Programme. However, Accelerated Pulses Production programme was approved by Government at the end of February 2010 only and hence these initiatives will be taken up from Kharif 2010-11. Moreover, allocation under National Agriculture Insurance Scheme (NAIS) was enhanced from Rs.644 Crore to 1419 crore at RE stage, because of increased claims under NAIS, due to natural calamities during 2008-09 and 2009-10 and savings under pulses component of NFSM during 2009-10, were utilised to meet insurance claims of farmers, resulting in reduction of NFSM budget to Rs.1074 Crore, at RE stage. As regards full utilization of allocation for year 2009-10 is concerned, it is expected that funds will be utilised fully except fund allocated to North Eastern Region, as NFSM is implemented only in one State in NER i.e. Assam.

2.24 The shortfall in achievement of physical targets during 2008-09 was attributed by the Department to (i) non-availability of required quantities of seeds of specific varieties, (ii) Procurement problems leading to administrative set backs on the part of the State Governments (iii) inclusion of a few type of improved machineries late after the approval of General Council and (iv) inadequate supply of seeds of specific varieties by the seed Supply Agencies.

2.25 When it was pointed out that the shortfalls in achievement of physical targets under the prestigious NFSM (Rice, Wheat & Pulses) has continued during the year 2009-10 and asked about action taken to avoid a repeat of similar shortfalls during 2010-11, the Department submitted that with a view to avoid recurrence of the problems indicated above, technical experts engaged by the Department were deputed, before

onset of Rabi 2009, to States for rendering technical advice on district level planning and to oversee availability of inputs and inputs supply mechanisms, etc. Supply of inputs, such as seed, was also finalized in consultation with States in Zonal Input Review Meetings and Regional Workshops of NFSM. National Level Monitoring Teams (NLMTs) and Crops Development Directorates (Sub-ordinate offices of DAC) were also involved in gearing up, input supply position and monitoring implementation of NFSM activities.

2.26 About the reasons for continued under achievement of physical targets under the Mission the Department stated that achievement under Rice Component is low because drought prevailed in Kharif 2009, whereas the achievements under major Rabi crops of Wheat and Pulses components will improve since the final physical achievements will be available only by May, 2010. In general, States are responsible for implementation of the scheme and districts are the main units where the ground level implementation happens. Normally States procure the progress reports from districts and the compiled data of all districts is passed on to this Department. This results in a gap between real and reported achievements.'

2.27 Regarding how the extant system results in gap between real and reported achievements the Department have stated that usually, status of ground level implementation, from districts is collected by States, after every quarter of financial year. It takes time for states to consolidate these district level progress reports, as all districts do not submit the report simultaneously. By the time State consolidates and sends report for a particular quarterly, ground level implementation (real progress) must have progressed still further that could only be reflected in next quarterly report, leading to gap between real and reported achievements. However, to overcome the situation,

attempts are being made, to get district level reports electronically (through websites) to capture real time data.

2.28 The National Productivity Council (NPC) was entrusted with the task of monitoring and evaluation of NFSM in March 2009. They have submitted documents on “Long Frame Analysis”. Formats for record keeping (at state, district and Panchayat levels), Reporting and monitoring formats, methodology for concurrent evaluation and performance assessment. Based on these documents, states were sensitized on streamlining and bringing in uniformity in reporting, monitoring and record keeping systems, at state, district and Panchayat levels, through a series of state level workshops.

(F) TECHNOLOGY MISSION ON OILSEEDS AND PULSES

Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize

2.29 DAC is implementing a Centrally Sponsored Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM) in the Country for the increasing area, production and yield of these crops with effect from 2004–05.

2.30 The area, production and yield of oilseeds from 2007-08 to 2009-10 is as under :

Area: million hectares
Production: Million tonnes
Yield: Kg/hectare

Year	Oilseeds			
	Area	Production		Yield
		Target	Production	
2007-2008	26.69	30.00	29.75	1115
2008-2009	27.55	31.75	27.72	1006
2009-2010**	26.75	31.600	26.32	984

** Second Advance Estimates 2009-10

2.31 The lesser area under cultivation of oilseeds during 2009-10 compared to 2008-09, the dip in oilseeds production to 26.32 million tonnes from a target of 31.60 million tonnes and the decrease in yield of oilseeds to 984 Kg/ha have been attributed mainly to deficient rains and drought in monsoon season in many oilseeds growing States during Kharif-2009 affecting production in rain-fed areas and also production losses due to flood in the month of October-09 in the States of Andhra Pradesh and Karnataka.

2.32 When asked whether production under Rabi 2009 would compensate for the loss in Kharif for the year and the Contingency Plan in case of production of oilseeds falling below the expected levels, the Department have submitted that with the production of Rabi oilseeds increasing from 9.91 million tonnes in Rabi 2008-09 to 10.3 million tonnes in Rabi 2009-10 (2nd Advance Estimates), the loss in production in Kharif is partly made up. However, total production of oilseeds in 2009-10 has been estimated at 26.32 million tonnes (2nd Advance Estimates) which is less by 1.40 million tonnes against the production of 27.72 million tonnes achieved in 2008-09. The Production of oilseeds in the Country is insufficient to meet the domestic requirement. The demand of edible oils is also increasing. The gap in demand and supply is bridged through imports of edible oils.

