

MINISTRY OF AGRICULTURE

(DEPARTMENT OF AGRICULTURE AND COOPERATION)

CROP DIVERSIFICATION

[Action taken by the Government on the recommendations contained in the Twenty Third Report (Fifteenth Lok Sabha) of the Committee on Estimates]

COMMITTEE ON ESTIMATES

(2013-2014)

THIRTY THIRD REPORT

(FIFTEENTH LOK SABHA)



LOK SABHA SECRETARIAT

NEW DELHI

**THIRTY THIRD REPORT
COMMITTEE ON ESTIMATES
(2013-2014)
(FIFTEENTH LOK SABHA)**

**MINISTRY OF AGRICULTURE
(DEPARTMENT OF AGRICULTURE AND COOPERATION)**

CROP DIVERSIFICATION

[Action taken by the Government on the recommendations contained in the Twenty Third Report (Fifteenth Lok Sabha) of the Committee on Estimates]

Presented to Hon'ble Speaker, Lok Sabha on 04.01.2014

Presented to Lok Sabha on 05.02.2014



**LOK SABHA SECRETARIAT
NEW DELHI**

18 December, 2013/ Agrahayana 28, 1935 (Saka)

CONTENTS

PAGE NO.

COMPOSITION OF THE COMMITTEE ON ESTIMATES (2013-14)

INTRODUCTION

CHAPTER I Report

CHAPTER II Recommendations/observations which have been accepted by the Government

CHAPTER III Recommendations/observations which the Committee do not desire to pursue in view of Government's reply

CHAPTER IV Recommendations/observations in respect of which Government's replies have not been accepted by the Committee

CHAPTER V Recommendations/observations in respect of which final replies of Government are still awaited

APPENDICES

I Minutes of Twenty First Sitting of the Committee on Estimates held on 18.12. 2013.

II Analysis of the action taken by Government on the recommendations/observations contained in the Twenty First Report of Committee on Estimates (Fifteenth Lok Sabha)

COMPOSITION OF THE COMMITTEE ON ESTIMATES (2013-14)

Shri Francisco Sardinha - Chairman

MEMBERS

- 2 Smt. Harsimrat Kaur Badal
- 3 Smt. Bijoya Chakravarty
- 4 Shri Harish Chaudhary
- 5 Shri Khagen Das
- 6 Shri Pralhad Joshi
- 7 Shri Bapi Raju Kanumuru
- 8 Shri Chandrakant Khaire
- 9 Dr. Thokchom Meinya
- 10 Dr. Sanjeev Ganesh Naik
- 11 Kum. Meenakshi Natrajan
- 12 Shri Prabodh Panda
- 13 Dr. Vinay Kumar Pandey "Vinnu"
- 14 Shri Jagdish Singh Rana
- 15 Shri R. Sambasiva Rao
- 16 Shri Subodh Kant Sahai
- 17 VACANT
- 18 Shri S. Semmalai
- 19 Shri Arjun Charan Sethi
- 20 Shri M.I. Shanavas
- 21 Shri Adhi Sankar
- 22 Shri Rajiv Ranjan (Lalan) Singh
- 23 Shri Neeraj Shekhar
- 24 Shri Ganesh Singh
- 25 Shri Ijyaraj Singh
- 26 Shri Jagada Nand Singh
- 27 Shri Radha Mohan Singh
- 28 Smt. Annu Tandon
- 29 Shri Mukul Wasnik
- 30 Shri Om Prakash Yadav

SECRETARIAT

1. Shri A. Louis Martin - Joint Secretary
2. Smt. Anita B. Panda - Director
3. Dr Y. Arun Kumar - Deputy Secretary
4. Shri Abhishek Singh Yadav - Committee Assistant

INTRODUCTION

I, the Chairman of Committee on Estimates (2013-14) having been authorized by the Committee to present the Report on their behalf, present this Thirty First Report on action taken by the Government on the recommendations contained in the Twenty First Report of the Committee (Fifteenth Lok Sabha) on 'Tribal Welfare Schemes' pertaining to the Ministry of Tribal Affairs.

2. The Twenty First Report of the Committee (Fifteenth Lok Sabha) was presented to Lok Sabha on 23 April, 2013. The Ministry of Tribal Affairs furnished their replies indicating action taken on the recommendations contained in the Twenty First Report (Fifteenth Lok Sabha) on 21st October, 2013. As replies given by the Ministry to a number of recommendations/ observations were not specific, the Committee held discussion with the representatives of the Ministry of Tribal Affairs on 23.10.2013. Further replies on a number of Recommendations were furnished by the Ministry of Tribal Affairs on 21 November, 2013. The draft report was considered and approved on 18 December, 2013 by the Study Group of the Committee on Estimates, constituted to consider the action taken replies furnished by the Government. Thereafter, the Report was adopted by the Committee at their sitting held on 18 December, 2013.

3. An analysis of action taken by the Government on the recommendations contained in the Twenty First Report of Committee on Estimates (Fifteenth Lok Sabha) is given in Appendix II.

NEW DELHI;
19 December, 2013
28 Agrahayana, 1935 (Saka)

FRANCISCO SARDINHA,
CHAIRMAN,
COMMITTEE ON ESTIMATES.

CHAPTER - I

REPORT

This Report of the Committee deals with the action taken by the Government on the Recommendations/ Observations contained in the Twenty-Third Report of the Committee on Estimates (Fifteenth Lok Sabha) on 'Crop Diversification' pertaining to the Ministry of Agriculture (Department of Agriculture and Cooperation).

1.2. The Committee's Twenty-Third Report (Fifteenth Lok Sabha) was presented to Lok Sabha on 30 April, 2013. It contained 18 Recommendations/Observations. Action Taken Replies in respect of all the Recommendations/Observations were received from the Ministry of Agriculture (Department of Agriculture and Cooperation) on 14 November, 2013.

1.3 Replies to the Recommendations/Observations contained in the Report have broadly been categorized as under:

- (i) Recommendations/ Observations which have been accepted by the Government
Sl. Nos. 1, 2, 3, 4, 5, 6, 8, 10, 11, 12, 14, 16, 17 & 18 (Total-14)
(Chapter-II)
- (ii) Recommendations/ Observations which the Committee do not desire to pursue in view of the Government's reply
Sl. No. Nil (Total-NIL)
(Chapter-III)
- (iii) Recommendations/ Observations in respect of which the Government's replies have not been accepted by the Committee
Sl. Nos. 7 & 9 (Total-2)
(Chapter-IV)
- (iv) Recommendations/ Observations in respect of which final reply of the Government is still awaited
Sl. Nos. 13 & 15 (Total-2)
(Chapter-V)

1.4 The Committee desire that response to comments contained in Chapter-1 and final replies to recommendations contained in Chapter-V of this Report should be furnished expeditiously.

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

A. Need to Stabilise Domestic Prices of Edible Oils and Pulses

Observations/Recommendations (Sl. No. 2 & 5)

1.6 The Committee in their original report had recommended that in the light of the need for accelerated crop diversification and achieving self sufficiency in production of pulses and oilseeds, specific targets must be fixed for the Twelfth Five Year Plan and strategy evolved to achieve the same. Besides, the Committee had desired to know the physical targets set for utilisation of Rs. 100 crore budgeted under Oil Palm Area Expansion (OPAE) scheme during 2012-13 and their achievement, as well as the roadmap, if any, prepared to enhance production of vegetable oils and reduce its import.

1.7 The Ministry of Agriculture (Department of Agriculture and Cooperation), in its action taken reply, has stated that target has been set for increasing pulse production by an additional 4 Million Tonnes by the end of Twelfth Five Year Plan. Besides, target has been set to increase availability of vegetable oils sourced from oilseeds, oil palm and Tree Borne Oilseeds (TBOs) to 9.51 Million Tonnes, i.e. an increase of 2.45 Million Tonnes by increasing oilseed production by 6.58 Million Tonnes, increasing oil palm area by additional 1.25 lakh ha, and enhance seed collection of TBOs by 5 lakh Tonnes for the same period. The Ministry of Agriculture (Department of Agriculture and Cooperation) has also stated that on account of increasing imports of pulses and oilseeds to meet domestic demand, domestic prices are affected by international markets. Therefore, domestic prices of urad and tur are being pushed below remunerative prices as these commodities are being imported at prices below MSP

and oil palm prices in the domestic market are impacted due to volatility in international prices. Therefore, it is necessary that import duty on oilseeds varies on counter-cyclical manner with international prices so as to stabilize prices of edible oils at reasonable levels and import duties are levied on pulses to ensure that landed price of imported pulses do not fall below MSP. These would help stabilize prices of pulses and oilseeds at reasonable levels and incentivize production and technology adoption by growers in the country leading to reduce dependence on imports and enhanced food security in pulses and edible oils. NHM and Crop Diversification Programme in Original Green Revolution States (Punjab, Haryana and Western Uttar Pradesh) are also being implemented to diversify the area from cereal crops.

