

Introductory

**STANDING COMMITTEE ON AGRICULTURE**

**(1999-2000)**

**THIRTEENTH LOK SABHA**

**MINISTRY OF AGRICULTURE**

**(Department of Agriculture and Cooperation)**

**DEMANDS FOR GRANTS (2000-2001)**

**SIXTH REPORT**

LOK SABHA SECRETARIAT

**NEW DELHI**

**April, 2000/Chaitra, 1922 (Saka) Presented to Lok Sabha on 19.4.2000**

**Laid in Rajya Sabha on 19.4.2000**

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

**Shri S.S. Palanimanickam - *Chairman***

**Members**

*Lok Sabha*

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2. Shri Shivraj Singh Chouhan
3. Shri Shamsheer Singh Dullu
4. Shri Ramdas Rupala Gavit
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**41Shri Sharief-Ud-Din Shariq**

**42Shri Devi Lal**

**43Shri Kanshi Ram**

**44Shri A.R. Kidwai**

**Secretariat**

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

## **PREFACE**

I, the Chairman, Standing Committee on Agriculture having been authorised by the Committee to submit the report on their behalf, present this Sixth Report on Demands for Grants of the Ministry of Agriculture (Department of Agriculture and Cooperation) for the year 2000-2001.

2. The Standing Committee on Agriculture was constituted on 31<sup>st</sup> December, 1999. One of the functions of the Standing Committee as laid down in Rule 331E of the Rules of procedure and Conduct of business in Lok Sabha is to consider the Demands for Grants of the concerned Ministries/Departments and make a report on the same to the Houses. The report shall not suggest anything of the nature of cut motions.

3. The Committee took evidence of the representatives of the Ministry of Agriculture, Department of Agriculture & Cooperation on 28<sup>th</sup> March, 2000. The Committee wish to express their thanks to the officers of the Ministry of Agriculture, Department of Agriculture & Cooperation for placing before them, the material and information which they desired in connection with the examination of Demands for Grants of the Ministry for the year 2000-2001 and for giving evidence before the Committee.

4. The Committee considered and adopted the Report at their sitting held on 10<sup>th</sup> April, 2000.

**New Delhi;**

**S.S.**

**PALANIMANICKAM,**

**10<sup>th</sup> April, 2000 Chairman,**

**21 Chaitra, 1922 (Saka)**

**Committee on Agriculture**

**Standing**

## **PART I**

### **CHAPTER - I**

#### **Introductory**

1.1 Indian agriculture is the key to all strategies of planned economic development in India. It contributes about 26 per cent of the country's Gross Domestic Product and provides food to one billion people of the country. The Department of Agriculture & Cooperation in the Ministry of Agriculture is responsible for implementing the agricultural development programmes in the Central and Centrally Sponsored Sectors. The Department of Agriculture and Cooperation had proposed an outlay of Rs. 18253.81 crores excluding 75 crores of State Plan Schemes for the Ninth Five-year Plan but only Rs. 9153.82 crores has been provided to this Department by the Planning Commission.

1.2 Sector-wise 9<sup>th</sup> Plan Outlay Proposed by Department of Agriculture and finally approved by Planning Commission is as under:

(Rs. in crores)

S.o.	Name of Division/Scheme	IX Plan outlay	
		Proposed by DAC*	Finally Approved by Planning Commission
1.	Agricultural Census	56.50	48.00
2.	Cooperation	1362.45	765.00
3.	Credit	5078.49	1633.85
4.	Crop	1353.00	1279.82
5.	Extension	421.00	180.00
6.	Fertiliser	186.97	167.50
7.	Agri. Implements & Machinery	1052.00	96.00

8.	Horticulture	2380.00	1298.00
9.	Plant Protection	503.90	122.51
10.	Rainfed Farming System	1595.00	1030.00
11.	Seeds	138.25	130.00
12.	Dte. of Econ. & Stat. & CACP	362.16	244.00
13.	Soil & Water Conservation	1656.34	891.62
14.	TMO&P	2058.75	906.00
15.	Natural Disaster Management	14.00	40.00
16.	Trade (SFAC) & Int. Cooperation	20.00	40.00
17.	Information Technology	-	180.00
18.	Secretariat Economic Services	15.00	15.00
19.	Plan Coord. (Macro Management)		3.00
20.	Agri. Marketing		70.00
21.	Policy Division		12.72
	<b>Total Plan Outlay</b>	<b>18253.81</b>	<b>9153.82</b>

**State Plan Schemes**

1.	Watershed Development in Shifting Cultivation Areas in NE- States.	75.00	75.00
<b>Total</b>		<b>18328.81*</b>	<b>9228.82</b>

\*excluding fisheries division.

## CHAPTER - II

### Overview of Demands

2.1 The BE & RE for 1999-2000 & BE for 2000-2001 for Demand No.1 pertaining to the Department are as under:

(Rs. in crores)

BE 1999-2000		RE 1999-2000		BE 2000-2001	
Plan	Non-plan	Plan	Non-plan	Plan	Non-plan
1956.00	4580.85	1492.00	4585.00	1965.00	4190.97

2.2 The Committee in its earlier Reports on Demands for Grants has been emphatically asking for a higher allocation in the RE stage. In spite of that during the year 1999-2000 the plan allocation for the Department of Agriculture and Cooperation has come down to Rs. 1492.00 crores in the RE stage from Rs. 1956.00 crores in the BE stage. This accounts to reduction of Rs. 464.00 crores i.e. 23.72% reduction. The Plan allocation in BE (2000-2001) has been kept at almost the same level as BE (1999-2000).

2.3 There has been a sharp decline in allocation for Department of Agriculture & Co-operation as a percentage to Central plan outlay as shown in table below:

Year	Central Plan Outlay (GOI)	Deptt. of Agri & Co-operation (excluding State plan)	Per cent share
2000-2001	117334	1950	1.66
1999-2000	103521	1941	1.87
1998-1999	105187	1416	1.84
1997-1998	91839	1471	1.54
1996-1997	85004	1471	1.73

2.4 It may be observed from the above table that Plan Outlay to Department of Agriculture & Cooperation was increased only by 0.46 per cent during 2000-2001 (Rs. 1950 crore) over that of 1999-2000 (Rs. 1941 crore). However, there was no increase in the Plan Outlay for the Department during 1999-2000 over that of the previous year. By and large, in the last five years, the percentage share of Agriculture varied between 1.5% to 1.8%, even though 64% of the

workforce are engaged in agriculture and allied activities and the contribution of the Agriculture Sector to the total GDP is around 27%. Incidentally, the Government had been aiming at doubling the food production and making India hunger free by the next 10 years.

2.5 When asked whether the budget allocation would be sufficient to meet the objectives of National Agenda of doubling food grain production in ten years, the Department in a written reply stated that the DAC had projected a total requirement of Rs. 9153 crore for the 9<sup>th</sup> Plan. During the first three years of the Plan an expenditure of Rs. 4410.88 crores had been incurred leaving Rs. 4742.92 crore to be utilised during the remaining two years of the 9<sup>th</sup> Plan. However, against the requirement of Rs. 2964 crore for the year 2000-2001, a budget provision of only Rs. 1965 crore has been made for the Department. Hence, it would be difficult to sustain the levels of programme implementation envisaged to meet the objective of doubling food production in 10 years.

2.6 Moreover, a number of new schemes proposed for implementation in the 9<sup>th</sup> Plan could only be launched in the third year of the Plan, due to delays in obtaining the necessary approvals. Some major programmes are still to receive the requisite clearances preceding actual implementation.

2.7 Secretary, DAC in this regard stated during evidence that during the last one year, we have been able to activate this Department and the function has been geared up. Till beginning of the last year, in fact, we were functioning on the Eighth Plan Mode mostly. To the extent practically the new schemes for the Ninth Plan had been approved or cleared and some of the old schemes, wherever we recommended modifications, had also not been done. It is only during the last one year that we have been able to get some of the new schemes for the Ninth Plan cleared. Most of them have been cleared in the second half of the year and some in the last four months of the year only. We have just started functioning in the Ninth Plan Mode, not fully yet, but to a certain extent this year.

2.8 The Committee further enquired if the amount of Rs. 2964 crore as projected by the Department was imperatively needed, the Secretary (DAC) stated that "when we asked for this amount of Rs. 2964 crore, this was predicated on clearance of all our schemes and proposals as they are. If some of those schemes are not cleared, ultimately some of those projects were not cleared by the Planning Commission and others, this amount of Rs. 2964 crore would not have been necessary."

2.9 The Committee enquired if the reduced allocation would adversely affect the food production the Secretary stated that "to the extent our requests and demands are not being made, we do apprehend that there will be an adverse fall out. We have made it clear to the Planning Commission during the mid-term review meeting of the Ninth Plan. We have made it very clear that those targets are extremely unlikely to be met because till the mid-term review that took place some time in the middle of current year, July, August or September, half the plan period has passed. At that time, two-and-a-half years have passed. Till then, most of our plans have not been cleared. The money has not been adequately given."

2.10 He also stated that the Department would not be able to achieve 9<sup>th</sup> Plan targets in its all likelihood.

2.11 The sector-wise proposed and approved outlay for 2000-2001 are as under:

**(Rs. in Crores)**

S.No.	Name of Division	2000-2001	
		Outlay Proposed	Outlay Approved
1.	Crops	338.35	142.75
2.	TMOP	212.49	165.00
3.	Horticulture	442.60	191.25
4.	Seeds	48.35	27.64
5.	Fertilisers	63.93	12.83
6.	Plant Protection	39.81	25.00
7.	Agricultural Machinery	29.20	8.30
8.	Rainfed Farming	226.00	156.85
9.	Soil Water Conservation	195.00	62.18
10.	Credit	869.21	401.87
11.	Cooperation	204.46	106.33
12.	Extension	62.63	45.00
13.	Dte. of E&S & CACP	57.76	55.00
14.	Agriculture Census	16.18	13.00
15.	Agri. Marketing	25.00	10.00
16.	Inf. Technology	98.00	13.00
17.	Policy Division	5.25	8.00
18.	Macro-Management	3.00	490.00



19.	NDM	11.37	7.00
20.	Sectt. Eco. Service	4.00	4.00
21.	Trade (SFAC)	11.90	5.00
	<b>Total</b>	<b>2964.49</b>	<b>1950.00</b>
	<b>State Plan Schemes</b>	-	-
22.	Watershed Development in Shifting Cultivation in NE States	15.00	15.00
	<b>Total</b>	<b>2979.49</b>	<b>1965.00</b>

2.12 The Committee then enquired the reasons for 23% reduction in RE (1999-2000) as compared to BE (1999-2000) the Ministry in a written note to the Committee stated "The primary reason for the reduction in the RE as compared to the BE 1999-2000 as stated by the Department is the non-approval of several new initiatives proposed by the Department. These schemes had been provided outlay at the budget stage but could not be launched for want of requisite clearance. As a result expenditure levels were lower than expected and consequently the RE was subjected to reduction.

2.13 A major constraint faced by the Department in releasing funds to the States, is large amount of unspent balances lying with State Governments."

2.14 During evidence the Committee enquired about the monitoring done by the Central Government in regard to utilisation of funds by States the Secretary informed that "we have monitored it. We have two modes of monitoring. One is through periodical conferences and meetings that we hold at the national level. Twice in a year, we hold the National Rabi Conference and National Kharif Conference. These are two important modes of monitoring. Then, we have other national conferences like National Conference on Horticulture from time to time. We have other meetings also. We have zonal meetings for input supplies, fertiliser, and seeds.

2.15 The second mode is by our officers visiting the States. Area Officers are designated for each State or a group of States. These officers visit from time to time. During their tours, they discuss with the State Government officials the progress of implementation of schemes, how they are going and how to improve them."

2.16 The Secretary further informed that State Agriculture Departments are not receiving funds from their respective State Finance Departments. Therefore, they write to Chief Secretaries to release the funds in time.