2.33 The details of area, production and yield of pulses from 2007-08 to 2009-10 is as under :

Area: M ha
Prod: MT
Yield: Kg/ha

Year	Pulses			
	Area	Target	Production	Yield
2007-2008	23.63	15.500	14.76	625
2008-2009	22.09	15.500	14.56	659
2009-10*	23.16	16.500	14.74	637

* Second Advance Estimates 2009-10

2.34 Regarding the reasons for low production of pulses during Kharif 2009 and the expected production figures of pulses for the year, the Department have submitted that low production of pulses in Kharif 2009 is mainly attributed to drought conditions, in many pulses growing States. However, production of Rabi pulses has increased from 9.88 million tonne in 2008-09 to 10.52 million tonne in Rabi 2009-10 (2nd Advance Estimates) resulting in an overall estimated increase of 1.80 lakh tonnes (14.74 – 14.56 = 0.18 MT) for 2009-10 over 2008-09.

2.35 The Department have submitted that the pulses development programme of ISOPOM is proposed for merger with NFSM from 1 April 2010. Modalities for merger of pulses component of ISOPOM with NFSM-Pulses have been finalised. Government have approved the proposal for this merger, in last week of February 2010. After merger, interventions of pulses component of ISOPOM will be implemented on 100% GOI assistance in place of 75:25 sharing basis, between GOI and States, as earlier.

2.36 The Committee were informed of the following constraints in oilseeds and pulses production :

Constraints in Oilseeds production

- Low productivity primarily due to their 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 farmers and their reluctance to provide cash inputs as growing of oilseeds is risky.
- Lack of proper marketing infrastructure and higher fluctuation in prices lead to uncertainty in economic returns.
- Lack of high-yielding varieties suitable to local agro-climatic regions.
- Non-availability of hybrids in Mustard, Groundnut, Sesamum, soybean, Niger and pests and disease resistant varieties.

Constraints in pulses production

- Cultivation of pulses is less remunerative than that of cereals such as rice wheat, and other commercial crops. The farmers, therefore, divert the better lands and resources for cultivation of other crops.
- Pulses are raised under rain-fed condition on marginal and sub-marginal lands, which are poor in fertility.
- Varieties available at present are susceptible to a number of diseases like yellow mosaic virus and powdery mildew in moong, urad and cowpea, sterility mosaic in arhar, wilt and blight in gram, reducing the yield; they are also vulnerable to termites and susceptible to pests.
- No major break-through has been achieved in pulses production technology and improvement of high yielding germplasm. Varieties evolved in pulses have got narrow adaptability and, therefore, farmer has to manage within limited range of varieties for different seasons and agro-climatic situations.
- Production of pulses in off-seasons that is summer/rabi is affected by stray cattle and Blue Bull, which damage pulse crops such as arhar, moong and urad more than any other crops.

When it was pointed out that the above constraints were being quoted by the Department year after year and asked why have they not been able to eliminate these problems that are pegging back our productivity/production of pulses and oilseeds, the Department stated that in order to plug-in the inherent constraints of pulses production, Government of India has been actively promoting the production of pulses mainly through National Food Security Mission (NFSM), Integrated Scheme of Oilseeds, Pulses, Oil palm and Maize (ISOPOM) and Macro Management of Agriculture Scheme (MMA). The assistance provided under Rashtriya Krishi Vikas Yojana (RKVY) could also be used for supporting pulses production activities. Under these schemes, farmers are provided assistance for procurement of quality seed, nutrients, plant protection chemicals, farm machinery etc. Capacity building of farmers and transfer of technology to farmers' fields is also ensured through demonstrations and farmers field schools. International Crop Research Institute for Semi Arid Tropics (ICRISAT) is supported for development and popularizing hybrids of pigeon pea; for a project on enhancing production of Chick Pea in rainfed fallow lands; and for management of pod borer in

pulses through genetic improvement of existing varieties. Financial support is also being provided to Indian Institute of Pulses Research (IIPR) and other pulse research centers for strengthening of infrastructure of breeder seed production of pulses and training on pulses production technology. Pilot projects on control of blue bull are also supported for protecting the damage to pulses crops.

Continuous effort of the Department for pulses development has resulted in increase in production of pulses from 12.86 million tonnes in 1989-90 to 14.74 million tonnes in 2009-10. Also, the productivity of pulses has increased from 549 kg/ ha in 1989-90 to 659 kg/ ha in 2008-09. Due to drought in Kharif, the productivity of Kharif pulses slightly declined in 2009-10. However, the productivity of Rabi pulses has increased from 804 kg/ha in 2008-09 to 826 /kg ha in Rabi 2009-10 (second advance estimate). The details of Production and productivity of pulses over the years is provided below :

Production and productivity of pulses

	Production (in million tonnes)	Productivity (kg/ha)
1989-90 (pre- ISOPOM year)	12.86	549
2006-07 (pre –NFSM year)	14.2	612
2008-09	14.57	659
2009-10*	14.74	637**

*Second Advance Estimate of DES

However, there is still scope for increasing the production and productivity of pulses, keeping in view the potential and demand. In view of this, the following new initiatives have been initiated by the Department of Agriculture and Cooperation for pulses development:

- ISOPOM Pulses components and areas are merged with NFSM Pulses to ensure uniformity in implementation of pulses across the country in all the districts of 14 states (433 districts). Apart from these districts, ten districts of Assam and 15 districts of Jharkhand are also included under NFSM Pulses recently. Thus, 458 districts in 16 states are covered under NFSM Pulses.
- Accelerated Pulses Production programme (A3P), in the form of Compact block demonstrations of 1000 hectares each of chick pea, pigeon pea, red gram, green gram, and lentil would be taken up in potential 1 million hectares selected districts in the remaining period of Eleventh Plan. The objective of A3P is to demonstrate the production and protection technology and its management in a single package for enhanced production of pulses as well as for encouraging the farmers for adoption of these packages.
- An amount of Rs 1691 crore is allocated for remaining period of Eleventh Plan (2010-12) for pulses production under revamped NFSM – Pulses which is nearly 2.5 times more than original outlay for the remaining period of Eleventh Plan.
- An expert group headed by Dr.Y.K.Alag, IRMA under the Ministry of Agriculture has been constituted to suggest measures to be taken in the medium term to eliminate or at least sharply reduce the demand/supply mismatch in respect of pulses.
- In the Budget 2010-11, an amount of Rs.300 crore has been provided to organize sixty thousand “Pulses and Oilseeds Villages” in rainfed areas to provide an integrated intervention of water harvesting, watershed management and soil health, to enhance the productivity of the dry land farming areas. These funds would be provided to States as Additional Central Assistance under the ongoing scheme ‘Rashtriya Krishi Vikas Yojana’.

2.37 When the Committee wanted to know further about the “pulses & oilseed villages” in detail and how the Department intended to make the initiative a success while the Rainfed Area Development Programme, intended for overall development of rainfed areas and scheduled to be implemented a couple of years ago, has not yet taken off, the Department in a written reply submitted that Rainfed Area Development Programme (RADP) was announced by Finance Minister in Budget Speech of year 2007-08 and budget provision of Rs.100 crore was provided for implementation of the

Scheme. Main focus of RADP was to take up extensive rain-water harvesting, for augmenting water resources and ground water recharge for life saving irrigation, thereby reducing risk in rainfed farming and integration of farming systems with watershed/land development activities linked with water resources. However, some existing schemes of Government of India also have funds for water management, water harvesting and watershed development, like IWDP, NREGS, NWDPRRA, MMA and RKVY. Efficient use of water is also being promoted under Micro Irrigation schemes, NFSM, ISOPOM & MMA through sprinklers and drip irrigation.

In view of above, it has been felt that there is overlap between proposed RADP and other watershed Schemes and re-formulation of the scheme was considered for eliminating this overlap, which has led to delay in approval of RADP. Pulses and Oilseeds Village programme will be additionality to existing approved NFSM/RKVY Scheme. These funds will be used to promote cultivation of pulses and oilseeds in identified rainfed areas, where pulses and oilseeds are grown predominantly and where rainfed areas have water harvesting structures, in situ and ex-situ, created through integrated watershed development programmes.

Government's strategy and programme of pulses and oilseeds development is under finalization. As NFSM/RKVY are ongoing schemes, implementation of this component will not get delayed.

(G) CREDIT AND CROP INSURANCE

(i) National Agricultural Insurance Scheme

2.38 Allocation and Expenditure relating to NAIS:

(Rs. in crore)

2007-08			2008-09			2009-10			2010-11
BE	RE	Actual	BE	RE	Actual	BE	RE	Actual	BE
500.00	718.88	718.88	644.00	694.00	694.00	644.00	1419.00	1419.00	950.00

Against BE of Rs. 644.00 crore for 2009-10 the allocation for National Agriculture Insurance Scheme (NAIS) was enhanced to Rs. 1419.00 crore at the RE stage. The actual expenditure had already touched Rs. 1319.00 crore as on 31 January, 2010.

2.39 When asked about the likely final figures of expenditure for the Scheme during 2009-10 and whether there was any additional pressure on the Scheme due to the drought situation during Kharif 2009, the Department informed that due to various reasons like frost, infestation of army caterpillar, scanty and excess rains and rains at the time of harvest in Rabi 2007-08 and Kharif 2008 seasons, huge claims under NAIS from States especially Andhra Pradesh, Maharashtra, Tamil Nadu, Gujarat and Rajasthan have been reported and approved by the Implementing Agency. Agriculture Insurance Company of India, Ltd. (AIC) reported that after release of Rs. 1319.00 crore, total additional liability amounting to Rs. 697.54 crore, with GOI share of Rs. 396 crore, is expected to be outstanding as on 31 March, 2010. According to the provisions of the Scheme, the admissible claims are worked out based on yield data arrived from Crop Cutting Experiments (CCEs) as submitted by the State Governments. The cut off date for submitting yield data for Kharif 2009 was end of January/March, 2010. Hence, the same have just started arriving in AIC which is Implementing Agency of NAIS and, they are processing the claims received for approval, accordingly. However, AIC has projected Central Government's liability as Rs. 3760 crore under NAIS for all the districts for the year 2010-11 including claims liability of about Rs. 2563 crore for Kharif 2009.