1.8 The Ministry of Agriculture (Department of Agriculture and Cooperation) also reported that achievement of Oil Palm cultivation during 2012-13 was 26,121 ha, as against the target of 16,500 ha under OPAE. Besides, the National Mission on Oilseeds and Oil Palm (NMOOP) has reportedly been approved for Twelfth Five Year Plan which seeks to increase the availability of vegetable oils from average of 9.21 Million Tonnes (from last 5 years) to 15.00 Million Tonnes by the end of Twelfth Five Year Plan. It has been stated further that with increasing share of imports, domestic prices of various oils are impacted due to volatility in international prices particularly that of Palm Oil. This has increased the vulnerability of domestic producers and consumers. Therefore, calibration of import duty structure wherein rate of import duties varies in counter-cyclical manner with international prices, would help in stabilizing prices of edible oil at reasonable levels and incentivize better technology adoption by oilseed growers. This would reduce our dependence on massive oil imports and contribute towards enhancing food security in edible oil sector.

1.9 The Committee agree with the view of the Ministry of Agriculture (Department of Agriculture and Cooperation) that it is necessary to stabilize domestic prices of edible oils and pulses to incentivise production and whenever these commodities are imported at prices below MSP, import duty should be structured in such a way that import prices are above MSP. The Committee hope that this issue has been taken up with the Ministry of

Commerce and the Ministry of Finance. The Committee would like to be apprised of the outcome.

B. Need for Remedial Steps to Ensure Full Utilization of Funds

Observations/Recommendations (Sl. No. 3)

1.10 The Committee, in their Original Report, had desired that the reasons for underutilization of funds under three schemes viz. National Food Security Mission (NFSM), National Horticulture Mission (NHM) and Horticulture Mission for the North-East and Himalayan States (HMNEH), which are being implemented to facilitate crop diversification, should be gone into and remedial steps taken to ensure full utilization of funds during the Twelfth Five Year Plan period.

1.11 In response, the Ministry of Agriculture (Department of Agriculture and Cooperation) in its action taken reply dated 14 November, 2013 has stated that the shortfall in utilization of funds provided for NHM is due to restricted releases to the implementing agencies, which, in turn is the result of delay in release of 15 per cent matching State share by various State Governments; submission of necessary documents (like Audited Utilization Certificate of previous year, Audited Statement of accounts component wise, latest physical and financial progress report, etc.) and submitting projects involving credit linked back ended subsidy assistance.

Various steps are stated to have been taken to hold frequent meetings of Empowered Committee of NHM to clear project based proposals, pre-positioning of inputs in advance for season based activities by State Horticulture Missions, sensitizing States to submit proposals and other relevant documents for release well in time and delegation of more powers at the State level to approve project based activities.

The Committee have also been apprised that as per the Report received from the States covered under NFSM, the distribution of hybrid rice seed has increased from 7.12 per cent in 2007-08 to 44.41 per cent of the target fixed at the terminal year

of the Eleventh Five Year Plan (2011-12) and further increased to 92.91 per cent during 2012-13.

1.12 The reply of the Ministry of Agriculture (Department of Agriculture and Cooperation) has dealt with only a part of the recommendation concerning NHM and is completely silent on NFSM and HMNEH. The Committee would await the response of the Department of Agriculture and Cooperation in this regard.

C. Proactive measure to increase the percentage share of cropped areas for coarse cereals

Observations/Recommendations (Sl. No. 7)

1.13 The Committee, in their original report, were of the firm view that proactive measures are necessary to increase the percentage share of cropped areas for coarse cereals, which can be grown in regions characterized by scanty rainfall, and wasterlands. The Committee also felt that the Ministry of Agriculture (Department of Agriculture and Cooperation) in coordination with the Ministry of Rural Development should undertake identification and reclamation of wasterlands and its use for cultivating coarse grains for expanding diversified agriculture.

1.14 The Ministry of Agriculture (Department of Agriculture and Cooperation) in its reply has stated that the various activities permitted under MGNREGA implemented by the Ministry of Rural Development for reclamation of wastelands *inter-alia* include construction of irrigation canals, land development, digging of farm ponds, horticulture plantation, farm bunding on land or homestead owned by households belonging to the Scheduled Castes and Scheduled Tribes or below poverty line families. The Ministry of Agriculture (Department of Agriculture and Cooperation) has also stated that it is implementing Initiative for Nutritional Security through Intensive Millets Promotion (INSIMP) programme for promotion of cultivation of millets including wastelands in all major coarse cereal growing States. The Ministry of Agriculture (Department of Agriculture and Cooperation) has also stated that cultivation of coarse cereals would be undertaken under National Food Security Mission (NFSM) during

Twelfth Five Year Plan to increase area and productivity of coarse cereals in all major coarse cereals growing States.

1.15 There is nothing in the reply of the Ministry of Agriculture (Department of Agriculture and Cooperation) to indicate, whether identification and reclamation of wastelands and its use for cultivating coarse grains for expanding diversified agriculture was undertaken and if so, the outcome of the exercise. The Committee wonder why the Ministry of Agriculture has ignored this aspect in their reply. The Committee would await the Government's response in this regard.

D. Efforts to Augment Horticultural Production in North East States and Sub-Himalayan Northern States

Observations/Recommendations (Sl. No. 9)

1.16 Emphasizing upon the need for sustained and accelerated efforts to augment production of horticulture/plantation crops in view of the changing dietary pattern and growing demand for fruits/vegetables, the Committee had recommended that the huge potential in North-East States and the sub-Himalayan Northern States, which are endowed with necessary agro-climatic conditions for horticultural plantation, should be fully harnessed by proper planning and setting targets.

1.17 In response, the Ministry of Agriculture (Department of Agriculture and Cooperation) in its action taken reply, has *inter-alia* stated that the area under fruits and vegetables in HMNEH States has increased from 1.4 million ha in 2001-02 to 2.0 Million ha in 2011-12 with corresponding increase in production from 10.1 Million Tonnes to 16.5 Million Tonnes. The Ministry has also stated that in order to maintain momentum of this growth, HMNEH activities are proposed to be continued during the Twelfth Five Year Plan with more focus on productivity improvement measures coupled with creation of infrastructure for post harvest management, marketing and processing.

The Committee have also been apprised that the Ministry of Food Processing Industries has launched “National Mission on Food Processing” (NMFP) during the Twelfth Five Year Plan and the States/UTs have been provided flexibility to take up new schemes under NMFP to suit their local requirements. The Ministry has added that the Mission is likely to help States to realize the potential of food processing sector particularly for Agri-horticulture.

1.18 The Committee note that the reply of the Ministry of Agriculture (Department of Agriculture and Cooperation) has not specifically addressed the issue of proper planning and setting targets for harnessing the huge potential in the North-East States and Sub-Himalayan Northern States. The Committee reiterate their earlier recommendation and would await specific target set for the future in this regard.

E. Absence of Seed Banks in Himachal Pradesh, Jammu & Kashmir and North East States

Observations/Recommendations (Sl. No. 14)

1.19 The Committee, in their original recommendation had noted that ‘Seed Bank Scheme’ was aimed to address the contingency salvation if the first crop sown by the farmer has failed and desire to know why such seed banks were not established in Himachal Pradesh, Jammu & Kashmir and North East States. They desired to be apprised of the reasons for the same as well as the time when these States will be covered under the scheme.

1.20 The Ministry of Agriculture (Department of Agriculture and Cooperation), in its reply, has *inter-alia* stated that for North East States, Assam Seeds Corporation is participating regularly in the Seed Bank Scheme. For other North East States, the National Seeds Corporation (NSC), State Farm Corporation of India (SFCI) and Uttarakhand and Tarai Development Seeds Corporation (UK&TDC) are maintaining the seeds.

1.21 The action taken reply of the Ministry of Agriculture (Department of Agriculture and Cooperation) has not indicated whether there are any seed banks in Jammu & Kashmir and Himachal Pradesh and whether these States have been brought under Seed Bank scheme. The Committee would await this information.

F. Reforms in Land Use Policy

Observations/Recommendations (Sl. No. 15)

1.22 The Committee, in their original report, had noted that according the Department of Agriculture and Cooperation, promotion of contract farming, land leasing and land sharing Company with some adaptation would lead to desired vertical integration of all aspects of diversification leading to rural transformation. In this regard, the Committee had felt that such reforms in land use policy ought to be preceded by a thorough study of merits and de-merits, impact on landless labourers and agricultural population, establishment of regulatory mechanism and so on and suggested that an expert Committee be formed to go into all aspects of the matter in depth and the Committee be informed of its recommendations.