2.17 The Secretary also stated that new macro-management approach when implemented is expected to improve the situation.

2.18 The following are the details of Non-Planexpenditure in respect of the Department of Agriculture & Cooperation:-

Year	Expenditure
1995-96	Rs. 649.614 crores
1996-97	Rs. 1724.52 crores
1997-98	Rs. 2650.60 crores
1998-99	Rs. 3863.15 crores
1999-2000	Rs. 4585.84 crores (RE)
2000-2001	Rs. 4190.97 crores (BE)

### Allocation for North Eastern Region

2.19 In 1998-99 a sum of Rs. 66.03 crore was released to the North-Eastern Region including Sikkim, which was 4.92%. In 1999-2000, so far Rs. 44.60 crore has been released upto December, 1999 against the total RE of Rs. 1477 crore, amounting to 3.02%. Sector-wise details are given below:

(Rs. in Crores)

Divisions	1998-1999			1999-2000			2000-2001
	Total Allocation	Allocation to North-East	Released to North East	Total Allocation	Allocation to North-East	Released to North East	Allocation for North-Eastern States
1.	2.	3.	4.	5.	6.	7.	8.
1. Crops	119.47	7.48	4.00	116.55	10.27	2.79	6.55
2. TMOP	154.96	7.42	7.56	161.40	7.89	12.30	23.00
3. Horticulture	221.04	16.47	11.94	239.81	14.86	5.34	58.70
4. Seed	3.79	-	-	22.30	-	0.05	2.40
5. Fertiliser	6.43	-	0.05	14.70	-	0.06	0.91
6. Plant Protection	17.01	-	-	24.00	-	-	2.50
7. Agriculture Machinery	17.90	0.82	0.27	19.26	0.72	0.32	1.08
8. RFS	225.26	21.00	22.06	180.92	22.20	12.17	41.00

9. SWC	163.76	0.25	15.85	150.98	17.81	8.76	9.06
10. Credit	222.68	-	0.42	330.32	0.09	0.64	1.84
11. Cooperation	136.22	-	1.99	103.01	-	1.38	1.00
12. Extension	12.21	-	0.88	32.00	0.70	0.39	2.48
13. E&S	30.10	0.67	0.39	48.41	1.06	0.23	1.30
14. Agri. Census	6.89	0.60	0.62	7.28	0.45	0.17	41.98
15. IT	0.34	-	-	9.01	-	-	0.70
16. NDM	1.80	-	-	3.25	-	-	0.50
17. Trade	0.56	-	-	2.56	-	-	-
18. Agri. Marketing	-	-	-	6.95	-	-	-
19. Policy	-	-	-	0.82	-	-	-
20. Sectt. Eco. Service	2.24	-	-	3.53	-	-	-
<b>Total</b>	<b>1342.66</b>	<b>54.71</b>	<b>66.03</b>	<b>1477.00</b>	<b>76.05</b>	<b>44.60</b>	<b>195.00</b>
		<b>4.07%</b>	<b>4.92%</b>		<b>5.16%</b>	<b>3.02%</b>	<b>10%</b>

2.20 A Technology Mission for the development of horticulture in the North East Region, including Sikkim, has been proposed with the objective to establish convergence and synergy and to achieve horizontal and vertical integration among numerous ongoing governmental programmes in the field of horticulture. The Mission envisages the development of infrastructure facilities like nursery, tissue culture units, markets, cold storage, processing and transport facilities for the development of horticulture in the region.

2.21 The Ministry further informed the Committee that scheme has not yet been approved by the Planning Commission.

2.22 When asked the reason on account of which the scheme has not been approved by Planning Commission, the Secretary (Agriculture) informed during evidence that they do not know anything about it as Planning Commission has not asked for any clarification from Ministry.

### **Macro-management Mode**

2.23 During 2000-2001 a new approach to management of Agriculture named Macro-Management, to ensure timely and effective application of limited allocation has been adopted by the Government. The Department proposes to subsume 28 on-going centrally sponsored schemes under macro-management mode work plans approved on MOU basis. During 2000-2001, Rs. 490 crore have been earmarked for this mode which is to be operationalised from 1<sup>st</sup> April 2000.

2.24 Ministry in a written note regarding this new approach stated that despite its overwhelming importance, the agricultural sector in India faces problems of uneven growth and low productivity

and intense internal pressures arising from population growth and degradation of natural resources. It has come to be recognized that area-specific initiatives need to be undertaken to address specific issues in agricultural development.

2.25 The reform package formulated by the Department to respond adequately to the challenges envisages that, while the States will focus on primary initiatives, the Centre would need to supplement/complement these efforts and also undertake independent initiatives in areas in its direct control. DACs role will also be that of advocacy, articulation and facilitation to help the States in their efforts.

2.26 DAC will move away from programmatic approach to a macro-management mode of assistance to States in the form of Work Plans, formulated in an inter-active mode and implemented in a spirit of partnership with the States. The present pattern of rigidly conceived, uniformly structured Centrally Sponsored Schemes, permitting little or no flexibility, which does not meet the varied requirements across different agro-climatic zones, will be dispensed with as soon as the Work Plans are finalized and approved.

2.27 Following are the schemes to be included in Macro-management Mode along with the funds allocated therefor during 2000-2001:

S.No.	Name of the Scheme	Amount (Rs. in Crores)
1.	Assistance to Weaker Section Co-operatives	1.95
2.	Assistance to Co-operatives for Women	1.72
3.	Assistance to Co-operative credit institutions in the under developed states and special Areas. (Non Over due cover)	2.25
4.	Agricultural Credit Stabilisation Fund	5.25
5.	Special Scheme for scheduled castes and scheduled Tribes	0.63
6.	Integrated cereal Development Programme in Rice Based Cropping System Areas (ICDP-Rice)	53.25
7.	Integrated Cereals Development Programme in Wheat Based Cropping System Areas (ICDP-Wheat)	-

8.	Integrated Cereals Development Programme in Coarse Cereals Based Cropping System Areas (ICDP-Coarse Cereals)	-
9.	Special Jute Development Programme	3.00
10.	Sustainable Development of Sugarcane Based Cropping System SUBACS	6.00
11.	Balanced and Integrated use of Fertilisers	11.17
12.	Promotion of agricultural mechanization among small farmers	11.70
13.	Integrated Development of Tropical Arid and Temperate Zone Fruits	26.25
14.	Production and Supply of Vegetable Seeds	-
15.	Development of root and tuber crops	-
16.	Development of Commercial Floriculture	-
17.	Development of Medicinal and Aromatic Plants	-
18.	Development of Cashews including cocoa	12.00
19.	Integrated Programme for Development of Spices	22.50
20.	Development of Mushroom	1.50
21.	Use of Plastics in agriculture	60.00
22.	Bee Keeping	1.50
23.	National Watershed Development Project for Rainfed Areas (NWDPA)	170.15
24.	Scheme for Foundation and Certified Seed Production of Vegetable Crops	2.36
25.	Soil Conservation in the catchments of River Valley Projects and Flood Prone Rivers	89.44

26.	Reclamation and Development of Alkali (Usuar) soils	3.75
27.	Strengthening of State Land Use Boards	2.63
28.	Macro-management	1.00
	<b>Total</b>	<b>490.00</b>

2.28 Under this mode 25% of total allocation for 2000-2001 has been included in the budget head of respective schemes and the balance 75% has been included under the Budget Estimates for Macro-Management. About the specific objective of the Department for making such an arrangement, Ministry informed that the 25% allocation under various schemes is mainly intended for meeting expenditure on components, other than those related to assistance to States. However, in case of delay in the approval of the new Scheme, this provision will be used for providing initial assistance to the States. About the role, and benefits to States, Ministry in a written reply stated that the proposal will accord greater flexibility to State Governments to develop and pursue activities on the basis of regional priorities, enhance the productivity of support programmes and bring synergy of activities for the benefit of farmers.

2.29 The States will be concerned with the implementation of interventions included in the Work Plans in a time-bound manner. The implementation of the Work Plans will be closely monitored and evaluated. The Government of India will release funds to the States for implementation of Work Plans through the State Finance Departments in suitable instalments depending upon the proposals received from States and accomplishment of milestones included in Work Plans. The States will also need to provide utilisation Certificates.

2.30 The Secretary (DAC) in this connection during evidence stated that "I must mention one word here that this scheme has not been finally cleared by the normal processes of EFC. The Planning Commission has given their approval in principle. Whatever I say here that Macro Management Mode will be like this or like that, will be depending on the outcome of EFC process and further processes, which are mandatory for us."

2.31 In the Kharif Conference, which was held two days back, we had a lot of discussions on macro management and many of the doubts of the State Governments were clarified. Now, the functioning of Macro Management Mode is to take place from the 1<sup>st</sup> April, 2000. It is not likely that it will be through by that time and in that case, the States will be able to implement the Centrally sponsored schemes as before but in the course of this year, they will switch over to the Macro Management Mode.

2.32 When asked about the expected clearance of the scheme the Secretary stated that it is a very difficult question and they are making all attempts and hopefully it will be cleared within two or three months.

## **CHAPTER - III**

### **Crops**

3.1 The Secretary (AC) informed the Committee during evidence that in 1999-2000 the food grain production is going to touch 201.5 million tonnes despite adverse weather situation in many parts of the country. This is only 1.5 MT less than the record food grain production of 203 million tonnes

achieved in 1998-99. He further stated that in most major rabi crop areas, the farmers of India have been enabled by the State Government and the Central Government together to achieve this year production.

3.2 The following table gives the targets & prospects of production of foodgrain during 1999-2000.

(In Million Tonnes)

<b>Crops</b>	<b>Target 1999-2000</b>	<b>Advanced Production Estimated (Kharif Area)</b>
<b>Rice</b>	86.00	87.48
<b>Wheat</b>	74.00	68.74
<b>Coarse Cereals</b>	34.00	29.14
<b>Pulses</b>	15.50	13.60
<b>Total Foodgrain</b>	210.00	199.06

3.3 In order to supplement the efforts of the State Governments for increasing the productivity and production of cereals and cash crops, the following Central/Centrally Sponsored Schemes are being implemented during 9<sup>th</sup> Plan Period.

**(A). Centrally Sponsored Schemes**

1. Integrated Cereals Development Programme in Rice Based Cropping System Area (ICDP-Rice)
2. Integrated Cereals Development Programme in Wheat Based Cropping System Areas (ICDP-Wheat)
3. Integrated Cereals Development Programme in Coarse Cereals Based Cropping System Areas (ICDP-Coarse Cereals) (except Maize)
4. Intensive Cotton Development Programme
5. Special Jute Development Programme (SJDP)
6. Sustainable Development of Sugarcane Based Cropping System (SUBACS)

3.4 For Centrally Sponsored Schemes, the funding pattern between the Government of India and States is 75:25 basis except for Special Jute Development Programme, which is 100% funded by the Government of India.

**(B). Central Sector Schemes**

3.5 Seed Minikit Programme of Rice, Wheat & Coarse Cereals including propagation of Improved Crop Production Technology.

**Allocations under CS/CSS 1999-2000 & 2000-2001**

(Rs. in lakhs)

<b>Sl. No.</b>	<b>Schemes</b>	<b>1999-2000</b>	<b>2000-2001</b>
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		<b>Allocation</b>	<b>Anticipated Expenditure</b>	<b>Allocation</b>
(a)	<b>Centrally Sponsored Schemes</b>			
1.	<b>ICDP Rice</b>	<b>4700</b>	<b>3291</b>	<b>775</b>
2.	<b>ICDP Wheat</b>	<b>3200</b>	<b>1729</b>	<b>500</b>
3.	<b>ICDP Coarse Cereals</b>	<b>3000</b>	<b>3000</b>	<b>500</b>
4.	<b>Intensive Cotton Development programme</b>	<b>6100</b>	<b>6100</b>	<b>6460</b>
5.	<b>SJDP</b>	<b>200</b>	<b>154</b>	<b>100</b>
6.	<b>SUBACS</b>	<b>2100</b>	<b>1100</b>	<b>175</b>
(b)	<b>Central Sector Scheme</b>			
1.	<b>Seed Minikits of Rice, Wheat and Coarse Cereals</b>	<b>685</b>	<b>638</b>	<b>696</b>

3.6 It has been observed that in the Crops Division under the schemes ICDP-Rice, ICDP-Wheat, ICDP-Coarse Cereals, Sugarcane Development Scheme Special Jute Development Programme, there are shortfalls in financial targets.