2.40 The Department have informed that though it has been decided to implement NAIS on Non-plan side, the Scheme would continue on the Plan side during the remaining part of the Eleventh Plan period. When asked to clarify further in the matter,

the Department stated that it has been learnt from implementation of National Agricultural Insurance Scheme (NAIS) during last 20 crop seasons that because of unforeseen claims arising due to occurrence of natural calamities such as flood, drought, cyclone, pest & diseases etc. in different parts of the country; funds-requirement for scheme is unexpected & unpredictable and can not be planned / assessed correctly. Therefore, there have been wide variations between BE/RE and actual funds provided under the scheme, since its implementation-year. Claims have to be settled/paid as per committed liabilities of Govt. of India. The claims under NAIS have increased very substantially, during current financial year and are likely to be even higher during 2010-11 particularly in view of drought conditions prevailing in the country. AIC, the implementing agency of the scheme, has projected requirement of Rs. 3760 crore under NAIS during 2010-11 to settle the claims of 2009-10. Allocation of such a huge amount in Plan budget of DAC may result in substantial reduction of allocations for its other important schemes which may adversely affect DAC's ability to enhance agriculture production necessary to ensure food security of the Country.

In view of the above, it was proposed to implement ongoing NAIS on Non-plan side during 2010-11 onwards, so that important plan schemes of DAC, which play important role in enhancing agriculture production, do not suffer due to arrangement of additional requirement of funds for NAIS, re-appropriation and re-allocation of approved allocation of these plan schemes of DAC. However, subsequently it has been decided that NAIS may be continued as Plan Scheme for the remaining period of the XI Five Year Plan. The issue of converting the NAIS into a Non-Plan can however be considered at the time of the next Plan. Accordingly, a budget provision amounting to Rs. 950 crore has been earmarked for financial year 2010-11 under the Plan budget. Demand for additional budgetary provisions will be placed at the stage of Supplementary Demand of Grant/RE.

(ii) Agriculture Credit

2.41 Commercial Banks, Cooperative Banks and Regional Rural Banks (RRBs) are major agencies, involved in disbursement of agricultural credit. The information about quantum of agricultural credit disbursed by Commercial Banks, Cooperative Banks and RRBs during the years 2007-08, 2008-09 and 2009-10, year-wise, agency-wise is as given below:

(Rs. Crore)

Agency	2007-08	2008-09	2009-10*
Commercial Banks	181088	228951	186001
Cooperative Banks	48258	46192	38578
RRBs	25312	26765	23931
Total	254658	301908	248510

* The information for year 2009-10 pertains to period 01 April 2009 to 31 December 2009.

For the year 2010-11 the target of agriculture credit flow has been raised to Rs. 375000 crore from Rs. 325000 crore during 2009-10.

2.42 Replying to a query regarding the particulars of top 50 creditors of various institutions providing agricultural credit, the Department have submitted that the existing information system does not capture information about agriculture credit extended by financing agencies i.e. Commercial Banks, Cooperative Banks and Regional Rural Banks (RRBs) to their top 50 creditors.

SUPPORT TO STATE EXTENSION PROGRAMMES FOR EXTENSIVE REFORMS

2.43 The Committee note that allocations for the Scheme have been consistently reduced at the RE stage from 2007-08 to 2009-10. The Committee have been informed that the Budget Outlays for 2008-09 and 2009-10 had to be reduced at the RE stage due to delay in approval to the revamping of the Scheme.

Explaining the curtailment of funds at the RE stage during 2009-10, the Department have submitted that major reduction at RE stage took place in Extension Reforms Scheme. When formulating BE for the year 2009-10, it was anticipated that the Revised Scheme on Extension Reforms will be approved early during the course of the year. However, due to various administrative reasons, approval of the Revised Scheme got delayed. Moreover, the States were unable to absorb more money due to paucity of adequate extension related manpower.

The Committee are constrained to note that routine administrative reasons have held up the approval/implementation of the Scheme and recommend that approval to the Scheme has to be expedited and the damage being done due to the current lacunae has to be stemmed at the earliest. Apart from the structural deficiencies, another problem plaguing the efficient implementation of Scheme is the huge back log of vacancies of extension workers of about 36000 in the States. The Committee in their First Report on Demands for Grants (2009-10) had recommended that suitable provisions be incorporated in the scheme to augment human resource in Agriculture Extension Services. Another alternative could be making suitable albeit temporary provisions for augmentation of manpower in the RKVY, when the funds are in any case spent by the States at their own discretion. It is expected that this aspect is being taken care of as part of the revised Scheme. The Committee desire to be apprised of the progress made in this regard.

The Committee further note that, in the North Eastern States, the Scheme encounters some endemic problems other than lack of committed manpower like non receipt of Utilisation Certificates, delay in submission of work plans/progress

reports, lack of infrastructure etc. They are of the opinion that Extension Services in North Eastern States are the more important in areas like Post Harvest Management and creating awareness about the facilities being extended through various Schemes of the Department. Loss of agricultural produce in the Region can be prevented to a great extent by such steps. It is recommended that special attention may be given to implementation of the Scheme in North Eastern States taking into account the uniqueness of the Region.