1.23 In response, the Ministry of Agriculture (Department of Agriculture and Cooperation) in the action taken reply has stated as under:

“The Committee of State Ministers, In-charge of Agriculture Marketing to Promote Reforms in its Final Report submitted in January, 2013 has made the following recommendations in respect of contract farming :

(1) To encourage contracting parties and simplifying and rationalizing the registration process :

(a) District level authority may be set up for Registration of Contract Farming and no market fee should be levied under it. The APMC should not be the authority for registration/dispute settlement under Contract Farming; and

(b) The disputes may be settled within fifteen days and the decretal amount of appeal should not be more than 10% of the amount of goods purchased under Contract Farming. Appeal should be disposed off within

15 days. No solvency certificate/Bank guarantee may be required from private sponsor/operator, if payment is made to the farmers on the same day of procurement of their produce;

(2) States should promote small and marginal Farmers' Groups/Associations or their Company/Society to encourage Contract Farming in the States. Successful template of Contract Farming may be developed after studying the successful Models adopted in other countries.

State Governments have been asked to convey views on policy recommendations of the Committee”.

1.24 The Ministry's reply has not addressed the need for studying the merits and de-merits, impact on landless labourers and agricultural population, establishment of regulatory mechanism before introduction of reforms in land use policy. The Committee's suggestion for constitution of an expert Committee to go into all aspects of the matter indepth has also not been heeded to. The Committee reiterate their earlier recommendation and urge expeditious action in the matter.

G. Steps to check serious imbalance in cold storage capacity

Observations/Recommendations (Sl. No. 18)

1.25 The Committee found that cold storage in the country is hugely lopsided in respect of only one commodity viz. potatoes. They had also observed from the commodity-wise distribution of cold storage in the country that the cold storage capacity meant for fruits and vegetables is as little as 0.39 per cent whereas the capacity for potatoes is 75.36 per cent and multipurpose cold storage capacity is 23.09 per cent. Therefore, the Committee had emphasized that the serious imbalance in cold storage capacity requires to be addressed urgently with a view to promoting production of fruits and vegetables and other horticulture produce and to prevent distress sale of produce by farmers.

1.26 In response, the Ministry of Agriculture (Department of Agriculture and Cooperation) in the action taken reply has stated that Creation of infrastructure

facilities such as pack houses, cold storages, Controlled Atmosphere (CA) storage, Ref Vans, etc are being promoted under NHM, HMNEH and NHB schemes. Besides, a National Centre for Cold-chain Development (NCCD) has been constituted in DAC to provide further stimulus to cold chain sector. Besides, States are being encouraged to go in for multi-commodity multi-chamber cold storage units. The Ministry has also stated that the Ministry of Food Processing Industries (MFPI) is also operating a plan scheme to provide financial assistance to project proposals for cold chain infrastructure development. 63 cold chain projects approved to create 146861 MT of cold storage, 97257 MT of CA/MA storage, 19300 MT of deep freezer, 81.1 lakh litre per day of milk storage, 43.2 MT per hour of IQF and 314 numbers of reefer carriers.

The Ministry has also stated that DAC is implementing the Central Sector Scheme 'Agri-business Development through Venture Capital' and 'Project Development Facility' for development of agri-business sector in the country.

The Ministry has also furnished a comparative statement of potatoes vis-à-vis multipurpose cold storage during 2010-11 to 2012-13:

Year	Cold Storage	Cold Storage (Potatoes)	Cold Storage (Multipurpose)
2010-11	19	0	19
2011-12	46	11	35
2012-13	64	42	22

1.27 The action taken reply does not address the issue raised by the Committee regarding hugely lopsided cold storage capacity in respect of only one commodity viz. potatoes. The Ministry's reply has only provided a comparison of the cold storage of potatoes and multipurpose cold storage during the period 2010-11 and 2012-13 under the assisted schemes and has not indicated as to what steps are contemplated to address the huge imbalance in the existing cold storage capacity in favour of only potatoes. The Committee would await the Government's response in this regard.

CHAPTER-II

OBSERVATIONS/ RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Observations/ Recommendations (Sl. No. 1)

The Committee note that while predominant monoculture and continuous cropping of rice-wheat have led to self sufficiency in foodgrains, they have also created many agro- ecological problems like deterioration in soil cultivation, excessive exploitation of underground water, etc. The per capita availability of foodgrains is 439 grams per day against the recommended level of 500 grams per day whereas the availability of oils and fats is about 20 grams per day against the requirement of 40 grams per day and availability of pulses less than 32 grams per day against recommended level of 55 grams per day. The Committee feel that in order to ensure nutritional security and to address adverse agronomical conditions, there is a need for diversification from cereals dominated production system to horticulture, oilseeds and pulses. Our country is bestowed with diverse agro-climatic conditions favourable for cultivation of diverse crops. Though efforts have been made over the years to move towards crop diversification, the Committee feel that well thought out strategy coupled with concerted action is necessary to achieve desired results in crop diversification. The Committee would like to be apprised of action taken in this regard.

Reply by the Government

Ministry of Agriculture, Department of Agriculture & Cooperation is implementing schemes of National Horticulture Mission (NHM) and Horticulture Mission for North- East and Himalayan States (HMNEH) for holistic development of Horticulture sector. During XII Plan, NHM Scheme is being revamped by including other ongoing schemes on Horticulture viz. HMNEH, National Horticulture Board (NHB), Coconut Development Board (CDB), Central Institute of Horticulture (CIH), and National Bamboo Mission (NBM). The various crops covered included in Mission are

fruits, vegetables, spices, flowers, medicinal and aromatic plants, plantation crops (coconut, arecanut, cashewnut, cocoa) to diversify area from cereal crops.

National Food Security Mission (NFSM) was implemented during the XI plan to enhance the area expansion and productivity of pulses in 468 districts of 16 states viz. Andhra Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal and it would be continued in XII plan to diversify the area from cereals to pulses to for improving the soil fertility and domestic requirement of pulses.

Integrated scheme of Oilseeds, Pulses, Oil palm and Maize (ISOPOM) was implemented during XI plan in 14 major oilseeds growing states viz., Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal to expand area and productivity of oilseeds as well as to divert the area from low yielding cereals to oilseeds.

Crop Diversification programme in Original Green Revolution States is also being implemented during 2013-14 in three states namely Punjab, Haryana and Western Uttar Pradesh to divert area from water guzzling crops like paddy, wheat to alternate crops including agro-forestry based cropping system to arrest depletion of ground water and restoration of soil fertility.

Indian Council of Agricultural Research (ICAR) and Agricultural Universities (SAUs) have also developed short duration varieties/hybrids of oilseeds and pulses as alternatives to cereals and best fitted in existing cereal based cropping systems like Rice-Rice/Rice-Wheat. The leguminous crops (cowpea, frenchbean, dolichos, blackgram, greengram and horsegram) have been identified as inter-crops in the wider spaced perennial fruit crops (mango, guava, sapota, fig and annona). The oilseeds and pulses are being promoted to replace low yielding rice and low irrigated wheat to enhance the farm income.

(Ministry of Agriculture, Department of Agriculture & Cooperation O.M. No. 1-3/2013-CU-II, dated 13 .11.2013)

Observations/ Recommendations (Sl. No. 2)

The Committee have been informed that over the years priority was given to pulses and oilseeds following a regionally differentiated strategy that suited the agro-climatic regions. During the period 1950-51 to 2010-11, this initiatives have reportedly been resulted in increase in area by 16.49 million ha in oilseeds; 7.23 million ha under pulses; 1.65 million ha in potatoes; 7 million ha in vegetables, fruits and others; 5.36 million ha in cotton; and 3.7 million ha in sugarcane. During the period 2006-07 to 2011-12 (estimates), the production of wheat and rice has grown from 169.2 million tones to 198.2 million tones (increase of 17 per cent) and production of pulses and oilseeds has grown from 38.5 million tones to 47.2 million tonnes (increase of 23 per cent). The Committee feel that in the light of the need for accelerated crop diversification and achieving self sufficiency in production of pulses and oilseeds, specific targets must be fixed in this regard for the Twelfth Five Year Plan and strategy evolved to achieve the same. The Committee would await action taken in this regard.