3.7 Giving the reasons for the shortfalls and steps taken to improve the fund utilisation the Ministry in a written reply stated that the main reasons for shortfall in utilisation of funds as well as shortfall in physical achievements during the year 1997-98 and 1998-99 were mainly as follows:

1. Huge amount of unspent balance were lying with the States, as a result of which less funds were released to the State Governments.
2. Late issue of state level sanctions for implementation of the programme.
3. Since all the schemes except Jute Development Programme are on 75:25 basis, many of the states could not contribute their matching share because of that the implementation has not been fully undertaken.
4. Schemes provide assistance on certain components like bullock drawn farm implements, whereas farmers are going for more power driven equipments, as a result a number of States have not implemented this component.

3.8 In order to improve the utilisation of funds as well as to achieve the physical targets during 1999-2000, following steps have been taken:



1. The administrative approval along with revalidations for implementation of the scheme were issued in first fortnight of May, 1999 except for Sugarcane, which was issued on 21<sup>st</sup> May, 1999.
2. State Governments were requested to issue the State level sanctions and release the state share along with central share to their implementing agencies at the field level well before sowing of crops in order to facilitate fuller implementation of the different programme components.
3. The various issues/problems of the states regarding the implementation of the scheme are examined and discussed at the National Conference and Area Officers Meetings, etc. so as to facilitate the implementation of the programme components to the maximum possible extent.
4. For speedy implementation and monitoring of the scheme the capabilities of the Crops Division and Crop Development Directorates have been strengthened through computerisation.

### **Technology Mission on Cotton**

3.9 In order to bring the entire gamut of research, development, marketing and processing of cotton under one umbrella in a mission mode to improve the production, productivity and quality of Indian cotton a technology mission on cotton has been launched on 21<sup>st</sup> February, 2000. The main objectives of the mission are:

1. To improve the yield and quality of cotton, particularly in respect of staple length, micronaire, strength, etc. by developing better cotton varieties and through improved seeds and Integrated Water, Nutrient and Pest Management Technologies and their transfer to farmers.
2. To increase the income of the cotton growers by reducing the cost of cultivation apart from increasing the yield per hectare by proper transfer of technology to the growers thereby increasing the production and availability of cotton for internal consumption and exports.
3. To improve the quality of cotton, particularly in respect of trash, contamination, etc. by improving the infrastructure in the market yards for cotton, by providing better facilities for cotton marketing and reducing foreign matters, resulting in minimum contamination in cotton.
4. To improve cotton processing facilities by upgrading/modernising the existing ginning and pressing factories, resulting in cotton processing with minimum or no contamination to achieve better value added products like yarn, cloth, garments, made-ups, etc.

3.10 Under the technology mission on cotton four mini missions have been established.

1. Mini Mission I for cotton research and technology generation is with the Indian Council of Agricultural Research (ICAR) as the Nodal Agency.
2. Mini Mission II on transfer of technology and development is with the Ministry of Agriculture, Department of Agriculture & Cooperation as the Nodal Agency.
3. Mini Mission III on improvement in marketing in infrastructure is with the Ministry of Textiles as the Nodal Agency.
4. Mini Mission IV on modernisation/upgradation of G&P factories is also with the Ministry of Textiles.

Government of India and State Governments on 75:25 basis will mostly share the expenditure in Mini Mission II. No separate allocation has been proposed to be made for the Mission. The expenditure will be met out of the provisions made in the 9<sup>th</sup> Five-Year Plan.

3.11 The Committee inquired about the domestic production of cotton vis-à-vis world market, the Secretary (A&C) stated:

"A very basic thing in the WTO regime is that we have to be competitive and to be competitive

means, more productivity and less cost. That is what we are aiming for. We are precisely for IPM in a big way so that pesticides cost will be reduced. We are taking various steps in the Cotton Technology Mission. Cotton is the beginning of any crop and in Cotton, not having good seed has been one of the biggest stumbling blocks. Therefore, we are concentrating on seed and seed technology for cotton and under the Technology Mission for Cotton, as it is going on, next year it will be fully operational and very good results are expected."

3.12 With regard to Cotton export he further clarified that the quota for 1998-99 was five lakh bales. This year also they have made five lakh bales. But this year, we are unable to export substantially. This year it is almost less by Rs. 450 per bales. Because of this problem, we are unable to export much this year. But in other areas we have substantially exported. Earlier, we were exporting around five lakh bales. Our productivity is almost half of the world's average productivity. World's average productivity is around 558 kg. link per hectare whereas in our country it is 260 kg. link per hectare. So, we have this kind of scenario."

3.13 The Committee further inquired the share of the crop purchased by Cotton Corporation of India, the Representative of Department of Cooperation informed that 70% of cotton is purchased by private traders, 30 per cent by organised sector through Government and Public Institutions. Purchase of CCI is around 10 per cent.

## CHAPTER - IV SEEDS

4.1 Seed is a crucial and vital input for attaining sustained growth in agricultural production and productivity in different agro-climatic regions and different geographical locations. Seeds are also critical for achieving the desirable nutrition attributes in food crops and for introduction of new crop varieties in non-conventional areas.

4.2 The schemes being implemented/proposed to be implemented in Seed Division during the IX Plan Period are Central Sector Plan Schemes. The allocation for IX Plan, Scheme-wise and year-wise is as under:

(Rs. in lakhs)

Sl. No.	Name of Scheme	IX Plan Outlay	Approved Outlay 1997-98	Approved Outlay 1998-99	Approved Outlay 1999-2000	Approved Outlay 2000-2001
1.	Transport Subsidy on movement of seeds to NSC/ SSCs/ Agro. Inds./ Apex. Coop./ Fed./ Societies	1000.00	30.00	100.00	198.00	210.00
2.	Foundation and Certified seed Production of Vegetable crops	2000.00	88.00	300.00	431.00	315.40

3.	Pilot Scheme on Seed Crop Insurance	1000.00	-	100.00	100.00	252.60
4.	National Seeds Project-III	425.00	410.00	25.00	1.00	5.00
5.	NPVD (Original Scheme) Renamed as Establishment & Maintenance of Seed Bank	1500.00	400.00	400.00	-	-
		3780.00	-	-	1496.00	847.00
6.	Implementation of PVP Legislation.	900.00	-	100.00	218.00	270.00
7.	Quality Control Arrangement on Seeds	2000.00	42.00	375.00	556.00	600.00
8.	Loans & Advances to SFCI	1175.00	-	100.00	443.00	500.00
	<b>Total</b>	<b>13480.00</b>	<b>970.00</b>	<b>1500.00</b>	<b>3443.00</b>	<b>3000.00</b>

### Foundation and Certified Seed Production of Vegetable Crops

4.3 The Government of India, during 1995-96, initiated a Central Sector Scheme on Streamlining Certified Seed Production of important vegetable crops and continued upto 1996-97 in the vegetable seed producing States. However, from 1998-99, the scope of this scheme has been widened by including the components of foundation seed production and the creation of infrastructural facilities for processing and packaging of vegetable crops.

4.4 The financial target for the IX Five Year Plan under this scheme was 2000 lakhs. The financial target for 1997-98 was Rs. 88.00 lakhs and the achievement was also Rs. 88.00 lakhs. For 1998-99, the financial target was Rs. 300.00 lakhs but actual expenditure was Rs. 75.00 lakhs. This shortfall was due to the lack of timely creation of a separate budgetary head for release of funds to Central agencies. The budget estimate for 2000-2001 is Rs. 315.40 lakhs as against RE of Rs. 431.00 lakhs for 1999-2000.

4.5 The details of targets and achievements made in the production of breeder and foundation seed and distribution of certified/quality seeds during the years 1997-98 to 2000-2001 are given below:

Year	Breeder Seed (in qtls.)*		Foundation Seed (in lakh qtls.)**		Certified/Quality Seed- Distribution (in lakh qtls.)***	
	Target	Achievement	Target	Achievement	Target	Achievement

1997-1998	46184.39	46134.73	---	6.84	75.50	78.79
1998-1999	55069.64	38994.48	---	6.75	83.00	84.97
1999-2000	49765.76	50350.00	---	Awaited	91.00	91.00
2000-2001	50445.00	---	---	---	100.00	---

\* The State Governments send their indents for Breeder Seed, which is sent to the Indian Council of Agricultural Research for arranging production. The indents sent by the State Governments are taken as targets and the supplies made by Indian Council of Agricultural Research as achievements.

\*\* Breeder Seeds multiplied into Foundation Seed by respective State Governments are taken as production figure of Foundation Seed. Ministry of Agriculture does not fix any target for production of Foundation Seed.

\*\*\* For Certified/Quality Seed only the targets for distribution are drawn up by the Government of India. For the year 1999-2000, achievement figure is anticipated.

4.6 In context of certified seeds and their distribution, during evidence when enquired as to how to get 100 per cent satisfaction in regard to getting right quality seeds within time by the farmers, special Secretary in DAC stated that "the Working Group of the Ninth Plan on Seeds went into this question. We found that there are different crops that require different replacement."

4.7 Stating about the programmes to give certified or quality seeds to the farmers within a short time, he further informed that "there are three or four programmes. In Cotton Mission, there is a very large programme for encouraging production of breeder seed, foundation seed and also certified seed. In our Crop Oriented Programme, there are programmes on rice, wheat, oilseeds and pulses. We have programmes to provide incentives to the seed producers. In oilseeds and pulses, for example, we have, what is known, Seed Village Scheme that let seed be produced in a localised area so that farmers learn the technology. They are also able to get seed and transportation is also avoided.

4.8 Recently, we have also worked out the Seed Bank Scheme which has also been approved under which the National level Corporation and also State level Corporations will produce and also start giving a certain minimum quantity of seed which can be used in a contingency situation. The overall seed policy is also encouraging the private sector to come into the seed certification system. There are a number of initiatives that have been taken up.

4.9 In fact, I mentioned about the Ninth Plan Working Group. We found there how certain crops will take five-year framework. For each 20 per cent, if you are able to do 20 per cent, you are replacing 20 per cent and then solving the problem. In some crops, we found that it will require 10 years. For example, in the case of pulses, replacement ratio is only 2 per cent. In fact, one has to take into consideration longer period."

### **Loans and Advances to State Farm Corporation of India (SFCI)**

4.10 The State Farms Corporation of India (SFCI) is a Public Sector Undertaking under the control of Seeds Division. The principal programmes of the Corporation are:-

1. Production of breeder and foundation seeds of cereals, fiber and vegetable crops.
  2. Certified seed production for State Seeds Corporations and other agencies.
  3. Production of Test Stock seed in respect of identified but pre-released varieties.
  4. Commercial production of Orchard and plantation crops.
  5. Production and distribution of planting materials of outstanding horticultural and plantation crops.
- 4.11 An allocation of Rs. 1175.00 lakhs is available in IX Plan for Loan to SFCI. During 1998-99, an amount of Rs. 100.00 lakhs was released to SFCI to enable it to repay part of the loan taken from State Bank of Bikaner and Jaipur. The amount has been fully utilised by SFCI. For 2000-2001, a provision of Rs. 500 lakhs has been made.
- 4.12 Standing Committee on Agriculture in their 18<sup>th</sup> Report on DFG (1999-2000) had recommended that the State Farms Corporation of India, which is a Public undertaking, has been making losses continuously and urgent measures should be taken for the immediate revitalising of the Corporation.
- 4.13 In Action taken replies Government had stated that M/s SBI Capital Markets Ltd.; Mumbai has been awarded consultancy for the purpose when asked about the report Ministry informed that *though initially a period of 3 months has been given to the consultants to submit their report but they would require additional time.*

4.14 SFCI has initiated the following steps to revitalise the corporation:

1. Ban on fresh recruitment.
2. Monitoring of expenditure at all the farms.
3. Return of Ladhawal Farm to Punjab Land Development & Reclamation Corporation.
4. Introduction of Voluntary Retirement Scheme.
5. Optimum utilisation of available resources and better fiscal management.