AGRI CLINICS AND AGRI BUSINESS CENTRES

2.44 The Committee note that the Agri Clinics and Agri Business Centres Scheme aims to provide extension services to farmers on payment basis through setting up of economically viable self-employment ventures for agriculture graduates who would be trained in agri-preneurship. The Scheme consists of two components viz Back Ended Credit Linked Subsidy and Training. Unfortunately, however, the actual expenditure under the Scheme has never matched upto the allocation provided. Against an approved outlay of Rs. 150 crore, only Rs. 20.44 crore has been utilized in the first three years of the Eleventh Plan (13.63%) from the Training component allocation of Rs. 37.12 crore. Against the physical target of 15000 set under the scheme (training of agriculture graduates) for Eleventh Plan Period, the actual achievement of the last three years (up to 28.2.2010) is 7032. It is a moot point as to whether the Department would be able to achieve the balance of 8000 persons in the remaining two years of the Plan at all.

The Department attribute low fund utilization to lack of awareness and lack of active involvement of banks in case of the Back Ended Credit Linked Subsidy that results in slow financing and disbursement of subsidy. The Committee know these are not insurmountable problems and are happy to note that the

Department have taken cognizance of the drawbacks of the Scheme and are proposing modifications in the Scheme from 2010-11 onwards. The proposed measures include making the Scheme broad-based, expanding eligibility criteria of candidates, better publicity, revising cost norms of various activities under the Scheme, simplifying procedures, etc.

The Committee would, however, like to emphasise upon the Department that with hardly two years of the Eleventh Plan left they would have to move with utmost speed so that the revised Scheme is completed within the scheduled time and is not allowed to meet the fate of Schemes like Support to State Extension Services that have been delayed due to various administrative nitty gritty.

The Committee also feel that the concept of Agri-clinics and Agri-business Centres being a nascent one, would require better incentivisation to persuade the agriculture graduates to opt for them as a vocation. These could include apart from training, hand holding for the initial years and an enhancement in the subsidy component to at least 33.33%. For candidates belonging to SC, ST, women and other disadvantaged sections and those from North Eastern & Hill States, it should be at least 50%. To attract more people into the Scheme, measures similar to that of campus recruitment may be adopted and syllabi of various courses on agriculture may also be modified to enable candidates to be more equipped for these ventures. These measures may, to a great extent, help obviate the acute shortage of trained manpower in extension services. The icing on the cake would be that this can address the issue of unemployment of agriculture & allied services graduate/diploma holders.

AGRICULTURE CENSUS

2.45 The objective of Agriculture Census is (i) collection of information on operational holdings, including land utilisation, live-stock machinery and implements, use of fertilisers, etc. (ii) to provide benchmark data needed for formulating new agricultural development programmes and for evaluating their progress, (iii) to lay a basis for developing an integrated programme for current agricultural statistics.

The Committee, however, have a growing realisation that with the advent of Nutrient Based Fertiliser Regime, the need for soil mapping, the requirement of National e-Governance Programme, etc, the Agriculture Census, as an important apparatus of planning & evaluation, should now include more indices like receipt of agricultural credit, soil health information, etc. so that it measures upto the new trends in agriculture sector. The Committee recommend that as an important first step in this regard, action should be taken to integrate the data from agriculture census into the Unique Identification Card which is in the offing.

The Committee note that in spite of the expenditure for Agriculture Census being met from a Central Sector Scheme which provides 100% financial assistance to States/UTs, the funds available are described as meagre by the Department. The Committee are of the opinion that the Department cannot blame anybody other than themselves for paucity of funds for the purpose. The Committee feel that agriculture census in spite of its tremendous value comes quite low in priority for the Department which is not a healthy sign. They, therefore, recommend that scarcity of funds should never impede the quality of data produced by Agricultural Census and sufficient funds should be allocated for it.

NATIONAL PROJECT ON MANAGEMENT OF SOIL HEALTH & FERTILITY

2.46 The Scheme with an outlay of Rs.429.85 crore for Eleventh Five Year Plan was introduced in 2008-09 and is aimed to set up 500 new Soil Testing Laboratories (STLs) and 250 Mobile Soil Testing Laboratories (MSTLs) alongwith strengthening of existing State STLs, for micro-nutrient analysis. For the year 2009-10 National Project on Management of Soil Health and Fertility was allocated Rs. 47 crore which was reduced to Rs. 42.71 crore at the RE stage. The actual expenditure for the year is Rs. 43.67 crore.

Against a proposal for Rs. 149.40 crore, the approved outlay for the Scheme for the year 2010-11 is Rs. 25.00 crore. In response to a specific query of the Committee, the Department have admitted that the curtailment of allocation for 2010-11 would affect the number of Soil Testing Laboratories set up under the Scheme. Suitable higher allocation is stated to be sought at RE stage in case of receipt of proposals from States.

The Committee are aghast with this attitude of the Department in the context of this very important Scheme. The Nutrient Based Fertilizer Regime, which the Government have launched with lot of expectations this year, would hugely depend on soil mapping of agricultural land in the Country for its success. The National Project on Management of Soil Health & Fertility, therefore, assumes critical importance through its role in micro-nutrient analysis.

They also feel that the trend of keeping allocation low for such Schemes, whose performance is of primal importance, does not send good signals about the intentions of the Government. The Committee, therefore, desire that the Department should assume a more pro-active role in making this Scheme a

success. They also desire that till such time funds availability is eased at RE stage, the States may be categorically informed to utilise funds from RKVY in a big way to ensure that this Scheme is not starved of funds.