Reply by the Government

The national production target of various crops is being fixed on yearly basis. The production target for pulses and oilseeds has been fixed at 19.00 and 31.00 million tonnes for the year 2013-14. It is aimed to increase pulses production by an additional 4 million tonnes over normal production in 2011-12 by end of XII Plan period. It is also envisaged to increase availability of vegetable oils sourced from oilseeds, oil palm and TBOs to 9.51 million tonnes, i.e., an increase of 2.45 million tonnes by increasing oilseed production by 6.58 million tonnes, increasing oil palm area by additional 1.25 lakh ha. and enhance seed collection of TBOs by 5 lakh tonnes for the same period. Crop development programmes like National Food Security Mission (NFSM) and National Mission on Oilseeds and Oil Palm (NMOOP) would be implemented during XII Plan to achieve higher production of pulses and oilseeds to meet growing domestic demand. In order to encourage farmers for production of oilseeds and pulses, MSP of these crops have been enhanced substantially to ensure remunerative prices for farmers. However, on account of the increasing imports of pulses and oilseeds to meet domestic demand, domestic prices are also affected by

international markets. Therefore, domestic prices of urad and tur are being pushed below remunerative prices as these commodities are being imported at prices below MSP and oil palm prices in the domestic market are impacted due to volatility in international prices. Therefore, it is necessary that import duty on oilseeds varies on counter-cyclical manner with international prices so as to stabilize prices of edible oils at reasonable levels and import duties are levied on pulses to ensure landed price of imported pulses do not fall below MSP. These would help stabilize prices of pulses and oilseeds at reasonable levels and incentivize production and technology adoption by growers in the country leading to reduce dependence on imports and enhanced food security in pulses and edible oils. NHM and Crop Diversification Programme in Original Green Revolution States (Punjab, Haryana and Western Uttar Pradesh) are also being implemented to diversify the area from cereal crops.

(Ministry of Agriculture, Department of Agriculture & Cooperation O.M. No. 1-3/2013-CU-II, dated 13.11.2013)

Comments of the Committee

(Please see para No. 1.9 of Chapter-I)

Observations/ Recommendations (Sl. No. 3)

There are five Schemes implemented by the Ministry of Agriculture (Department of Agriculture and Cooperation (DAC)), to facilitate crop diversification towards more remunerative and productive crops. The Committee feel that the achievement under National Food Security Mission (NFSM), left much to be desired. There has been under-utilization of budgetary provision to the extent of Rs.222 crore in 2008-09 and Rs.347 crore in 2009-10, Rs.89 crore in 2010-11 and Rs.61 crore in 2011-12. It is disappointing to note that distribution of hybrid seeds under the programme achieved just 44 per cent of the target, during 2011-12. Distribution of hybrid seeds and farmers' field schools did not meet their stipulated targets. For instance, in the year 2011-12, only 44.41 percent of the set target could be achieved in the component of

distribution of hybrid seeds. Similarly, under the National Horticulture Mission (NHM) Scheme, the shortfall in utilization of budgetary provision was as much as Rs.861 crore during the Eleventh Five Year Plan period (2007-08 to 2011-12). For the Scheme on Horticulture Mission for North-East and Himalayan States (HMNEH), the shortfall in utilization of budgetary target was Rs.816 crore during the period with Himachal Pradesh and Uttarakhand utilizing less than 50 percent of the allotted funds. The Committee desire that the reasons for underutilization of funds under the schemes should be gone into and remedial steps taken to ensure full utilization of funds and effective performance of the schemes during the Twelfth Five Year Plan period.

Reply by the Government

As per the Report received from the States covered under National Food Security Mission (NFSM), the distribution of hybrid rice seed has increased from 7.12% in 2007-08 to 44.41 % of the target fixed at the terminal year of IX Plan (2011-12) and further increased to 92.91% during 2012-13. Similarly under Farmers Field School (FFS) component of NFSM, achievement is quite appreciable as it was 85.88% of targets fixed during 2011-12 .

The shortfall in utilization of budgetary provision during XI Plan under National Horticulture Mission (NHM) with reference to recurring expenditure (RE) is to the tune of Rs. 118.00 crore which is due to restricted releases to the implementing agencies as result of delay in (i) release of 15% matching state share by various State Governments, ii) submission of necessary documents (like Audited Utilization Certificate of previous year, Audited statement of accounts component wise, latest physical and financial progress report, etc.) and (iii) submitting projects involving credit linked back ended subsidy assistance.

Various action have been taken to hold frequent meetings of Empowered Committee of NHM to clear project based proposals, pre-positioning of inputs in advance for season based activities by State Horticulture Missions, sensitizing States to submit proposals and other relevant documents for release well in time, delegation

of more powers at the state level to approve project based activities and holding meetings with States in the months of March and April for approval of action plans for the following year.

(Ministry of Agriculture, Department of Agriculture & Cooperation O. M. No. 1-3/2013-CU-II, dated 13.11.2013.)

Comments of the Committee

(Please see para No. 1.12 of Chapter-I)

Observations/ Recommendations (Sl. No. 4)

The Committee appreciate that the Department of Agriculture & Cooperation (DAC) has undertaken a programme 'Bringing Green Revolution to Eastern India (BGREI)' under the Rashtriya Krishi Vikas Yojana to bring crop diversification in the States of Assam, Bihar, Chhattisgarh, Jharkhand, Odisha, Eastern Uttar Pradesh and West Bengal. Since many of these States have high rainfall areas, the management of surface and ground water has reportedly been prioritized by the DAC. As many of these States periodically battle issues regarding water logging and inundation affecting their agricultural productivity, the Committee hope that these States will take advantage of new varieties of rice, wheat and mustard suitable for such areas, emerged from the research carried out by CSSRI, Karnal. The Committee also hope that the initiative to introduce pulses in the agricultural systems in the States implementing BGREI would be successful in ensuring economical use of nitrogen content in the soil, which gets depleted due to continuous sowing of rice and wheat. The Committee would like to be informed of the targets and achievements under BGREI during each of the last five years.

Reply by the Government

“Bringing Green Revolution to Eastern India (BGREI)” was initiated since 2010-11 and the programme is intended for improving the rice productivity in rice based cropping system in Eastern States such as Assam, Bihar, Chhattisgarh, Jharkhand, Odisha, Eastern Uttar Pradesh and West Bengal through development of appropriate infrastructure with a view to address the various production constraints.

Under BGREI Programme, flood tolerant rice varieties like Swarna Sub-1 and salinity tolerant varieties CSR-36 and CSR-43 are promoted through cluster demonstrations involving scientists of various research institutes. Besides, these varieties are also promoted through cluster demonstrations under National Food Security Mission.

Pulse crops are also promoted under NFSM in all the districts of Eastern States except for few districts of Assam and Jharkhand to improve soil fertility and also enhance the production and productivity of pulses.

Since inception of the programme (i.e. 2011-12), the production of rice in implementing States has increased substantially and 56.08% of total rice production in the country in 2012-13 (4th Advance Estimates), compared to 48.95% in 2010-11. Details of rice production targets and achievement since implementation of BGREI in eastern India are as under:

(Lakh Tonnes)

Sl. No.	State	Normal (2007-08 to 2011-12)	PT 2010-11	2010-11 A (BGREI implementing year)	PT 2011-12	2011-12 A	PT 2012-13	2012-13*
1.	Assam	41.83	39.00	47.37	41.00	45.16	42.60	45.62
2.	Bihar	47.74	52.00	31.02	53.00	71.63	70.50	73.36
3.	Chhattisgarh	52.23	53.00	61.59	50.00	60.28	60.20	66.09
4.	Jharkhand	25.07	34.20	11.10	31.30	31.31	32.30	30.27
5.	Odisha	67.81	68.00	68.28	77.00	58.07	72.50	76.40
6.	Uttar	123.40	126.00	119.92	130.50	140.22	133.80	144.13

	Pradesh							
7.	West Bengal	143.50	161.00	130.46	148.00	146.06	149.0	149.62
	Total for Seven States	501.58	533.20	469.74	530.80	552.73	560.90	585.49
	% Share of Seven States	51.58	52.27	48.95	52.03	52.49	53.93	56.08
	ALL-India	972.42	1020.00	959.70	1020.00	1053.01	1040.00	1043.99

P.T.- Production Target, A-Achievement, *-4th Advance Estimate

It may be seen from the above statement that the production of rice increased substantially during 2012-13 over the normal in all the states. The maximum gain was recorded in Bihar followed by Chhattisgarh, Jharkhand, Uttar Pradesh, Assam and West Bengal. The major share of this achievement can be attributed to implementation of BGREI along with NFSM and other crop development programmes.

(Ministry of Agriculture, Department of Agriculture & Cooperation O.M. No. 1-3/2013-CU-II, dated 13.11.2013.)