4.15 During evidence Secretary, (DAC) in this regard stated that, "on SFCI and SBI capital markets; they have started their work about one-and-a-half months back. It looks that they will take some more time than what we had anticipated. On the other hand, because it is taking a long time. We are not waiting for the report. In the mean time, we have started with the SFCI to strengthen it and to take such measures as will give better production, better productivity as well as cost economy. We hope the SFCI will stand improved as a result of the measures we have taken."

#### **Quality Control Arrangement on Seeds**

4.16 Quality Control of seed is a statutory requirement under Seeds Act, 1966. The main aim of the scheme is to strengthen the quality control programmes of seeds in order to ensure that farmers get good quality seeds. The quality control is achieved through pre and post-marketing quality checks of seeds involving certification; seed testing and seed law enforcement as envisaged under the Act for notified varieties.

4.17 The physical targets set under the scheme for the IX Plan period are:-

1. Construction of One National Seed Training Centre at Varanasi.
2. Strengthening of 25 Seed Testing Laboratories/State Seed Certification Agencies.
3. Financial Assistance to NSC, State Seed Corporations/State Seed Certification Agencies (40).
4. Financial Assistance to one Central Seed Testing Laboratory.

4.18 For 1998-99 the financial target was Rs. 375.00 lakhs out of which the actual expenditure was Rs. 122.95 lakhs. For 1999-2000 the Budget outlay was fixed at 556.00 lakhs. Revised

estimates have also been kept at Rs. 556.00 lakhs. For 2000-2001 the proposed outlay has been fixed at Rs. 600.00 lakhs.

## CHAPTER - V

**TECHNOLOGY MISSION ON OILSEEDS, PULSES & MAIZE** 5.1 The Technology Mission on Oilseeds was setup in 1986 to increase the production of oilseeds to reduce import and achieve self sufficiency in edible oils by adopting a mission mode approach to tackle all aspects of production, processing, input-support and services, marketing, storage and credit. Pulses were brought within the purview of the Mission in 1990-91, Oil Palm in 1992-93 and maize in 1995-96. Research and Development in Post Harvest Technology is an important component of Technology Mission. Activities of NOVOD Board set up in 1983 have also been brought under the purview of TMOP. The immediate objectives of the TMOP were to increase production of Oilseeds, Pulses & Maize and thereby cut down import of oilseeds and pulses and achieve self-sufficiency in these items.

5.2 Under the Technology Mission, the following programmes are included at present.

1. Oilseeds Production Programme (OPP)
2. National Pulses Development Project (NPDP)
3. Oil Palm Development Programme (OPDP)
4. Accelerated Maize Development Programme (AMDP)
5. Research and Development of Post Harvest Technology in Oilseeds & Pulses (PHT).
6. National Oilseeds & Vegetable Oils Development Board (NOVOD Board).

5.3 The Missions proposed plan and non-plan outlay for 2000-2001 is Rs. 16500 lakh and Rs. 119 lakh respectively for the implementation of the programmes. The outlay of Rs. 2300 lakh has been earmarked exclusively for the North Eastern Region, which is 13.9% of the total outlay.

### Oil Palm Development Programme

5.4 The Oil Palm Development Programme (OPDP) was launched with a total outlay of Rs. 126.17 crores for development of oil palm over 80,000 hectares during 8<sup>th</sup> Plan. Again in 9<sup>th</sup> Plan it is continued to bring an additional area of 80,000 ha. under Oil Palm. The physical targets and achievements are as under:-

Year	Target	Achievements
1997-98	7097.00 ha	6,807 ha
1998-99	15975.00 ha	4,169 ha
1999-2000	17500.00 ha	8000 ha
2000-2001	19200.00 ha	-5.5 The financial

achievements in this regard are as under:-

Year	BE	RE	Release
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1997-98	2500	683	245
1998-99	1200	601	380
1999-2000	1200	900	900
			(anticipated)
2000-2001	1500	-	-

5.6 Ministry in a written reply has stated that shortfall in financial achievements against BE is result of poor physical achievements under area expansion. Physical and financial targets under OPDP for Ninth Plan were decided taking into account the trend in area expansion under Oil Palm for the period 1992-93 to 1995-96. However, reduction in import duty on edible oils and import of large quantity of edible oils including palm oil under OGL to excess supply of cheaper imported palm oil in the domestic market price of indigenous crude palm oil (CPO) has crashed to unprecedented low of Rs. 16,000 per MT during 1999-2000. Consequently interest of farmers in oil palm declined and farmers are reluctant to take up new crop of oil palm having long gestation period. For above reasons adequate number of farmers could not be motivated to take up oil palm cultivation as was required for achieving the targets for area expansion. Besides, delay by Governments of Goa, Gujarat, Orissa and Tamil Nadu in identification of entrepreneurs for setting up the processing units has also affected physical achievements under OPDP in these States.

5.7 During evidence it was asked if success has been achieved in cultivation of palm oil. Special Secretary in Department of Cooperation informed that "In fact, palm-oil is one of the sources of vegetable oil resources identified in this country. An Expert Committee went into this. We found that palm oil gives the biggest yield. In fact, per hectare, you can get almost about four tonnes of oil. It is five to six times higher than any other oil seed. About eight lakh hectare has been identified in this country which can be taken up under oil palm cultivation. The maximum area is in Andhra Pradesh. Almost 50% of the oil palm potential are in Andhra Pradesh. Karnataka comes next followed by Tamil Nadu, Maharashtra, Goa and some smaller States like Orissa. This is a new crop. It is a long-gestation crop. In fact, we start getting fruits after three to four years. Really, the yield starts after five years. After seven years, we get about 20-25 tonnes of oil per hectare.

5.8 Coming to the oil-palm question, till 1996-97, we were moving quite well in the area of extension. We have a scheme. But what has happened is that the duty on edible oil was reduced from 65 percent. Gradually, the duty has come to 15%. Only about three to four months back, the duty was increased to 25%. The price of palm oil has gone down by 50% at the international level. There was some financial crisis in Malaysia and Indonesia on this account. A part of this is due to lowering the import duty. What is happening is that the imported palm oil is much cheaper than our own oil. So, the crop production has been affected very badly by this."

5.9 On the question of how to save the situation, he stated that, "In the Ministry, we would like the import duty rate to be rationalised."

5.10 The special Secretary DAC further stated that our productivity is good. This is a crop of small and marginal farmer. Our productivity is much higher even than that of Malaysia.

### **National Pulses Development Programme**

5.11 The National Pulses Development Project is being implemented in 25 States and in two Union Territories of Delhi and Andaman & Nicobar Islands covering as many as 304 districts. The project aims at increasing the production and productivity of Pulses. Field demonstrations and

training programmes are being organised for the effective transfer of improved production technology. Besides, to motivate farmers to use the required impetus, incentives are also being provided on use of certified seeds, improved farm implements, sprinkler irrigation sets, micro nutrients etc.

5.12 During 1998-99 utilisation of funds was 100 per cent both as against BE/RE allocation of Rs. 3600 lakh. However, the production of pulses during 1998-99 was 148 lakhs tonnes, which is a record production of pulses so far. During 1999-2000 an amount of Rs. 4000 lakhs and Rs. 3425 lakhs has been provided at the BE/RE stages and utilisation of funds is likely to be cent per cent vis-à-vis REs 1999-2000. During 2000-2001 an amount of Rs. 3500 lakhs has been proposed for the implementation of the programme. The outlay of Rs. 550 lakh has been exclusively allocated for the North Eastern Region.

5.13 Pulses Crops have also been included under National Agricultural Insurance Scheme at the following premium rate to safeguard the interest of pulses growing farmers:

1.	<i>Kharif Pulses</i>	<i>2.5% of the sum insured or actual rate which ever is less.</i>
2.	Rabi Pulses	2.0% of the sum insured or actual rate whichever is less.

## CHAPTER - VI

### Fertilizers

6.1 To support Crop Production to reach the level contemplated great stress has been laid in the 9<sup>th</sup> Plan on adequate and timely delivery of core inputs such as fertilizer. For obtaining the best response from fertilizer use, it is imperative that all the three nutrients i.e. Nitrogen (N), Phosphate (P) and Potash (K) are used in a balanced proportion which is termed to optimum NPK ratio. At the national level, a consumption ratio of 4:2:1 has been referred to as being optimum. This ratio is mainly for food crops and among food crops mainly for rice and wheat.

6.2 The Committee were informed the NPK ratio in the country which was 10:2.9:1 in 1996-97 is expected to reach

6.9:2.1:1 in 1999-2000.

6.3 The consumption of chemical fertilisers during 1998-99 was 167.98 lakh tonnes as against 161.88 lakhs tonnes in 1997-98. In 1999-2000 it is expected to be 183.72 lakh tonnes.

6.4 The Government of India pays subsidy/concession on fertiliser like Urea, DAP, MOP, SSP and complexes. Urea is the only controlled fertiliser in the country while the others are decontrolled fertilisers. When asked the amount of subsidised fertilisers demanded and supplied to the farmers the Ministry stated "In respect of urea a formal state wise assessment of demand and allocation is made. A statement indicating the assessed requirement and supply/availability of urea during 1996-97, 1997-98 and 1998-99 is as under:

(lakh MTs)

Year	Season	Demand/ requirement	Supply/ availability
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1996-97	Kharif	100.94	100.70
1996-97	Rabi	103.44	110.90
1997-98	Kharif	101.88	115.76
1997-98	Rabi	109.18	126.07
1998-99	Kharif	104.80	119.88
1998-99	Rabi	110.74	124.02
1999-2000	Kharif	106.19	120.10
1999-2000	Rabi	105.24*	105.69 (upto 29.02.2000)

\* Revised

6.5 In the case of decontrolled fertilisers like DAP, MOP, SSP and Complexes, Government does not make any allocations. The consumption of various P&K fertilisers during the last three years has been as follows:-

(in lakh tonnes)

Year	DAP	MOP	SSP	Complexes
1996-97	36.24	11.98	30.18	35.88
1997-98	53.72	17.29	36.60	37.85
1998-99	58.28	16.21	36.93	38.21

#### **Non-Plan Scheme of Concession on Sale of De-controlled Phosphatic and Potassic Fertilisers**

6.6 The decontrol of phosphatic and potassic fertilisers in August, 1992 resulted in steep hike in the prices of these fertilisers. To cushion the impact of this price hike, the Government of India introduced a Scheme of Concession on Sale of De-controlled Fertiliser to farmers w.e.f. Rabi 92-93 season. The rates of concession on P&K fertilisers currently in operation during 1999-2000 are indicated below:

Product	Rate of Concession (Rs. per tonne)
Indigenous Di-Ammonium	4600
Imported Di-Ammonium Phosphate (DAP)	3200

Muriate of Potash (MOP)	3250
Single Super Phosphate (SSP)	900
NPK Complexes	2588-4282

6.7 Funds allocated and utilised under this Scheme during the last four years is given below:  
(Rs. in lakh)

Year	Budget Estimate	Revised Estimate	Actual Expenditure
1996-97	222400	167400	167177
1997-98	200000	260000	259600
1998-99	300000	379000	378996
1999-2000	450000	450000	450000

6.8 When asked as whether the reduction in subsidy will affect the prices of all fertilizers especially the decontrolled fertilizers the Department in a written reply stated that the selling prices of urea and decontrolled fertilisers like DAP, MOP and Complexes are fixed by Government.

6.9 As a part of the budget 2000-2001, the prices of some of the fertilisers have been fixed as given below, with effect from 29.02.2000:-

Fertilisers	Price as on 28.02.2000 (Rs./MT)	Revised Prices (Rs./MT)
Urea	4000	4600
DAP	8300	8900
MOP	3700	4255
<b>Complexes</b>	6200-8000	6620-8520

6.10 The concession on SSP has been reduced from Rs. 900 per MT to Rs. 800 per MT from 29.02.2000, which is likely to result in an increase in price. The price of SSP is fixed by the respective State Governments.