MICRO IRRIGATION

2.47 The main objective of the scheme is to increase the coverage of area under improved methods of irrigation in the Country for better water use efficiency along with other benefits like fertigation, quality production, etc., and to provide stimulus to growth in the agriculture sector. Under this Scheme, assistance is provided to all categories of farmers at the rate of 50 per cent of the cost of drip and sprinkler systems and at the rate of 75 per cent of the cost for demonstration purposes. For Micro Irrigation, the BE has been more than doubled for the year 2010-11 to Rs. 1000 crore compared to the BE of Rs. 430 crore during 2009-10.

The Committee note that the spurt in allocation for the Scheme for 2010-11 has been attributed to the fact that the Scheme will be extended to all States from 2010-11 from the present span of 18 States. Besides Subsidy Component and cost norms have been enhanced. The Committee also note with appreciation the decision of the Government to launch a National Mission on Micro Irrigation from 2010-11.

The Committee are of the view that Micro Irrigation is an avenue that can be used for conservation farming and other climate resilient agriculture initiatives. They, therefore, recommend that all out efforts should be made in making it well received by the farmers through intensive extension activity and other methods of awareness/popularization. It is also recommended that utmost care should be taken that the material procured under subsidy conforms to prescribed standards. As the Scheme also presents an opportunity for efficient use of water,

fertilizers and to counter the effects of climate change, it should also have a suitable mechanism incorporated to reward farmers who successfully adopt it.

NATIONAL FOOD SECURITY MISSION

2.48 The National Food Security Mission (NFSM) was launched in later half of 2007 to target high potential districts to bridge the yield gaps so as to achieve additional production of 20 million tonnes of food grains (10 million tonnes of rice, 8 million tonnes of wheat and 2 million tonnes of pulses) by the end of 2012. A sum of Rs. 4883.00 crore has been allocated for the Scheme in Eleventh Plan. The Committee had found substantial shortfalls in the performance of the Scheme in 2008-09 and had recommended remedial measures in that regard in their First Report.

The Committee are pained to notice that the physical targets under the Mission have not been upto the desired level in 2009-10 as well. The Department have attributed the under achievement of targets to drought during Kharif 2009 and the fact that States, responsible for implementation of the Mission, procure the progress reports from Districts and the compiled data of all districts is passed on to Department of Agriculture & Co-operation. This is said, strangely, to result in a gap between real and reported achievements as by the time States consolidate and send report for a particular quarter, ground level implementation (real progress) must have progressed still further that could only be reflected in the next quarterly report. To obviate the situation the Department are making attempts to get district level reports electronically (through websites) to capture real time data. The Committee are not convinced by the alibi extended by the Department. Even if there are gaps between real and reported achievements, the achievements would remain confined to the respective period they pertain to.

The Committee are really constrained to note that even in flagship Schemes like NFSM there is inadequate feedback and lack of real time feed back data. Though NFSM is in operation in a planned manner and in targeted areas, the achievements under the Scheme and reporting of its progress is not upto date. The Committee find it inexplicable that even now only attempts are being made to get district level reports electronically to capture real time data. They believe that efficient implementation of any Scheme is not possible without the progress reports being prompt and accurate. In the era of advanced Information and Communication Technology (ICT) methods, there cannot be any excuse in this regard. They, therefore, recommend that an appropriate system may be put in place in consultation with National Informatics Centre (NIC) and others concerned for developing suitable linkages for obtaining real time data on implementation of NFSM without any further delay. Based on the evaluation of its success they would also like similar feedback systems put in place for other major Schemes as well.

PULSES AND OILSEEDS VILLAGES

2.49 DAC is implementing a Centrally Sponsored Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM) in the Country for the increasing area, production and yield of these crops with effect from 2004–05. The Committee, however, note that the production & productivity of oilseeds and pulses have either gone down right from the first year of the Eleventh Five Year Plan or there is insignificant upward movement. The Committee have, after going through the performance of the Scheme, suggested some remedial measures in their First Report; but the situation has not improved even in 2009-10 and it is a matter of grave concern.

However, the anguish of the Committee in this area, particularly with regard to oilseeds, has been compounded by the fact that the reasons quoted by the Department as constraints in the production of pulses & oilseeds seem to have become a common feature in their submissions to the Committee for a long time now. Even after launching a host of initiatives to improve production of these weak links among food crops, the Government has not covered much ground and an alarming lot remains to be done. Realising the shortcomings of the Scheme, the Government have already transferred the pulses component of the Scheme to NFSM from 1 April, 2010 onwards. The Committee hope that this reorientation would give the much needed fillip to pulses production in the Country.

Meanwhile, the Committee also have been made aware that In the Budget 2010-11, an amount of Rs.300.00 crore has been provided to organize sixty thousand “Pulses and Oilseeds Villages” in rainfed areas to provide an integrated intervention of water harvesting, watershed management and soil health, to enhance the productivity of the dry land farming areas. These funds would be provided as additional central assistance under the ongoing scheme ‘Rashtriya Krishi Vikas Yojana’.