Observations/ Recommendations (Sl. No. 5)

The Committee note that steps have been taken for increasing production of vegetable oils through promotion of oil palm cultivation by launching a special Scheme on Oil Palm Area Expansion (OPAE) under Rashtriya Krishi Vikas Yojana (RKVY) during 2012-13. The OPAE scheme includes a strategy which indicates the State-specific targets for area expansion, intervention for oil palm research and development, institutional linkages and initiatives for creating facilities in needy States. The Committee desire to know the physical targets set for utilization of Rs.100 crore

budgeted for financial year 2012-13 under the scheme and the achievement there against during the year. The Committee would also like to be apprised of the roadmap, if any, prepared to enhance the production of vegetable oils and reduce its import from other countries.

Reply by the Government

Oil Palm cultivation was targeted of 16500 hectares in the country within the budgetary allocation of Rs.100.00 crores under Oil Palm area expansion (OPAE) a sub-scheme of RKVY during 2012-2013. However, oilpalm cultivation has been reported on an area of 26121 ha. including left out area from the previous year (2011-12). In order to enhance the production of vegetable oils and reduce its imports, National Mission on Oilseeds and Oilpalm(NMOOP) TBOs has been approved from Cabinet Committee on Economic Affairs for XII plan. The approach of Mission is to be expanding area of operation, harnessing the potential in the area/district of low productivity, research, resource and conservation technologies, strengthening of inputs delivery mechanism and post-harvest services besides, a focus on tribal area particularly for tree born oilseeds during XII Plan. The Mission also envisages an increase in availability of vegetable oils from last five years average availability (2006-2007 to 2010-2011) of 9.21 million tonnes to 15.00 million tons by the end of 12th Plan. The coverage of the Mission is Mini Mission-I (on oilseeds) in 19 states, Mini Mission-II (on Oil Palm) in 19 states and Mini Mission-III(on Tree Borne Oils) in 28 states.

However, with increasing share of imports, domestic prices of various oils are impacted due to volatility in international prices, particularly that of palm oil. This has increased the vulnerability of domestic producers and consumers. Therefore, calibration of import duty structure wherein rate of import duties varies in counter-cyclical manner with international prices, would help in stabilizing prices of edible oil at reasonable levels and incentivize better technology adoption by oilseed growers. This would reduce our dependence on massive oil imports and contribute towards enhancing food security in edible oil sector.

(Ministry of Agriculture, Department of Agriculture & Cooperation O.M. No. 1-3/2013-CU-II, dated 13.11.2013)

Comments of the Committee

(Please see para No. 1.9 of Chapter-I)

Observations/ Recommendations (Sl. No. 6)

Coarse cereals like maize, jowar, bajra and small millets contain nutrition and have health benefits. The Committee are unhappy to note that the area of total coarse cereals has reduced by 9.24 million ha during the period 1950-51 to 2010-11. It is only in the year 2010-11, a dedicated programme on initiative on Nutritional Security through Intensive Millet Programme (INSIMP) has been launched for promotion of millets in 1000 compact blocks covering about 25000 villages. The scheme is aimed to provide market linked production support, upgrade millet processing technologies and cereals, awareness regarding health benefits to promote balanced nutrition. The Committee desire that the programme should be expanded to cover the entire arid and semi-arid regions of the country. The Committee would like to be informed of the results of the programme.

Reply by the Government

The programme on Initiative on Nutritional Security through Intensive Millet (INSIMP) launched during 2011-12 and continued during 2012-13 and 2013-14 in 16 states. INSIMP programme has made a significant contribution in area expansion, improvement of yield and creation of awareness and demand for millet grains in the country.

An area of 7.73 lakh ha during 2011-12 and 8.30 lakh ha during 2012-13 was covered under demonstration of improved package of practices (PoP) of millets. Area under millets showed increasing trend in respect of sorghum in Andhra Pradesh and

Tamil Nadu; finger millet in Maharashtra and Tamil Nadu, small millet in the states of AP, Karnataka, Maharashtra and arhar of area in the States like Karnataka (sorghum), Tamil Nadu (bajra) and Uttar Pradesh (small millets). Significantly higher yield under INSIMP demonstrations of millets have been reported over the state average yield of 2010-11.

About 300 post-harvesting units have been established in the states of Andhra Pradesh **(70)**, Gujarat **(5)**, Karnataka, **Madhya Pradesh (1) (150)**, Maharashtra **(11)**, Tamil Nadu **(25)** and UP **(31)**. These units have facilitated increased availability of raw material for value added millet based food products.

Awareness generation campaigns (food festivals, millet melas, road show, hoardings, circulation of recipes in regional language, use of jingles) organized by the implementing states have created increased awareness and demand for millet. Besides, millet based Mid-day-Meal programme has been successfully launched on pilot scale basis by Andhra Pradesh in Mahboobnagar district, Karnataka in Kolar district and Maharashtra in Pune Rural district. The programme has been extended in 08 more districts in Karnataka during 2013-14.

Under centrally sponsored Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM), maize development programme was implemented during 11th Plan in 15 states viz., Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Jammu & Kashmir, Tamil Nadu, Uttar Pradesh and West Bengal to increase area, productivity and production of maize.

INSIMP and maize component of ISOPOM have been subsumed in National Food Security Mission (NFSM) and coarse cereals will be undertaken under NFSM from 2014-15 to cover semi and semi-arid regions of the country.

(Ministry of Agriculture, Department of Agriculture & Cooperation O.M. No. 1-3/2013-CU-II, dated 13.11.2013)

Observations/ Recommendations (Sl. No. 8)

The Committee observe that as against the budgetary target of Rs.550 crore during the year 2011-12 under the "Integrated Scheme of Oilseeds, Pulses, Oil Palm

and Maize (ISOPOM)”, the actual was Rs.616 crore. The Committee regret to note that although the actual expenditure exceeded the budgetary target by Rs.66 crore, the achievement of the targeted area expansion under oil palm was merely 24.4 per cent. As against the target of 270 ha during the year 2011-12, the achievement was just 65.91 ha. The Committee urge the Ministry of Agriculture to look into the reasons for this dismal performance under the scheme and take such remedial measures as necessary under intimation to the Committee to ensure targeted achievement.

Reply by the Government

During the year 2011-12, the Government of India launched a special programme on “Oil Palm Area Expansion” (OPAE) under RKVY to bring more area under Oil Palm cultivation in the Country. Under Integrated Scheme of Oilseeds, Pulses, Oilpalm & Maize (ISOPOM), twelve states viz., Andhra Pradesh, Karnataka, Tamil Nadu, Maharashtra, Kerala, Gujarat, Odisha, Assam, Tripura, Mizoram, Goa and West Bengal are covered. But Assam, Tripura and West Bengal is not implementing the programme neither under ISOPOM nor under OPAE. Under OPAE, 9(nine) states viz., Andhra Pradesh, Karnataka, TamilNadu, Gujarat, Odisha, Maharashtra, Chattisgarh, Mizoram and Arunachal Pradesh are covered. In the States of Kerala and Goa, the Oil Palm Development Programme is being implemented under ISOPOM. Due to non availability of suitable areas in these States, only 65.91 ha. area was brought under Oil Palm cultivation as against 270 ha. targeted area fixed for 2011-12. However, the Government of India is making efforts to motivate the North Eastern States for Oil Palm cultivation as huge potential area were identified by Dr. Rethinam Committee constituted by Department of Agriculture & Co-operation. Department has also formulated National Mission on Oilseeds and Oil Palm (NMOOP), which will be implemented during 12th plan period. Under the Mission, additional 5(five) new States viz., Bihar, Manipur, Meghalaya, Nagaland and Sikkim are included for Oil Palm cultivation.

(Ministry of Agriculture, Department of Agriculture & Cooperation O.M. No. 1-3/2013-CU-II, dated 13.11.2013)

Observations/ Recommendations (Sl. No. 10)

As agriculture in the country is largely dependent on the vagaries of monsoon, there is wide-scale fluctuation on food production year after year. The Ministry of Agriculture has stated that there is need for better predictability of temporal and spatial distribution of rainwater, surface water flow and ground water for proper agricultural planning. The Committee would like to be apprised as to what efforts were made to realize the aforesaid need and the outcome thereof.

Reply by the Government

Central Water Commission (CWC) is monitoring live storage status of 85 important reservoirs spread across the country on weekly basis and issue Reservoir Storage Bulletin to various stakeholders including Ministry of Agriculture. During 12th Plan, telemetry system is also being installed on reservoirs so as to automatically know reservoirs storage status.

Central Ground Water Board (CGWB) is carrying out assessment of ground water resources periodically after every two years in association with states. The assessment of ground water resources involves estimation of annual replenishable ground water resources (recharge), annual ground water draft (utilization) and the percent of utilization with respect to recharge (stage of development) and the net ground water availability for future irrigation use.