6.11 The Committee were informed that a long-term fertiliser policy is being formulated which will rationalise the present retention price scheme.

6.12 The Committee pointed out that the fertiliser is not being made available to farmers in time and they are compelled to purchase it in black market or purchase spurious fertilisers, the Representative of Department of Fertilisers informed that at the macro level there is sufficient availability of fertilisers & urea. The Representative of DAC in this regard elaborated "So far as

the distribution of urea is concerned, we are glad to say that there is availability much more than the requirement of the country, even State-wise also. I would like to mention that let us take Kharif-99. The total assessed requirement of each State at the zonal level will be met. We have a meeting of the officials of each State at the zonal level and officials from the Agriculture Department and producers who sit together and what is the total area in different crops and what is the consumption and what is the fund spent. Based on this we work out the statewise requirement of urea. It is a controlled item. We take the overall situation in the country. Then our assessed requirement for Kharif-99 was 106 lakh tonnes. That is the requirement of urea against which the availability was 120 lakh tonnes. So, the availability was more than the requirement."

6.13 On a query of the Committee on how the requirement is worked at whether it is need based or not the reply of DAC stated, "we shall take 2-3 factors. We do calculate how much area will come and what is the cropping pattern in a particular State etc."

6.14 When asked why need based requirement is promoted so that States that are consuming less urea are encouraged to use more; the Representative of DAC stated "the requirement is calculated. Requirement is also going up. Consumption of urea or fertiliser is dependent on other 2-3 factors. One is that what is the cropping system and the other is that the irrigation is very important. Then credit to farmers. There are 3-4 other factors. These are very much related to consumption of urea or any other input. What we do in the case of urea is that we allocate adequate fertilizers supplier-wise and manufacturer-wise to the States. The State Governments are to control under FCO within the State. If anything goes wrong in the supply plan or in the line of availability, we directly cover it from here. But within the State, the movement either on regular basis or on temporary basis is really to be done by the States whether they will give preference to the co-operatives also. There are many co-operatives that are very good. Many States are not very strong in co-operatives. There are distribution channels. In some places some sectors are strong and some are weak."

### **Balanced & Integrated use of Fertilizer**

6.15 The scheme on Balanced & Integrated Use of Fertilizers was taken up during 1991-92 for ensuring soil test based application of NPK and micronutrient fertilizers. The scheme was continued during VIII Plan envisaging strengthening of analytical facilities for soils, popularising use of micronutrients and biofertilizers through demonstrations and also for setting up of compost units with a view to producing organic manure from city garbage. During VIII Plan, the approved outlay of the scheme was Rs. 2600 lakh. Out of which Rs. 1728 lakh were released to the States. Against the target of 10 compost units during VIII Plan, actually 21 units were sanctioned, which indicate that States appreciate the importance of converting city waste into manure for keeping the city environment clean and at the same time making good manure available to farmers.

6.16 The scheme is being continued during IX Plan with a total outlay of Rs. 4611 lakh with following components:-

1. Strengthening of existing Soil Testing Laboratories with NPK testing facilities.
2. Strengthening of existing Soil Testing Laboratories with Micronutrient testing facilities.
3. Setting up of new Soil Testing Laboratories with NPK testing facilities.
4. Organisation of orientation/training course, regional workshops and national seminars.

5. Setting up of Compost Plants to process city waste/garbage for compost production.

6.17 There are a total of 514 soil testing laboratories in the country including 118 mobile soil-testing vans.

6.18 The Representatives of DAC informed the Committee during evidence that the total annual capacity of testing soil samples all over the country is 58,79,500 samples of which only 44,80,700 samples are being tested. It means only 76% of the capacity is being utilised.

6.19 When asked why the facilities for the soil testing already available in agricultural and science colleges cannot be utilised. The Representatives of DAC stated that they have incorporated the scheme as a part of the macro-management scheme so that whatever infrastructure is available in science colleges and agricultural colleges and private sectors all could be lined up.

6.20 As regards setting up of mobile soil testing vans, Secretary DAC informed the Committee "the one reason why the full capacity is not being utilised very often, and particularly in some States, is the factor that the local State Government and others running the laboratory are not able to meet some of the expenditure in terms of consumables. We give the funds for setting up the laboratory. We do not give funds to the State Governments and others for running the laboratories. In respect of mobile, one problem that may be faced, I do not have adequate data to place it before you, is that some of the State Governments may not have the money to run the mobile or to make them mobile; mobile may also become static. That is not to say that mobile should not be set up, but we will have a mix. Also, this programme is now going under the macro management mode. Therefore, we will be leaving it basically to the State Governments to decide whether they would like to go for a mobile or for static depending on their judgement."

6.21 On a Committee's suggestion that Department could charge a small fee for soil testing to offset expenditure, the Secretary stated that the point is well taken.

## **CHAPTER - VII**

### **HORTICULTURE**

7.1 The horticulture development in the country continues to make steady progress in terms of increment in total production and export of the products. As per figures available, India produced 141 million tonnes of horticulture produce, which included 45 million tonnes of fruits, and 80 million tonnes of vegetables including potatoes. The growth rate registered is 4% in area coverage and 7.98% in production.

7.2 India has emerged as the second largest producer of fruits and vegetables and tops the list in production of mango, banana, cashew nuts, many vegetables and spices. There has been substantial increase in export performance and the country has 40% share in cashew nut export and around 18% share in spices export. Exports of fruits, vegetables and flowers have also shown upward trend. However, productivity of a large number of horticultural crops, barring coconut and grapes continue to be below.

7.3 Horticulture sector was accorded priority in 8<sup>th</sup> Five Year Plan with Rs. 1000 crores allocation. During 9<sup>th</sup> Five-Year Plan Rs. 1323 crores have been allocated. Budget Estimates for 2000-2001 is Rs. 191.25 crores as against approved outlay of Rs. 260 crores during 1999-2000. But on the expenditure side there is financial shortfall of Rs. 117.00 crores collectively during the last three years.

7.4 Reasons for shortfall in utilisation as stated by Department are delay in issuing in administrative approval by the State Governments; reduction of allocations at RE stage due to unspent balances with the states; the delayed approval of the schemes of the IX Plan.

7.5 During 2000-2001 forthcoming schemes on horticulture are proposed to be implemented under the macro-management approach with transfer of about three-fourth ( $\frac{3}{4}$ ) of the funds available under the respective schemes to the states with a view to bringing in more flexibility in their implementation.

1. Tropical and Arid Zone Fruits.
2. Vegetable Seed and Root and Tuber Crop.
3. Floriculture.
4. Medicinal and Aromatic Plants.
5. Mushroom.
6. Bee keeping.
7. Integrated Spices Development.
8. Cashewnut and Cocoa.
9. Use of Plastics in Agriculture.

#### **National Horticulture Board**

7.6 National Horticulture Board was set up by Government of India in 1984 with a wide mandate to promote integrated development of horticulture to help in coordinating, stimulating and sustaining the production, processing and marketing. NHB is wholly funded by Government by way of grant-in-aid. During 2000-2001 Rs. 28 crore has been allocated for the purpose.

7.7 During 9<sup>th</sup> plan an outlay of Rs. 14000 lakh was approved for NHB. However, Rs. 5200 lakh have been diverted to Capital Investment Subsidy Scheme for Cold storages and storages leaving a budgetary support of Rs. 8800 lakhs for other schemes.

#### **Capital Investment Subsidy Scheme for Cold Storages & Storages**

7.8 The Capital Investment Subsidy Scheme for Construction/Expansion/Modernisation of Cold Storages and Storages for Horticulture produce has been approved by the Government at a total cost of Rs. 175 crores for implementation during IX Plan. The scheme is to be implemented through National Horticulture Board (NHB). The Department of Agriculture & Cooperation has already issued administrative approval for its implementation. During the current financial year, a sum of Rs. 1500 lakh has been earmarked for releasing under the scheme to NHB. The progress of the schemes and utilisation of grants-in-aid released to the NHB are monitored through various organs of the Department.

7.9 By the end of 1998, the numbers of cold storages in country are 3716. As per the Report of the High Level Expert Committee on Cold Storages and Storage, around 8 lakh ton cold store capacity of the total (103.53 lakh tons) requires rehabilitation/renovation, as lying closed, mainly in the states of Uttar Pradesh, Bihar and Orissa, due to old technology and lack of funds.

7.10 When asked, as the fruits are for a particular period, how the cold storage/cooling station is being utilised for rest of the months. Ministry in a written reply stated that:

7.11 Cold Storages have been largely adopted for long term storage of potato, orange, apple etc. About 92% of the total capacity are being utilised exclusively for storage of potatoes. The other prominent perishables in addition to fruits and vegetables stored in off-season are milk and

dairy products, meat, fish, etc.

7.12 Commodity-wise distribution of Cold Storage capacity is as under:

<b>Commodity</b>	<b>Units</b>	<b>Capacity (Lakh tons)</b>
Potato	2012	92.82
Multipurpose	447	7.63
Fruit & Vegetable	198	1.07
Meat	23	0.09
Fish	360	0.73
Meat & Fish	30	0.15
Milk & Dairy Products	272	0.68
Others	101	0.36
<b>Total</b>	<b>3443</b>	<b>103.53</b>

7.13 During the evidence when asked about the functioning of cold storages and power supply the Secretary DAC stated that:

"What is required is quality power and not subsidy of power. In fact, while formulating the new cold storage scheme, an expert committee under my colleague Shri Srivastava had gone into the entire gamut. It has found that cold storage with a capacity of about eight lakh tonnes was not functioning."

7.14 When asked whether it is due to lack of electricity he clarified that "firstly, it was because of lack of power supply. Secondly, it was uneconomic because of wastages. Wastages take place because of power supply failures. Also, certain State Governments had certain ceilings imposed on the rental to be charged. This proved to be uneconomic too. Moreover, management is also one of the problems. Unfortunately, especially in the case of UP and Bihar out of a capacity of eight lakh tonnes almost 75 per cent is sick."

7.15 Stating about the difference between old cold storage scheme and new scheme Secretary informed that "in old schemes soft loan was given at four per cent but there was no subsidy. The new scheme is a back-ended subsidy scheme. Subsidy is provided to a bank-financed or other institution-financed scheme under the new scheme. The subsidy provided is back-ended. In the earlier schemes, as far as possible, the entire cost was given on a soft loan. Of course, the new scheme is an improved scheme to the extent that it is realistic and has taken note of all the problems of the old schemes."

## Use of Plastics in Agriculture

### Drip Irrigation

7.16 A scheme was taken up during the VIII Plan period to promote use of plastics in horticulture. The most important component under the scheme envisages promotion of water saving technology of drip irrigation system. An outlay of Rs. 20.00 crores has been approved for 2000-2001.

7.17 The total area covered under drip irrigation in the country till 1998-99 since inception during VIII Plan is 2.93 lakh hectares. The state-wise area covered under drip irrigation is given below.

State	Area Irrigated under drip irrigation (ha.)
Andhra Pradesh	32476
Arunachal Pradesh	160
Goa	407
Gujarat	7700
Haryana	1899
Himachal Pradesh	1995
Jammu & Kashmir	143
Karnataka	49574
Kerala	5472
Madhya Pradesh	2383
Maharashtra	142347
Manipur	199
Nagaland	250
Orissa	1948
Punjab	1384
Rajasthan	4554
Sikkim	148

Tamil Nadu	38216
Uttar Pradesh	1543
Others	218
Total	293016

7.18 When during evidence it was asked that in how many places drip irrigation equipments are working in good condition without any soil accumulation, Horticulture Commissioner stated that "there are three major components in it. One is the inside pipeline; the other is the drip line and the third one is the dripper. Sometimes you have to change the drippers because of soil accumulation. Maybe, after one year you have to change them. But that costs about Rs. 1.50 or Rs. 2. The main pipeline will work forever. That means, equipment worth about more than 50 per cent of the cost can remain functional for more than 10 years or 20 years depending upon the type of material used."