The Committee expect that the ‘Pulses & Oilseeds Villages’ programme would address the chronic constraints debilitating the production/productivity of these two crops in a focussed manner. Though they do not consider this initiative as a magic wand that would overnight fill the gap between production & demand of pulses & oilseeds in the Country, it is felt that Rs. 300 crore earmarked for the programme and the funds to be imported from RKVY may not be enough to make a significant impact in this direction. In this background, the Committee recommend that the Government should rethink on the scale & span of this initiative. Furthermore, in the present state of affairs, the cultivation of oilseeds &

pulses involve greater risk as compared to other crops by virtue of the fact that it is done in rainfed areas. This makes it difficult to be a remunerative option for farmers. Hence, the Committee recommend that the Government should come up with effective farmer centric provisions to make pulses and oilseeds cultivation a profitable venture for the farmer. Needless to mention that the Government will be able to do a better job in this matter if they draw a leaf from the recommendations made in this context by the National Commission for Farmers. The Committee believe that only by such measures farmers' confidence and interest in cultivation of these crops can be germinated.

NATIONAL AGRICULTURAL INSURANCE SCHEME

2.50 The NAIS, in operation for the last 20 crop seasons, owing to several limitations and shortcomings, has been restructured to be implemented as a Modified NAIS. However, this decision taken in December, 2006, has not yet taken off due to the indecision regarding whether its implementation is to be taken up on the Plan or Non-Plan side. The contention to implement the Scheme in the Non-Plan side was based on the fact that when included in the Plan side, the unforeseen claims settled under it resulted in substantial reduction of allocations for other important Schemes of Department of Agriculture & Cooperation, as huge sums may already have been given for the NAIS. Moreover, because of these continued indecisiveness, the implementation of the Modified National Agriculture Insurance Scheme (MNAIS) which has several intrinsic advantages is in limbo. The shoddy manner in which this Scheme of immense importance has been dealt with and the flip-flop being committed by the Government in its implementation has been already commented upon adversely by the Committee in their First Report.

Taking this into account, it was decided to implement MNAIS in the Non-Plan side from 2010-11 onwards. However, in a subsequent *volte face* it has been decided to continue with NAIS in the Plan side for the remaining period of the Eleventh Plan. The Committee are, therefore, hugely surprised with the decision to continue with NAIS in the Plan side despite the problems in doing so having been brought to the fore by the Department themselves. This move would again let funds allocated to NAIS to continue creating crunch of funds for other Schemes. Besides, the implementation of MNAIS that is more actuarial in nature compared to NAIS is again being postponed, depriving the farmers of its benefits. Accordingly, the Committee recommend that while allocation of funds is made for the Schemes of DAC, the continued operation of NAIS in the Plan side should not be allowed to mop up funds meant for other Schemes in the Plan side. They also desire that a decision on the finalisation and implementation of MNAIS be arrived at by the Government with due promptitude and conveyed to them immediately.

AGRICULTURE CREDIT

2.51 Agriculture being now a capital intensive vocation requires huge amount of funds as a lifeline. The Commercial Banks, Cooperative Banks and Regional Rural Banks (RRBs) are major agencies, involved in disbursement of agricultural credit. The Committee note that the targeted credit flow for 2010-11 is Rs. 3,75,000 crore against Rs. 3,25,000 crore during 2009-10.

However, the Committee are perturbed to note that the existing system does not capture information about agriculture credit extended by financing agencies to their creditors. They, therefore, have some reason to share the common apprehension that large chunks of this credit may have gone indirectly to credit companies, agri-business companies, seed companies, etc and not to

the small & marginal farmers who constitute the majority of farmers in the Country. They also feel that the absence of such a data base may also not be in consonance with the prudent banking practice of monitoring the major exposure accounts. Without being judgemental at this stage, the Committee would like DAC to obtain the considered views of the Reserve Bank of India and the Ministry of Finance on the instant practice in the light of prevailing apprehensions and legality and furnish the same to them within three months of presentation of this Report to Parliament.

The Committee would also like the Department to also generate gender disaggregated data in the context of Agriculture Credit so that gender-centric and gender specific planning is facilitated.

NEW DELHI;
20 April, 2010
30 Chaitra 1932 (Saka)

BASUDEB ACHARIA
Chairman,
Committee on Agriculture

**LIST OF FUNCTIONAL DIVISIONS IN THE DEPARTMENT OF
AGRICULTURE AND CO-OPERATION**

DIVISIONS:

1. Administration
2. Agricultural Census
3. Agricultural Marketing
4. Budget, Finance and Accounts
5. Credit
6. Cooperation
7. Crops
8. Drought Management
9. Economic Administration
10. Extension
11. General Coordination
12. Hindi
13. Horticulture
14. Information Technology
15. Integrated Nutrients Management
16. International Cooperation
17. Mechanisation and Technology
18. Natural Resource Management
19. Plant Protection
20. Policy
21. Plan Coordination
22. Rainfed Farming System and Watershed Development
23. Seeds
24. Technology Mission on Oilseeds, Pulses and Maize
25. Trade
26. Vigilance

COMMITTEE ON AGRICULTURE
(2009-10)

MINUTES OF THE TWENTY THIRD SITTING OF THE COMMITTEE

The Committee sat on Monday, the 23rd March, 2010 from 1115 hours to 1545 hours in Committee Room `B', Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia – Chairman