As per the latest assessment made by the CWC in 2010, the live storage capacity of completed projects is 253.388 billion cubic meter (BCM) , the live storage capacity of project under construction and under consideration for construction by various State Governments are 50.969 BCM and 104 BCM respectively, totalling about 408 BCM. The State Governments are identifying additional storage/ diversion projects for making full use of available surface water.

The present long range forecasting system based on the statistical models has shown some useful results in predicting the all India season rainfall and this method has performed better than the earlier models. Ministry of Earth Sciences (MoES) has recently launched an ambitious project (Monsoon Mission) to improve monsoon forecast in short range (3 days), medium range (7 days), extended range (15 days to one month) and seasonal range (3 months) time scale. Indian Institute of Tropical Meteorology (IITM), Pune is coordinating and working along with different climate research centres from India and abroad on the development of a coupled Climate Forecast System (CFS) model for seasonal and extended range forecast of Indian summer monsoon rainfall. National Centre for Medium Range Weather Forecast (NCMRWF), Noida has been engaged to improve Global Forecasting System (GFS) for short and medium range. India Meteorological Department (IMD) has responsibility to run GFS for operational weather forecast and issued medium range weather forecast for seven parameters viz. rainfall, maximum and minimum temperatures, wind speed and direction, relative humidity and cloudiness quantitatively for the next five days at district level. The accuracy of short range weather forecast is about 70-95% and for medium range weather forecast (rainfall) is of the order of 75-85% in monsoon and more than 85% in non-monsoon period.

Gramin Krishi Mausam Sewa (GKMS) project has been initiated during XII Plan with the objective to downscale existing district level Agromet Advisory Service (AAS) to block level which will enable farmers to take up sowing and other farm operations more judiciously.

(Ministry of Agriculture, Department of Agriculture & Cooperation O.M. No. 1-3/2013-CU-II, dated 13.11.2013)

Observations/ Recommendations (Sl. No. 11)

It is observed from the State-wise data regarding exploitation of underground water that Punjab has the highest percentage of exploitation of ground water at 80 percent followed by Delhi (74 percent), Rajasthan (69 percent), Haryana (59 percent) and Tamil Nadu (36 percent). As regards salinity of ground water found in 71 units, Andhra Pradesh leads with 38 units followed by Gujarat (14 units) and Tripura (11 units). It appears that adoption of direct seeding of paddy reduces the exploitation of underground water upto 66 to 75 percent when compared to transplanted rice. The Committee desire that factual position in this regard be ascertained, practicability of direct seeding of paddy examined and if the outcome is positive, urgent measures be taken to propagate the method in all the aforesaid States.

Reply by the Government

Direct-seeded rice (DSR) is a feasible alternative to conventional puddled transplanted rice with good potential to save water, reduce labour requirement, mitigate green-house gas (GHG) emission and adapt to climatic risks. Rice is direct-seeded by two methods viz., dry and wet seeding based on the physical condition of crop field. Dry seeding is practiced in rainfed lowland, upland and flood-prone areas. Wet seeding is common practice in irrigated areas. It offers several advantages like faster and easier establishment, reduced labour and less drudgery, earlier crop maturity by 7-10 days, more efficient water use and higher tolerance to water deficit, and often higher profit in areas with an assured water supply. The system has been proved to be cost-effective and farmers' friendly but requires further improvement in technological approach to realize greater benefits.

Punjab is a water scarce state and water table is constantly going down in the state. Paddy which is a major crop in the state consumes more than 50% of water consumed in agriculture. Traditionally, paddy is grown by planting seeds in a small nursery and manually transplanting the paddy saplings. The seasonal water requirement of puddle low-land transplanted rice and aerobic (direct seeded) rice in tropical climate is in the range of 1650-3000 mm and 935 mm.

DSR is being propagated in various states through Crop development programmes Like NFSM, BGREI and RKVY by organizing demonstrations on farmer's field in all rice growing states. ICAR, SAUs and international organizations like CIMMYT, IRRI also conducted demonstrations on DSR to envisage the benefits of water and energy in comparison to conventional transplanting.

(Ministry of Agriculture, Department of Agriculture & Cooperation O.M. No. 1-3/2013-CU-II, dated 13.11.2013)

Observations/ Recommendations (Sl. No. 12)

The Committee urge that the results of the project on reclamation and management of water-logged and saline soils, carried out by the Central Soil Salinity Research Institute, Kerala and the experiment carried out by the All India Coordinated Research Project on Ground Water Utilisation, Ludhiana, which has indicated potential of saving irrigation water upto 20-30 percent by adopting the laser land leveling technique, need to be published so that similar projects are taken up for implementation, subject to viability.

Reply by the Government

A number of technical/extension bulletins and leaflets have been published by ICAR and SAUs are as under:

- Extension Bulletin on Laser Leveller for precision land leveling for judicious use of water in Punjab, *Krishi Vigyan Kendra*, Kapurthala, PAU, Ludhiana.
- Extension leaflet on Precision land leveling for improving water productivity published by CSSRI, Karnal.
- Technical bulletin on "Laser Land Leveling: A Precursor Technology for Resource Conservation". Rice-Wheat Consortium Bulletin Series7, New Delhi.
- Manual for Laser Land Leveling, Rice-Wheat Consortium Technical Bulletin Series 5 (under NATP). New Delhi – 110012 (ref.p.156/cor.)

Laser Land Leveler is also being promoted under NFSM and RKVY to reduce the requirement of irrigation water.

(Ministry of Agriculture, Department of Agriculture & Cooperation O.M. No. 1-3/2013-CU-II, dated 13.11.2013)

Observations/ Recommendations (SI. No. 14)

The Committee note that the 'Seed Bank Scheme' has been implemented by the Seed Division of the DAC from 1999-2000 with the objective of meeting requirements of seeds during natural calamities and unforeseen conditions. The objective of the scheme is to address the contingency salvation, if the first crop sown by the farmer has failed. The Committee would like to be informed as to why such Seed Banks have not been established in the States of Himachal Pradesh, Jammu and Kashmir and North-East States and when these States will be covered under the scheme.

Reply by the Government

Seed Bank Scheme is open to all State Governments/State Seeds Corporations who are required to submit proposals for financial assistance for revolving funds as per the requirement of seeds to be maintained in Seed banks for contingency situation (natural calamity/unforeseen conditions) in their state.

As far as North-East-States are concerned, Assam Seeds Cooperation is participating in this programme regularly. To meet the requirement of seeds of other NE States for contingency situation, the National Seeds Corporation (NSC), State Farm Corporation of India (SFCl), Uttarakhand and Tarai Development Seeds Corporation (UK&TDC) are maintaining the seeds.

Ministry of Agriculture, Department of Agriculture & Cooperation O.M. No. 1-3/2013-CU-II, dated 13.11.2013)

Comments of the Committee

(Please see para No. 1.21 of Chapter-I)

Observations/ Recommendations (Sl. No. 16)

The Minimum Support Price (MSP) can be used as an instrument to promote crop diversification by announcing higher prices of certain commodities in comparison to others. The Committee, however, note that MSP as an instrument of crop diversification can be effective only if all the States are capable of undertaking large scale procurement operation. As majority of the States do not have proper procurement infrastructure, the Committee desire that the Centre should take necessary steps to ensure that States strengthen the existing system of implementing MSP in order to promote crop diversification in the country.

Reply by the Government

Ministry of Consumer Affairs, Food and Public Distribution has taken various steps to strengthen procurement of crop produce are as under:

- Before the start of every marketing season, convenes a meeting of State Food Secretaries, FCI and other stake holders to prepare a detailed action plan for making the arrangements of procurement in the coming marketing season. Details of number of procurement centres to be opened and arrangements like purchase of packaging material and storage space are discussed in the meeting.
- Sufficient numbers of procurement centres are opened by FCI/State Government agencies in consultation with the State Governments procurement keeping in view the procurement potential and geographical spread of the State concerned. Review is made from time to time on the need for additional procurement centres, if any, during the procurement season and required additional procurement centres are also opened.
- In view of National Food Security Act (NFSA), the Government has decided to revise the policy of procurement and distribution of coarse grains providing for active role of FCI also along with the state agencies for their procurement and the distribution on

priority under Mid Day Meal (MDM) or Integrated Child Development Scheme (ICDS) Schemes, besides Targeted Public Distribution System (TPDS).

- It is not the exclusive responsibility of the Government of India alone and the State Governments are also required to make requisite arrangements for procurement of foodgrains at MSP so that the farmers do not have to resort to distress sale. Majority of the procurement of wheat, rice and coarse grains is done through State Agencies.

(Ministry of Agriculture, Department of Agriculture & Cooperation O.M. No. 1-3/2013-CU-II, dated 13.11.2013.)