7.19 When enquired if any companies engaged in supplying sub-standard equipments have been black listed, the Horticulture Commissioner informed that the State Governments register those companies and they do not have anything to do with the companies as such the State Government places the order, the State Government select the suppliers and it is the State Government which has to blacklist.

### **New Schemes**

7.20 Following new schemes have been approved to be undertaken during 1999-2000 as part of IX Plan proposals, for these have been approved and would continue during 2000-2001:

1. Integrated Handling and Marketing of Fruits & Vegetables.
2. Human Resource Development.
3. Tribal Area Development.
4. Technology Mission for N.E. States.
5. Schemes on Infrastructure Development.
6. Integrated Development of Onion & Potato.
7. Horticulture Intervention for Nutrition.

## **CHAPTER - VIII**

### **Rainfed Farming Systems**

#### **National Watershed Development Project for Rainfed Areas**

8.1 One of the thrust areas of the Department of Agriculture & Cooperation is the National Watershed Development Project for Rainfed Areas (NWDPA). Sanctioned in October, 1990, the project envisages treatment of arable and non-arable lands and drainage line for conserving soil and water by using low cost vegetative measures and promotion of production systems including subsidiary household income generating activities.

8.2 The year wise Budget allocations (BE & RE), Release and actual expenditure for Ninth Plan is as under:

**(Rs. in lakhs)**



Year	Allocation (BE)	Revised Allocation	Release/Utilisation
1997-98	17350	15500	14864
1998-99	26850	22500	22436
1999-2000	22850	18000	18000(Anticipated)
2000-2001	22565	-	-

8.3 During 1997-98 an allocation of Rs.173,50 lakhs was provided and against which the revised estimates was to the tune of Rs. 155,00 lakhs. The expenditure against the revised estimate of Rs. 155,00 lakhs was to the order of Rs. 148,64 lakhs; a shortfall of Rs. 2486 lakhs was due to unspent balance of previous years with the State Governments.

#### **Watershed Development Council (WDC)**

8.4 Watershed Development Council (WDC) is a multi-disciplinary technical staff oriented central unit in Department of Agriculture & Co-operation to service the World Bank aided projects, as well as other foreign aided projects on Watershed Development.

8.5 The following externally aided projects are under implementation:

- (i) Integrated Watershed Development Project (IWDP)(Hills-Phase-II).
- (ii) Assam Rural Infrastructure and Agriculture Support Project (ARIASP).
- (iii) Bihar Plateau Development Projects (Rajasthan).
- (iv) Agricultural Development Projects (Rajasthan).
- (v) U.P. Diversified Agriculture Support Projects(UPDASP).

8.6 All the above are World Bank aided projects. In addition there is the European Economic Community assisted project (Doon Valley Project).

8.7 Following bilaterally aided Watershed Development Projects are also under implementation:

#### **Assisted by Government of Denmark**

1. Karnataka Comprehensive Watershed Development Project Phase-II.
2. Tamil Nadu Comprehensive Watershed Development Project, Tirunelveli Phase-II.
3. Tamil Nadu Comprehensive Watershed Development Project, Ramanathapuram.
4. Watershed Development Project in Western Madhya Pradesh.
5. Comprehensive Watershed Development Project, Koraput, Orissa.

#### **Assisted by Government of Germany**

1. FRG (KFW) assisted Watershed Development Project, Karnataka.
2. Indo-German Watershed Development Project in Maharashtra, Phase-II.

#### **Assisted by Government of United Kingdom**

1. Karnataka Watershed Development Project (KAWAD) Society.

#### **Assisted by Government of Netherlands**

1. Agriculture, Man and Ecology.

8.8 Department of Agriculture & Cooperation is involved in the supervision, coordination and monitoring of the Externally Aided Projects. The funding for these Projects is directly to the

State Governments and is not routed through the Ministry of Agriculture.

8.9 15 States will benefit from the on-going Externally Aided Projects. As far as World Bank Projects are concerned, States make total provision in their budgets based on their annual requirement. After the expenditure is incurred, reimbursement is made by the World Bank. As far as bilateral projects are concerned, Donor agencies make payment directly to the State Governments.

## CHAPTER - IX

### Plant Protection

9.1 Plant Protection involves protection of Indian Agriculture from the ingress of exotic pests and diseases, promotion of Integrated Pest Management for eco-friendly management of pests, implementation of Insecticides Act for ensuring the availability of safe and quality pesticides, training and extension activities in plant protection and locust control in scheduled desert areas. Rs. 25.00 crores have been allocated during 2000-2001 as against outlay of Rs. 34.00 crores during 1999-2000.

9.2 There has been continuous shortfall in financial achievement under the scheme as shown in table below:-

1997-98		1998-99		1999-2000		2000-2001
Approved	Expenditure	BE	Expenditure	BE	Expenditure	BE
2338	1739	3500	1698	3400	2400	2500

9.3 Stating the reasons for non-utilisation of funds Department replied that the increased outlay in the BE for the years 1997-98, 1998-99 and 1999-2000 was made for expansion of activities under the different schemes also envisaging setting up of new Centres/Stations and creation of requisite additional posts. The components of strengthening the existing Centres/Stations and setting up of new ones were however, not approved. The on-going activities also could not be taken up in full on account of the fact that RE 1998-99 was pruned from Rs. 35.00 crores to half the figure i.e. Rs. 17.50 crores at R.E. stage; and RE 1999-2000 has been pegged at Rs. 24.00 crores as against the BE of Rs. 34.00 crores owing to budgetary constraints. The construction activities could not be accomplished by the target dates by the CPWD due to various constraints experienced by them like removal of encroachments, finalisation of tenders and mandatory clearances from municipal/fire authorities etc. As far as grants-in-aid for setting up of Bio-Control Laboratories are concerned, funds are released to the States/UTs on receipt of utilisation certificates (Ucs). Funds could not be released for want of Ucs from some of the States/UTs.

### Integrated Pest Management Scheme

9.4 Under the scheme Promotion of Integrated Pest Management there has been continuous shortfall in target for component Training & Demonstration. The farmers trained in the year 1999-2000 upto January, 2000 are 13771 against the target of 15600.

9.5 However, upto 29<sup>th</sup> February, 2000, the achievement has touched the level of 15,500. Therefore, by the end of March, 2000, the target of 15,600 would be achieved. Twenty six Central Integrated Pest Management Centres located in 21 States and one U.T. are organising a total number of 520 Farmers Field Schools (FFSs) under the component of Training & Demonstration

and each FFS accommodates 30 farmers. Simultaneous efforts are being made to encourage the State Departments of Agriculture to organise similar training programmes in IPM Technique.

9.6 In this connection Secretary DAC during evidence stated "we are cooperating with the industry or rather the industry is cooperating with us in propagation of the Integrated Pest Management philosophy and measures. Integrated Pest Management in fact is designed to deal with this sort of problem which the Honble Member has raised, that is the over use of pesticides. In certain States due to the very good work done under IPM, Tamil Nadu for instance, the total quantity of pesticides used in Tamil Nadu in paddy has gone down drastically. Similar is the situation in other States. In Andhra Pradesh IPM measures are in full swing. I myself have visited the fields where farmer is convinced that it is the best to use fewer pesticides and in fact the industry is also given to understand that they should not push pesticides where they are not necessary. They cooperate with us in propagating the IPM measures. Industry will also benefit in the long run from this. The over-use of pesticides in selected crops and fields by the farmers will not go up. This is the whole message of IPM."

### **Implementation of Insecticide Act**

9.7 Under the scheme `Implementation of Insecticide Act there has been huge shortfall in financial achievements. During 1999-2000 against an approved outlay of Rs. 550 lakhs the anticipated expenditure is only Rs. 444 lakhs. In B.E. 2000-2001 only 339 lakhs has been provided.

9.8 While giving the reasons for continuous shortfall in expenditure Government replied that a total number of 54 posts including 23 posts for North Eastern States could not be created for strengthening of Central Insecticides Laboratory, existing 2 Regional Pesticides Testing Laboratory at Shillong. Consequently, there has been continuous shortfall under the revenue side in the first 3 years of IX Plan Period and lesser outlay has been proposed for 2000-2001. The shortfall under the capital Major Head has been due to inability of CPWD to speedily undertake construction activity for the building of Secretariat of Central Insecticides Board & Registration Committee within the approved outlays of Rs. 195 lakh.

9.9 The Representative of DAC during evidence informed the Committee that implementation of Insecticides Act is in the domain of the State Government the Department has a monitoring mechanism and they get quarterly report from the State Governments

9.10 When asked the maximum punishment under the act the DAC Representative stated "the punishment varies. It ranges from six months to two years. We are also considering an amendment to the Insecticides Act to make the punishment more stringent. The fine is also proposed to be increased. This amendment bill will be introduced in Parliament most likely in this Session."

9.11 On the Committee's suggestion that it should be made mandatory for officer concerned to make a visit once in a month at the block level, the Representative stated that those norms are laid down in the rules. It is also stated that he should collect many samples.

## **CHAPTER - X**

### **Agricultural Implements & Machinery**

10.1 Use of Modern Agricultural Implements and Machinery in the crop cultivation increases the productivity besides improving the quality of farm produce. To promote and popularise the use of

modern agricultural machines/implements and popularise the use of modern agricultural machines/implements and human resource development. The following schemes are being implemented during IX Plan.

1. Strengthening of Farm Machinery Training & Testing Institutes at Budni (MP), Hissar (Haryana), Garladinne (AP) and Biswanath Chairali (Assam).
2. Development of Industrial Designs of Agricultural Implements including Horticultural Equipments and their trials at farmers fields.
3. Promotion of Agricultural Mechanisation among Small Farmers.
4. Conducting Study and Formulating Long-Term Mechanisation strategies for each Agro Climatic Zone.
5. Establishment of Farm Machinery Training and Testing Institute in Tamil Nadu.

10.2 For establishment of Farm Machinery Training and Testing Institute in Tamil Nadu Rs. 500 lakh have been allocated for 9<sup>th</sup> plan. A budgetary provision of Rs. 60 lakhs have been made against Rs. 11 lakhs during 1999-2000.

10.3 About the selection of site and completion of Institute the Government informed that Government of Tamil Nadu had offered three sites in Tiruchirapalli District, of which, the site at village Allundur has been selected. This land belongs to the State Department of Agriculture and the State Public Works Department. The Institute would require infrastructure in terms of construction of buildings, procurement of equipment, development of supporting services and also the agricultural farm. The completion of these facilities would normally take 5 to 7 years, once the necessary staff is posted there. However, training on agricultural equipment would be started within a period of two years after the sanction of the staff.

10.4 The Secretary (A&C) further clarified "The sanction has not been issued because it was considered that there is not much point in spending money in construction of buildings and purchase of equipment and machinery till the posts are sanctioned because essentially the people have to be there to run the States. The posts are not yet sanctioned. We have taken it up with M/o Finance."

10.5 A new scheme named 'Conducting Study and Formulating Long-Term Mechanisation Strategies for each Agro Climatic Zone with 9<sup>th</sup> Plan outlay of Rs. 100 lakhs has been started. An outlay of Rs. 60 lakhs is earmarked for the year 2000-2001.

10.6 The Government stated that the proposals for conducting the study, under the scheme, were invited from the competent organisations. On the basis of offers received, the proposal for conducting the study from the Indian Agricultural Statistical Research Institute, ICAR, New Delhi, has been considered and further follow up action in this regard is in process. As per the proposal, being a countrywide study, it is likely to take about three years.

10.7 In the scheme 'Promotion of Agricultural Mechanisation' the budgetary provision of Rs. 1560 lakh has been made for 2000-2001 as against the approved outlay of Rs. 2000 lakhs during 1999-2000. The Department was asked to clarify that when during the last three years of 9<sup>th</sup> plan Rs. 1663, Rs. 1637 & Rs. 1603 lakhs have been spent, as to why there is a reduced allocation for this year under the scheme?

10.8 The Department in a written reply stated that a Centrally Sponsored Scheme 'Promotion of Agricultural Mechanization among Small Farmers' has been sanctioned with a Plan outlay of Rs.