MEMBERS

LOK SABHA

2. Smt. Ashwamedh Devi
3. Shri Sk. Nurul Islam
4. Shri Naranbhai Kachhadia
5. Shri Surendra Singh Nagar
6. Shri Vitthalbhai Hansrajbhai Radadiya
7. Shri Uday Singh
8. Shri Jagdish Thakor
9. Shri Hukmdeo Narayan Yadav

RAJYA SABHA

10. Shri Narendra Budania
11. Shri Satyavrat Chaturvedi
12. Shri Sharad Anantrao Joshi
13. Shri Mohd. Ali Khan
14. Shri M. Rajasekara Murthy
15. Shri Bharatsinh Prabhatsinh Parmar
16. Prof. M.S. Swaminathan

SECRETARIAT

1. Shri S. Bal Shekar - Joint Secretary
2. Shri P.C. Koul - Additional Director

Ministry of Agriculture (Department of Agriculture and Co-operation)

1. Shri P.K. Basu Secretary
2. Shri N.K. Das Special Secretary
3. Shri A.S. Lamba Additional Secretary & Financial Adviser
4. Shri Ashish Bahuguna Additional Secretary
5. Shri G.C. Pati Additional Secretary
6. Shri J.S. Samra CEO, National Rainfed Area Authority (NRAA)
7. Dr. V.K. Bahuguna Technical Expert, NRAA
8. Shri K.V. Krishnan Principal Adviser
9. Shri R.C. Ray ESA
10. Dr. Gurbachan Singh Agriculture Commissioner
11. Dr. K.G. Radhakrishnan Member Secretary, CACP
12. Shri Rajiv Lochan Adviser
13. Smt. Upma Chawdhry Joint Secretary
14. Shri Atanu Purkayastha Joint Secretary
15. Shri Subhash Cahndra Garg Joint Secretary
16. Shri Mukesh Khullar Joint Secretary
17. Shri Rajendra Kumar Tiwari Joint Secretary
18. Shri Sanjeev Gupta Joint Secretary
19. Shri Pankaj Kumar Joint Secretary
20. Shri E.K. Majhi Joint Secretary
21. Smt. Uma Goel Joint Secretary
22. Dr. Gorakh Singh Horticulture Commissioner

23. Shri Vidyadhar DDG (AC)

Planning Commission

Shri V.V. Sadamate Adviser

Indian Council for Agricultural Research

Dr. Swapan K. Datta DDG (CS)

Ministry of Chemicals and Fertilisers (Department of Fertilisers)

Shri Satish Chandra Joint Secretary

At the outset, the Chairman, welcomed the Members of the Committee and the representatives of the Ministry of Agriculture (Department of Agriculture and Co-operation), Planning Commission and other Departments/Organisations to the Sitting.

2. Thereafter, the Committee took the evidence of the representatives of Department of Agriculture and Co-operation on Demands for Grants (2010-11) of the Department. The Secretary briefly highlighted the activities / achievements made by the Department during the year.

[The Committee adjourned for Lunch At around 1305 hours

The Sitting resumed at 1356 hours]

3. The Chairman and Members of the Committee raised queries on several issues concerning the Demands for Grants. The witnesses replied thereto.

4. 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 they could not clarify during the Sitting to the Committee Secretariat within a week.

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

The Committee then adjourned.

**COMMITTEE ON AGRICULTURE
(2009-10)**

MINUTES OF THE TWENTY SEVENTH SITTING OF THE COMMITTEE

The Committee sat on Tuesday, the 20th April, 2010 from 1500 hours to 1700 hours in Room '62', Parliament House, New Delhi.

PRESENT

Shri Basudeb Acharia - *Chairman*

MEMBERS

Lok Sabha

2. Shri Narayan Singh Amlabe
3. Shri Thangso Baite
4. Smt. Ashwamedh Devi
5. Smt. Paramjit Kaur Gulshan
6. Shri Naranbhai Kachhadia
7. Shri Surendra Singh Nagar
8. Shri Premdas
9. Shri Nripendra Nath Roy
10. Shri Jagdish Thakor
11. Shri Hukmdeo Narayan Yadav

Rajya Sabha

12. Shri Satyavrat Chaturvedi
13. Shri Sharad Anantrao Joshi
14. Shri Mohd. Ali Khan
15. Shri M. Rajasekara Murthy
16. Shri Bharatsinh Prabhatsinh Parmar
17. Prof. M.S. Swaminathan

SECRETARIAT

Shri P.C. Koul

-

Additional Director

2. At the outset the Chairman welcomed the members to the Sitting of the Committee. Thereafter, the Committee took up the Draft Report on Demands for Grants (2010-2011) relating to the Ministry of Agriculture (Department of Agriculture & Co-operation) for consideration and adoption.

After some discussion, the Committee adopted the draft Report with minor modifications.

3. The Committee, then, authorized the Chairman to finalise the above Draft Report after getting it factually verified from the concerned Ministry/Department and present the same to the Parliament.

	xxx	xxx	xxx	xxx
*4.	xxx	xxx	xxx	xxx
*5.	xxx	xxx	xxx	xxx
*6.	xxx	xxx	xxx	xxx

The Committee then adjourned.