Observations/ Recommendations (Sl. No. 17)

Marketing and processing are the two basic pre-requisite for promoting crop diversification. According to DAC, rural marketing systems needs to be strengthened and modernized. The foremost requirement for the same is to promote storage and processing facilities to avoid the loss of agri-horti produce. The Committee would like to be informed as to what action has been taken in this regard and the targets and achievements during each year of the last three years.

Reply by the Government

Schemes on Development/Strengthening of Agricultural Marketing Infrastructure ,Grading and Standardization (AMIGS) and Gramin Bhandaran Yojana (GBY) are being implemented for grading and standardization of produce.

The physical targets and achievements of storage and primary processing facilities developed during last three years since 2010-12 under both schemes are as under:

S. No.	Period	AMIGS (in number)		GBY (in lakh tonnes)	
		Target	Achievement	Target	Achievement
1	2010-11	520	1173	20	26.62
2	2011-12	520	1317	20	33.92
3	2012-13	400	1259	45	89.73

Food Corporation of India(FCI) undertakes the functions of procurement, storage, movement and distribution of foodgrains only (primarily wheat & rice). Besides, its own storage capacities, FCI are utilizing hired capacities from Central Warehousing

Corporation (CWC), State Warehousing Corporations (SWCs) , State Governments and private parties.

- Creation of Storage capacity under Plan Scheme: FCI's owned capacity is created under the Plan Scheme approved by GOI under five year plans. There is a proposal to augment 6, 10,860 MT capacity for food grain godowns by FCI during 12th Five Year Plan (2012-17). This includes 5,34,640 MT in North East Areas including Sikkim and 76,220 MT capacity in the areas other than North East. The details of targets and capacity completed under Plan Scheme during last three years i.e. 2010-11, 2011-12 & 2012-13 are given as below:

Year	Target	Achievement
2010-11	7500 MT	5000 MT
2011-12	20825 MT	11255 MT
2012-13	13360 MT	4570 MT
Grand Total	41685 MT	20825 MT

- Central Warehousing Corporation (CWC) creates scientific storage facilities together with grading and analysis facilities. During the last three years, following has been the position towards achievements viz. a viz. targets for creating storage capacity by CWC:

Year	Target	Achievements
2010-11	1.77	1.45
2011-12	2.06	2.09
2012-13	2.10	2.35

- In addition to construction of storage capacity under Plan Scheme, Government of India/FCI has formulated a scheme called Private Entrepreneurs Guarantee (PEG)

Scheme for construction of storage capacity through Private Entrepreneurs, CWC & SWCs. Under (PEG) scheme, a capacity of 203.76 lakh MT has been approved for construction of godowns at various locations in 19 States. Out of this, a capacity of 111.11 LMT has been sanctioned to private investors and a capacity of 7.76 LMT & 29.28 LMT has been allotted to CWC & SWCs respectively. Thus the total capacity sanctioned/ allotted is 148.15 lakh MT. A capacity of 77.98 lakh MT has already been created under the scheme.

This Department is implementing the Central Sector Scheme "**Agri-business Development through Venture 'Capital and Project Development Facility for development of the agri- business sector in the country**". The targets and achievements of the scheme during each year of the last three years are as under:

Year	Physical Target	Physical Achievement	Processing Units	Cold Storage
2010-11	65	85	66	19
2011-12	65	121	75	46
2012-13	100	125	61	64

During the XI Plan, Venture Capital Assistance (VCA) has been sanctioned to the tune of Rs 120.17 Crore for 409 projects across the country benefitting approximately 48685 farmers for procurement of their produce and generating employment to approximately 30710 persons in rural areas with total investment leverage of Rs. 1461.02 Crores.

Under National Horticulture Mission (NHM) 714 cold storage projects have been sanctioned with a capacity of 43.11 lakh MT since 2005-06 to address issues on post harvest management. In addition, 18 CA storage , 57 refrigerated vans, 1160 mobile/ primary processing , 3893 low cost onion storage structures, 135 ripening chambers,608 evaporative/low energy cool chambers and 21410 Pusa zero energy cool chambers were established. Besides, for facilitating better marketing facilities, 25 wholesale markets, 237 rural markets, 160 functional infrastructures for collection, grading etc, 33 retail markets/ outlets were

established.

Under Horticulture Mission for North East and Himalayan States (HMNEH), cold storage capacity of 1.80 lakh MT has been created.

(Ministry of Agriculture, Department of Agriculture & Cooperation O.M. No. 1-3/2013-CU-II, dated 13.11.2013)

Observations/ Recommendations (Sl. No. 18)

According to the Report of Central Institute of Post-Harvest Engineering and Technology, the post-harvest losses of fruits and vegetables were found to be in the range of 5.8-18 per cent. The Committee find that cold storage in the country is hugely lopsided in respect of only one commodity-potatoes. It is observed from the commodity-wise distribution of cold storage in the country that the cold storage capacity meant for fruits and vegetables is as little as 0.39 per cent whereas the capacity for potatoes is 75.36 per cent and multipurpose cold storage capacity is 23.09 per cent. The Committee hardly need to emphasize that the serious imbalance in cold storage capacity requires to be addressed urgently with a view to promoting production of fruits and vegetables and other horticulture produce and to prevent distress sale of produce by farmers.

Reply by the Government

Creation of infrastructure facilities such as pack houses, cold storages, Controlled Atmosphere (CA) storage, Ref Vans, etc are being promoted under NHM, HMNEH and NHB schemes. Besides, a National Centre for Cold-chain Development (NCCD) has been constituted in DAC to provide further stimulus to cold chain sector. States are being encouraged to go in for multi-commodity multi-chamber cold storage units.

Ministry of Food Processing Industries (MFPI) is also operating a plan scheme to provide financial assistance to project proposals for cold chain infrastructure development. 63 cold chain projects approved to create 146861 MT of cold storage, 97257 MT of CA/MA storage, 19300 MT of deep freezer, 81.1 lakh litre per day of milk storage, 43.2 MT per hour of IQF and 314 numbers of reefer carriers.

This department is implementing the Central Sector Scheme “Agri-business Development through Venture Capital and Project Development Facility for development of agri- Business sector in the country. The objective of Venture Capital Assistant (VCA) Scheme is to capitalize rural infrastructure and create non-farm employment. A comparative statement of potatoes vis-à-vis multipurpose cold storage for the last three years assisted under the schemes is as under:

Year	Cold Storage	Cold Storage (Potatoes)	Cold Storage (Multipurpose)
2010-11	19	0	19
2011-12	46	11	35
2012-13	64	42	22

The activities proposed to be undertaken by these projects are exclusively linked with the farmers by way of backward linkages providing assured market to them for selling their produce comparatively at better price. The backward linkages with farmers in these projects are made compulsory in order to ensure that promoters extended assured market to them for purchasing their produce as raw material.

(Ministry of Agriculture, Department of Agriculture & Cooperation O.M. No. 1-3/2013-CU-II, dated 13.11.2013.)

Comments of the Committee

(Please see para No. 1.27 of Chapter-I)

CHAPTER-III

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

-NIL-

CHAPTER-IV

OBSERVATIONS/ RECOMMENDATIONS IN RESPECT OF WHICH THE GOVERNMENT'S REPLIES HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Observations/ Recommendations (Sl. No. 7)

The Committee are also of the firm view that the proactive measures are necessary to increase the percentage share of cropped areas for coarse cereals, which can be grown in regions characterized by scanty rainfall, and wastelands as there is still 46.71 million hectare of wastelands in the country according to the Wastelands Atlas of India (2011). The Committee feel that the Ministry of Agriculture in coordination with the Ministry of Rural Development undertake identification and reclamation of wastelands and its use for cultivating coarse grains for expanding diversified agriculture. The Committee would like this aspect to be examined and necessary action taken expeditiously under intimation to them.

Reply by the Government

Ministry of Rural Development is implementing Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). The various activities permitted under MGNREGA for reclamation of wasteland are like construction of irrigation canals, land development, digging of farm ponds, horticulture plantation, farm bunding on land or homestead owned by households belonging to the Scheduled Castes and Scheduled Tribes or below poverty line families. The other activities are permitted such as NADEP composting, vermi-composting, liquid bio-manures especially in context of small and marginal farmers for reclamation of lands. Ministry of Agriculture is implementing INSIMP programme for promotion of cultivation of millets including wastelands in all major coarse cereal growing states. The cultivation of coarse cereals would be undertaken under NFSM during XII Plan to increase area and productivity of coarse cereals in all major coarse cereals growing states.