7500lakh during Ninth Plan Period. During first three years of the Plan period, a sum of Rs. 4851 lakh has been released to the States, thus, leaving a balance of about Rs. 2649 lakh for the remaining two years of the Plan period. Therefore, considering the availability of fund of Rs. 7500 lakh for the Plan period, a provision of only Rs. 1560 lakh has been earmarked for the year 2000-2001.

10.9 On a query of the Committee the Secretary (A&C) informed that if overall outlay permits and if there is a real requirement, they can consider upgrading this at the RE stage.

## CHAPTER - XI

### Extension

11.1 Agricultural Extension is aimed at promoting agricultural development by providing farmers with information and training on continuous basis regarding improved production technologies and their adoption.

11.2 Approved outlay & expenditure during 9<sup>th</sup> plan is as under:

Year	(Rs. in lakhs)	
	Approved Outlay	Expenditure
1997-98	1750.00	960.10
1998-99	3248.00	1222.02
1999-2000	4000.00	3200.00
2000-2001	4500.00	-

During 2000-2001 an outlay of Rs. 4500 lakh has been provided as detailed below:

(i) Domestic budgetary support	-	Rs. 1800 lakhs
(ii) Externally Aided Projects		
UNDP	-	Rs. 1100 lakhs
NATP	-	Rs. 1600 lakhs

### National Agricultural Technology Project (NATP)

11.4 NATP is a Central Sector Plan Scheme being funded by World Bank. It has been designed for reorientation and revitalization of India's large and complex technology development and dissemination system to meet challenges of the next century in a phased manner with the World Bank funding. This project became effective from 19.11.1999 after clearance by CCEA on 09.11.98.

11.5 The total approved outlay for the Ninth Five-Year Plan is Rs. 7800.00 lakhs. The total budget allocation for the first three years i.e. 1997-98 to 1999-2000 is Rs. 3248.00 lakhs. The total expenditure during first three years of 9<sup>th</sup> plan is Rs. 1786.76 lakhs. The budget allocation for the year 2000-2001 is Rs. 1600.00 lakhs.

### UNDP National Food Security Project

11.6 The Programme Support Document of UNDP Programme on 'Food Security' was signed between UNDP, Department of Economic Affairs and Department of Agriculture & Cooperation on 13<sup>th</sup> February, 1998 for an amount of US \$13 million (approx. Rs. 5200 lakhs). Under this, till now 5 sub-programmes have been finalised and are under implementation.

1. Development of Hybrid Rice Technology for large-scale adoption in India for Rs. 1085.00 lakhs.
2. Maize based cropping system in India for Rs. 343 lakhs.

3.Strengthening Natural Resource Management and sustainable livelihoods of Women of tribal Orissa for Rs. 855 lakhs.

4.Empowerment of women farmers for Food Security in U.P. for Rs. 704 lakhs.

5.Sustainable dryland agriculture by Mahila Sanghams in A.P. for Rs. 1342lakhs.

11.7 Two more sub-programmes viz. Additional Support to cyclone affected districts of Orissa and Management Support for Food Security is under active stages of consideration. Budget provisions of Rs. 400 lakhs under Extension Division and Rs. 110 lakhs under TMOP&M Division have been made during 1999-2000. Till now, an amount of Rs. 308.27 lakhs have been utilised during the year. Budget allocations of Rs. 1100 lakhs have been made for the year 2000-2001.

11.8 On a query of the Committee the Secretary (A&C) informed that there are about 90,000 extension functionaries in all the States. As regards improving the quality of extension services the Secretary stated that:

"The Government is emphasising changing and rechanging extension services. We have a National Institute for Agricultural and Rural Development that trains all the trainers and excellent results have been obtained so far. We are now trying to take this as deep to hinterland as possible."

11.9 The Committee pointed out that there is a common complaint that the schemes are not reaching the farmers because of lack of availability of extension functionaries in the villages. The officers posted to some places do not reside in the places to which they are posted, the Secretary (A&C) stated:

"We have to work hand in hand with the State Governments because they are employing the extension machinery. However, we are making efforts to improve the quality of extension services."

11.10 He further stated that "we are also trying an alternative method of agricultural extension programme, in a very limited way, through some NGOs. About 30 NGOs are going to function in the next year and 10 are already functioning now. We will be able to provide extension services to farmers through them also."

### **Training of Women in Agriculture**

11.11 The Central Sector Scheme of Women in Agriculture which was launched on pilot basis during the VIII Plan in one district each of the 7 selected states of the country viz. Punjab, Haryana, Uttar Pradesh, Himachal Pradesh, Maharashtra, Kerala and Rajasthan has been extended to one district each of 5 North-Eastern States namely Manipur, Meghalaya, Mizoram, Tripura and Nagaland during the IX Plan period.

11.12 Under the Scheme of Training of Women in Agriculture, Rs. 1100 lakhs have been allocated for whole 9<sup>th</sup> Plan, out of which only Rs. 131.60 lakhs could be utilised during first 3 years. Again for 2000-2001, budget allocation for this scheme is Rs. 152 lakhs.

11.13 Secretary (A&C) in this regard stated that since this scheme was doing very well, we wanted to go the whole hog. But after a lot of consideration, the Planning Commission has finally advised us against it. So, it is now operating in seven old districts and five new districts in the five North Eastern States. However, the indications are that this is going on extremely well and the results are very good.

## CHAPTER - XII

### SOIL AND WATER CONSERVATION

12.1 The land, water and the Biological Resources, which support agriculture and animal husbandry and provide the essential requirements of food, drinking water and fuel, are all under severe pressure. Protecting and reclaiming these and managing them more carefully is essential for sustaining life support system. Soil and Water Conservation measures are, therefore, essential pre-requisites to counter the problem of land deterioration and water depletion. The management of land resources taken up on watershed basis is the basic tenet of all schemes of soil and water conservation.

12.2 Soil and Water Conservation Division is implementing various schemes to achieve the following major aims and objectives:-

1. Land Resource Management for Sustainable agriculture.
2. Prevention of run off from the catchments of River Valley Projects and moderation of flood hazards and reduction of siltation in reservoir.
3. Improving land productivity of salt affected as well as ravine areas by scientific package of reclamation and management.
4. Restoration of shifting cultivator in NE region for restoration of ecology and checking land degradation.
5. Creation of employment opportunities and improvement of socio-economic conditions of rural community.
6. Development of required human resources through training programmes on soil and water conservation measures.

12.3 The 9<sup>th</sup> plan allocation (1997-2000) is Rs. 97500 lakhs for the implementation of various schemes in Soil & Water Conservation sector against the allocation of Rs. 53400 lakh has been utilised.

12.4 The year-wise allocation and expenditure is as under: **(Rs. in lakhs)**

Year	Allocation	Expenditure
1997-98	14600	14912
1998-99	18500	17886
1999-2000	20300	16598

12.5 The proposal for 2000-2001 amounts to Rs. 17300 lakh to achieve physical target of 1.45 lakh hectare.

#### Reclamation of Alkali (USAR) Soils

12.6 The Reclamation of Alkali (USAR) Soils during the 9<sup>th</sup> plan was extended to Gujarat, Rajasthan & Madhya Pradesh. The outlay for 9<sup>th</sup> plan is Rs. 64.55 crores for reclamation of 74,500 ha.

12.7 State-wise area reclaimed during last three years is as under:

S.No.	Name of the State	Area Reclaimed (in Ha.)
1.	Gujarat	2288

2.	Haryana	20940
3.	Madhya Pradesh	Nil
4.	Punjab	34400
5.	Rajasthan	3660
6.	Uttar Pradesh	11150
	<b>Total</b>	<b>72438</b>

12.8 During evidence Additional Secretary DAC informed that "the total area affected by alkaline soil in ten States is about 35.81 lakh hectares. Out of this total area, the reclaimed area is about 72438 hectares in six States.

12.9 But still there is a large area remaining. There have been some problems in the projects in the sense that the pattern of assistance has been 60 per cent to 40 per cent of the Central and the State Governments respectively. Many of the State Governments are not in a position to give it. Now, during the Ninth Plan we propose to revise the pattern of assistance, because of the demands from the State Governments, to maybe, 75 per cent to 25 per cent.

12.10 One of the components of this is the application of gypsum. Gypsum is produced only in the State of Rajasthan in the country. The cost of gypsum is going up year after year. So, even after the assistance being made available to the States since the cost has been increasing there has been a set back in the programme. It has resulted in less expenditure. We are trying to revise the cost."

#### **Watershed Development Project in Shifting Cultivation in NE States (WDPSCA)**

12.11 The Scheme of Watershed Development Project in Shifting Cultivation Areas (WDPSCA) was launched in seven North Eastern States with an outlay of Rs. 450000 thousand during Eighth Plan from 1994-95 with 100 per cent central assistance to the State Plan. The scheme aims at overall development of Jhum areas on watershed basis.

12.12 Rs. 15 crores have been allocated for Watershed Development project in shifting cultivation areas in NE States for the year 2000-2001.

12.13 The expenditure incurred and targets achieved during 1999-2000 and targets fixed for 2000-2001 are as under:

**(Area in Hectares and Rs. in Crores)**

<i>Year</i>	<i>Target</i>		<i>Achievement</i>	
	<b>Physical</b>	<b>Financial</b>	<b>Physical</b>	<b>Financial</b>
1999-2000	30000	15.00	30000*	15.00**
2000-2001	15000#	15.00	---	---



\* Anticipated (last quarter progress is yet to be received).

\*\* Released Amount

# Reduced targets as the unit cost is expected to be revised to Rs.10,000 per ha. against Rs. 5,000 per ha. after approval of CCEA.

## **CHAPTER - XIII**

### **Cooperation**

13.1 The Co-operation Sector has been playing a significant role in the area of disbursing agricultural credit providing marketing support for farmers, distribution of agricultural inputs, imparting co-operation education and training. It has been allocated Rs. 92,515 lakhs for 9<sup>th</sup> plan, out of which Rs. 16914 lakhs has been allocated in BE 2000-2001. The Co-operation Division is implementing 13 ongoing Central Sector/Centrally sponsored Schemes and has proposed 5 new schemes to be implemented during 9<sup>th</sup> Five-Year Plan for promotion and development of Co-operation.

#### **CENTRAL SECTOR SCHEMES**

1. Central Sector Scheme for Cooperative Education and Training.
2. Assistance to National Cooperative Federations.
3. Assistance to NAFED for promoting business activities.
4. Development of Multi-State Cooperative Societies and Strengthening of Cooperation Division (Direction and Administration).
5. Integrated Cooperative Development Project in selected districts.
6. Assistance for Women Cooperatives.
7. Assistance to National Federation of Labour Cooperatives.

#### **CENTRALLY SPONSORED SCHEMES**

1. Assistance for Cooperative Marketing, Processing and Storage Programmes in Cooperatively Underdeveloped States and Union Territories.
2. Share capital participation in cooperative sugar mills.
3. Assistance for growers Cooperative Spinning Mills.
4. Assistance to Weaker Section Cooperatives.

#### **EXTERNALLY AIDED SCHEMES**

1. Development of Cooperative Rural Growth Centre (EAP).
2. Coconut Development Project in Kerala (EEC Assisted).

#### **NEW SCHEMES [not approved so far]**

1. Strengthening of Cooperative Sector.
2. Janta Personal Accident Insurance Scheme for Labour Cooperatives.
3. Annual Collection, Compilation and Dissemination of Cooperative Statistics all over the country.
4. Development of Reservoirs Fisheries through cooperatives in selected States.
5. Development of Wool Processing and Industrial Cooperatives.

13.2 When asked the action taken by the DAC for approval of schemes by Planning Commission, the Secretary (Agriculture & Cooperation) informed the Committee that they are

going back to the Planning Commission for approval of the scheme.

### Assistance to NAFED

13.3 The National Agricultural Cooperatives Marketing Federations (NAFED) is the apex organisation of the Co-operative Marketing structure at National level. This scheme for assisting National Agriculture Cooperative Marketing Federation of India Ltd. (NAFED) has been continuing since Vth Five-Year Plan. The main objective of the scheme is to strengthen the financial position of NAFED for increasing its business activities in marketing of agricultural produce through Staffeds, PCMsetc. for providing better price to growers and also to enable the NAFED to undertake price support operations, market interventions, commercial purchases, so as to play an effective role in providing market support both internally as well as for promotion of exports.