(Ministry of Agriculture, Department of Agriculture & Cooperation O.M. No. 1-3/2013-CU-II, date 13.11.2013)

Comments of the Committee

(Please see para No. 1.15 of Chapter-I)

Observations/ Recommendations (Sl. No. 9)

The Committee feel that there is need for sustained and accelerated efforts to considerably augment production of horticultural/plantation crops in view of the changing dietary pattern and growing demand for fruits/vegetables. Further, the huge potential in North-East States and the sub-Himalayan Northern States endowed with necessary agro-climatic conditions for horticultural plantation, must be fully harnessed by proper planning and setting targets.

Reply by the Government

During 2001-02, Department of Agriculture & Cooperation, Ministry of Agriculture launched Technology Mission for Integrated Development of Horticulture in North-Eastern States (TMNE). The mission was further was extended to three Himalayan States of Jammu & Kashmir, Himachal Pradesh and Uttarakhand in 2003-04 and renamed as Horticulture Mission for North- East and Himalayan States (HMNEH) for covering all districts of the states in the year 2010-11. The Mission covers entire spectrum of horticulture right from production to consumption through backward and forward linkages.

The various components covered under the Mission are production of planting material of horticulture crops and vegetable seeds in public and private sector, area expansion with improved varieties of horticulture crops and protected cultivation, rejuvenation/ replanting of senile plantations, tissue culture laboratories, centre of excellence in public sector, creation of water resources, organic farming, horticulture, mechanization , pollination supports through bee keeping, mushroom development, promotion of integrated nutrient & pest management harvest management & marketing infrastructure and setting up of processing units.

The area under fruits and vegetables in HMNEH states has increased from 1.4 million ha in 2001-02 to 2.0 million ha in 2011-12 with corresponding increase in production from 10.1 million tonnes to 16.5 million tonnes due to implementation of HMNEH. During 2012-13, area and production of fruits and vegetables is estimated at 2.1 million ha and 17 million tonnes, respectively.

The total approved outlay for HMNEH for the XII Plan is Rs. 3000.00 crore. An amount of Rs. 550.00 crore has been earmarked for the current year 2013-14, of which Rs. 400.00 crore for North Eastern States and Rs. 150.00 crore for Himalayan States.

In order to maintain the growth momentum of horticulture sector, HMNEH activities are proposed to be continued during the XII plan period with more focus on productivity improvement measures coupled with creation of infrastructure for post harvest management, marketing and processing.

Ministry of Food Processing Industries has launched “National Mission on Food Processing” (NMFP) during the XII (2012-13). The States/UTs have been provided flexibility to take up new schemes under NMFP to suit their local requirements keeping in view the availability of raw material in the respective states. The Mission is likely to help the States to realize the potential of Food Processing Sector particularly for various Agri-horticulture.

(Ministry of Agriculture, Department of Agriculture & Cooperation O.M. No. 1-3/2013-CU-II, dated 13.11.2013)

Comments of the Committee

(Please see para No. 1.18 of Chapter-I)

CHAPTER-V

OBSERVATIONS/ RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLY OF THE GOVERNMENT IS STILL AWAITED

Observations/ Recommendations (Sl. No. 13)

The Committee appreciate the steps taken by the DAC to train the Common Service Centre operators in Agriculture with a view to enhancing their capacity to address specific queries from the farmers including those relating to crop diversification. Since the facility of dissemination of information through CSC has been rolled out only in a few States i.e. Himachal Pradesh, Madhya Pradesh, Assam, Maharashtra, Jharkhand, Karnataka and Kerala, the Committee stress that steps should be taken to extend the facility in all States within a time frame under intimation to the Committee.

Reply by the Government

The training of the Common Service Center operators is planned during Phase-II of National e-Governance Programme in Agriculture (NeGP-A) project which is part of National Mission on Agriculture Extension and Technology. In addition to this, access to Kisan Knowledge management System is being extended to Common Service Center operators in all the states. Once completed, same will enable the CSC operators to receive the agriculture related queries from the farmers and escalate the same to the officers concerned.

(Ministry of Agriculture, Department of Agriculture & Cooperation O.M. No. 1-3/2013-CU-II, dated 13.11.2013)

Observations/ Recommendations (Sl. No. 15)

According to the Department of Agriculture and Cooperation, promotion of contract farming, land leasing and land sharing Company with some adaptation would lead to desired vertical integration of all aspects of diversification leading to rural

transformation. The Committee feel that such reforms in land use policy ought to be preceded by a thorough study of merits and de-merits, impact on landless labourers and agricultural population, establishment of regulatory mechanism and so on. The Committee suggest that an expert Committee be formed to go into all aspects of the matter in depth and the Committee be informed of its recommendations.

Reply by the Government

The Committee of State Ministers, In-charge of Agriculture Marketing to Promote Reforms in its Final Report submitted in January, 2013 has made the following recommendations in respect of contract farming:

(3) To encourage contracting parties and simplifying and rationalizing the registration process:

(c) District level authority may be set up for Registration of Contract Farming and no market fee should be levied under it. The APMC should not be the authority for registration/dispute settlement under Contract Farming; and

(d) The disputes may be settled within fifteen days and the decretal amount of appeal should not be more than 10% of the amount of goods purchased under Contract Farming. Appeal should be disposed off within 15 days. No solvency certificate/Bank guarantee may be required from private sponsor/operator, if payment is made to the farmers on the same day of procurement of their produce;

(4) States should promote small and marginal Farmers' Groups/Associations or their Company/Society to encourage Contract Farming in the States. Successful template of Contract Farming may be developed after studying the successful Models adopted in other countries.

State Governments have been asked to convey views on policy recommendations of the Committee.

(Ministry of Agriculture, Department of Agriculture & Cooperation O.M. No. 1-3/2013-CU-II, dated 13.11.2013)

Comments of the Committee

(Please see para No. 1.24 of Chapter-I)

NEW DELHI;
19 December, 2013
Agrahayana 28,1935(Saka)

FRANCISCO SARDINHA,
CHAIRMAN,
COMMITTEE ON ESTIMATES.

MINUTES OF TWENTY-FIRST SITTING OF THE COMMITTEE ON ESTIMATES
(2013-2014)

The Committee sat on Wednesday, the 18th December, 2013 from 1045 hrs. to hrs. in Room No. 52-B, (Chairman's Chamber), Parliament House, New Delhi.

PRESENT

Shri Francisco Sardinha – Chairman

Members

- | | |
|----|----------------------------|
| 2 | Shri Khagen Das |
| 3 | Shri K. Bapi Raju Kanumuru |
| 4 | Dr. Thokchom Meinya |
| 5 | Shri Prabodh Panda |
| 6 | Shri Subodh Kant Sahai |
| 7 | Shri S. Seemmalai |
| 8 | Shri Radha Mohan Singh |
| 9 | Smt Annu Tandon |
| 10 | Shri Mukul Wasnik |
| 11 | Shri Omprakash Yadav |

SECRETARIAT

- | | | |
|---------------------------|----|---------------------|
| 1. Shri M. Louis Martin | - | Joint Secretary |
| 2. Smt. Anita B. Panda | - | Director |
| 3. Shri Srinavasulu Gunda | - | Additional Director |
| 4. Dr. Yumnam Arun Kumar | - | Deputy Secretary |
| 5. Shri U.C. Bharadwa | j- | Deputy Secretary |

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. Then, the Committee took up for consideration the following draft Reports:

(i) *** **

(ii) *** **

(iii) *** **

(iv) Action Taken Report on the Recommendations contained in the Twenty Third Report of the Committee on Estimates (2012-13) on 'Crop Diversification' pertaining to the Ministry of Agriculture (Department of Agriculture and Cooperation) as approved by the Study Group of Committee on Estimates.

3. The Committee adopted the abovementioned Reports without any modification.

4. The Committee then authorized the Chairman to finalise the above reports after factual verification by the Ministries concerned and present the same to Lok Sabha.

The Committee then adjourned.

APPENDIX II

ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE TWENTY THIRD REPORT OF THE COMMITTEE ON ESTIMATES (FIFTEENTH LOK SABHA)

(i)	Total number of recommendations/observations	18
(ii)	Recommendations/Observations which have been accepted by the Government (Sl. Nos. 1, 2, 3, 4, 5, 6, 8, 10, 11, 12, 14, 16, 17, & 18)	14
	Percentage of total recommendations	78%
(iii)	Recommendation/Observation which the Committee do not desire to pursue in view of the Government's reply	Nil
	Percentage of total recommendations	0%
(iv)	Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee (Sl. Nos. 7 & 9)	2
	Percentage of total recommendations	11%
(v)	Recommendation/Observation in respect of which final replies of Government is still awaited. (Sl. No. 13 & 15)	2
	Percentage of total recommendations	11%