13.4 For the IX Five year Plan an outlay of Rs. 20.00 crore is proposed for assisting NAFED. For 1997-98 and 1998-99 an outlay of Rs. 5.00 crore was kept and the same was released. A business target of Rs. 850.38 crore is proposed by 1999-2000. A provision of Rs. 5.00 lakhs is proposed for assisting NAFED during 2000-2001.

13.5 The overall business performance of NAFED during last 3 years and target and achievement (upto July, 99) for 1999-2000 is given as under:

	(Rs. in crore)			
	1996-97	1997-98	1998-99	1999-2000
	641.48	546.44	462.94	850.38 (target)
			117.04	(achievement upto July 99)

13.6 The National Cooperative Marketing Federation of India Ltd. is the Central Nodal Agency by the Government for undertaking price support/Market Intervention operation in collaboration with the state designated agencies at the prices announced by the Government.

13.7 Stating about the steps taken to improve the business performance of NAFED Ministry in a written reply informed that:

1. To increase institutional supplies of food products and agricultural commodities.
2. To increase the activities of consumer marketing of food and agricultural products.
3. To expedite completion of income generating products such as bio-fertiliser unit, cold storage and other storage godowns.
4. To increase business activities in jute and jute products.
5. To undertake activities under Government account such as handling of imported pulses and buffer stocking of onion.
6. To make special efforts to get back the lost business viz. Associate shipper status for export of Niger seed.

13.8 During 1999-2000, Government of India in the Department of Agriculture & Cooperation had procured the following quantities under PSS and MIS.

## PROCUREMENT UNDER PSS

S. No.	Commodity	Rate Rs. per Qtl.	Quantity In MTs
1.	Soyabean Yellow Soyabean Black	845 755	494418
2.	Sunflower Seed	1155	15377
3.	Milling Copra	3125	368

## PROCUREMENT UNDER MIS

(i) MIS for Oilpalm in Andhra Pradesh:

Market Intervention Price fixed

Rs. 2750 per MTs.

Procured quantity

-

5000 MTs

Procurement

Still continuing

(ii) MIS for kinoo/malta/orange/galgal in HP

Market Intervention Price fixed

Kinoo/malta/orange

<b>Bgrade</b>	<b>Rs.4.25 per kg.</b>
<b>Cgrade</b>	Rs.3.65 per kg.
<b>Galgal</b>	Rs.2.50 per kg.
<b>Procurement</b>	Stillcontinuing

13.9 No funds have been released so far to NAFED during the current year 1999-2000 for this purpose as no claims have yet been received.

13.10 As regards losses incurred by NAFED in doing business the Representatives of DAC informed the Committee that "NAFED does not incur loss in its own business. Now, this year they are expecting to increase the business to the extent of Rs. 685 crore because they have procured huge quantities of Soya beans. They have to bear that huge quantity. In the case of market intervention the turn over has gone upto Rs. 168 crore, in case of onions they act under Government instructions. Their loss will be borne by them. They are trying to improve their cold storage facilities, distribution centres, export activities etc. But there are uncertainties about the international market."

### Fund for Rural Cooperative Credit System

13.11 The Finance Minister in his Budget Speech has proposed to establish a fund in NABARD in regard to more vibrant rural cooperative credit system.

13.12 The report of Task Force in this regard headed by Shri Jagdish Capoor, Deputy Governor, RBI is at advance stage of finalisation and is expected to be submitted soon. The proposed fund is aimed at making the Cooperative Credit Structure (CCS) more vibrant, free of excessive bureaucratization and overlapping jurisdiction of State Governments. It would also clearly delineate the role of NABARD/RBI in the banking matters. This would facilitate adequate and timely flow of credit to farmers for meeting their production and investment requirements. The fund will be constituted with NABARD, which will work out the operational modalities of the fund.

## **CHAPTER - XIV**

### **Agricultural Credit**

14.1 In order to strengthen the Cooperative Credit Institutions for meeting the credit requirement of the farmers, Central Assistance is released to the State Governments under various Centrally Sponsored and Central Sector Plan schemes.

#### **Credit Flow**

14.2 The Finance Minister in his budget speech has stated that credit flow to agriculture through institutional channels of commercial banks, co-operatives banks and Regional Rural Banks is estimated at about Rs. 41800 crore this year. It is expected to increase by over 20% to a level of Rs. 51,500 crores in 2000-2001.

14.3 Stating about the measures being taken/proposed to be taken by the Department to increase the flow of agricultural credit by over 20% during the current financial year the Department informed that:

"In order to sustain agricultural growth, the credit system is proposed to be restructured so as to increase the flow of credit to agriculture, particularly to small and marginal farmers. Keeping this end in view, various initiatives have been taken viz. Introduction of Kisan Credit Card, preparation of Specialised Agricultural Credit Plans (SCAP) by Public Sector Banks, opening of specialised agricultural branches to take care of financing to high-tech agricultural projects and implementation of most of the recommendations of the R.V. Gupta Committee on Agricultural credit which relate to simplification of procedures regarding loan applications, delegation of powers to Branch Managers, introduction of new loan products with savings component, introduction of Composite Cash Credit limits to farmers, cash disbursement of loans, discretion to banks on matters relating to margin/security requirements for loans above Rs. 10,000/- and dispensing with 'No Dues Certificates as compulsory requirements etc."

#### **Kisan Credit Card Scheme**

14.4 A Kisan Credit Card Scheme aimed at providing adequate and timely support from the banking system to the farmers for their cultivation needs including purchase of inputs in a flexible and cost effective manner, has been launched by Government.

14.5 According to DAC Kisan Credit Card Scheme is becoming very popular among the farmers. There is a target of 75 lakhs KCCs to be issued during the year 2000-2001.

14.6 The total number of Credit Cards issued upto December, 1999 is 5102873 and an amount of Rs. 830017.28 lakhs has been disbursed. Number of Credit Cards issued during 1999-2000 (upto 15.12.1999) is 4298410 and an amount of Rs. 589379.96 lakhs has been disbursed.

### **Crop Insurance**

14.7 The Committee in their report on Demands for Grants 1999-2000 had recommended for early implementation of crop insurance scheme. The Government in their action taken reply had informed that the new scheme namely National Agricultural Insurance Scheme (Rashtriya Krishi Bima Yojna, RKBY) would be effective from Rabi 1999-2000.

Salient features of the new scheme are as under:

- The scheme is available to all farmers (both loanee and non-loanee) Compulsory for loanees but voluntary for non-loanees.
- Scheme covers cereal crops, pulses and oilseeds. Three cash crops namely, sugarcane, potato and cotton are covered first time under the scheme.
- All the remaining annual commercial/horticultural crops will be placed under insurance cover within the next three years, subject to availability of past yield data.
- There is no restriction on sum insured.
- The premium rates will be 3.5% for bajra and oilseeds and 2.5% for other Kharif crops: 1.5% for wheat, and 2% for other rabi crops. In case the rates worked out on the basis of actuarial data are less than the prescribed premium rate, the lower rate will be applicable.
- In case of annual commercial/horticultural crops actuarial rate will be charged right from the start of implementation of the scheme.
- Small and marginal farmers are entitled for subsidy of 50% of the premium charged which would be phased out over 5 years period.
- To ensure sustainability of the scheme, scheme envisages transition to actuarial regime over a period of 5 years.
- This scheme is based on the area approach. However, in the event of localised calamities viz. Hailstorm, landslide, cyclone, flood etc., individual claims of the affected farmers will be entertained separately.

14.8 When asked as how it is different from the existing Comprehensive Crop Insurance Scheme the Department in a written reply stated:

14.9 Comparative table indicating the major counts on which NAIS differs from Comprehensive Crop Insurance Scheme (CCIS) is given below:

<b>Sl. No.</b>	<b>Particulars</b>	<b>CCIS</b>	<b>NAIS</b>
1.	Farmers Covered	Only loanee farmers	All farmers (both loanee & non-loanee).

2.	Crops covered	Paddy, wheat, millets, oilseeds & pulses.	In addition to the crops already covered under CCIS annual Commercial/horticultural crops for which the past yield data is available are covered under the scheme. In the first year, three cash crops namely, sugarcane, potato and cotton are covered.
3.	Premium	2% for paddy, wheat & millets and 1% for Oilseeds and pulses.	3.5% for bajra and oilseeds. 2.5% for other Kharif crops. 1.5% for wheat and 2% for Other Rabi crops. For Commercial/horticultural Crops, actuarial rates will be charged.
4.	Premium subsidy	50% subsidy for small and marginal Farmers to be shared on 50:50 basis by the Central and State Government.	Same as under CCIS but to be phased out over a period of 5 years.

14.10 When asked about the States who have implemented the programme the Representative of DAC informed the Committee:

"This scheme has started with effect from the present Rabi Crop of 1999-2000. Assam, Goa, Gujarat, Himachal Pradesh, Kerala, Madhya Pradesh, Maharashtra, Orissa and Pondicherry have implemented this scheme.

14.11 Tamil Nadu has also given its consent to implement it with effect from the Rabi Crop, but further action of setting up a Committee and notifying etc. has not been taken by them so far.

In addition, Jammu and Kashmir and Andaman and Nicobar have also conveyed that they will be joining with effect from the next crop. That way twelve States and Union Territories are implementing the scheme and two of them will be implementing it with effect from the next crop.

Rs. 215 crore is the budget provision that we have kept in the current year. In the coming year it will go up to Rs. 320 crore."

14.12 The Committee enquired the reasons for setting a condition of availability of 10 years data of yield for crop insurance and eight crop cutting experiments. The Representative of DAC informed that yield figure come through crop cutting experiment. These crop-cutting experiments were done for getting the national level and State level yield. What we do is, a sample is drawn and the total number of crop cutting experiments is less than five lakhs in the entire country. When we take a sample, it is ensured that the sample, which is drawn, will give reasonable results at the State level. If one has to go to the village level, then the number of crop-cutting experiments have to be proportionately increased. For each village, we will need at least eight crop cutting experiments for

a crop."

14.13 The Secretary (DAC) further informed the Committee that they had taken the help of Indian Statistical Research Institute and Crop Insurance Scheme is due for a review after one year.

14.14 When asked about the use of satellite for conducting survey on crop yield, the Secretary (DAC) stated:

"Space technology is already being used. That is very useful in finding out the overall figures in overall areas. It is because crop insurance is related to one person and one farmer. Therefore, it is no doubt useful. A little more ground reality has to come into the picture."

14.15 He further informed the Committee that a total of 2,33,000 farmers have insured under the scheme.

14.16 The Committee pointed out that while assessing the damage under the existing system, Mandal as a unit is taken. When asked why village as a unit is not taken the Representative stated as under:

"The scheme provides that the States can go up to Panchayat level and even up to the village level subject to two conditions. The yield data should be available for that area for ten years on the basis of which the yield has to be calculated by the implementing agency. Secondly, there required Panchayat level or the village level, they will have to conduct at least eight experiments. Whenever and wherever that capability is realised, we can go up to that level. When the States are able to furnish the data, they will be able to go to that level. In Orissa in some of the areas they have gone to the Panchayat level. They are splitting up the data and giving it to us. The moment it becomes available, from the very next crop we can go to that level."

## **CHAPTER - XV**

### **COMMISSION FOR AGRICULTURAL COSTS & PRICES**

15.1 The Government decides on the support prices for various agricultural commodities taking into account the recommendations of the CACP, the views of State Governments and Central Ministries as well as such other relevant factors which, in the opinion of the Government, are important for fixation of the support prices.

15.2 The Commission for Agricultural Costs and Prices submits its recommendations on agricultural price policy and minimum support prices for more than 20 crops in five reports during the course of a year. Rs. 20.00 lakhs have been allocated for 2000-2001 for the purpose.

15.3 The Plan scheme of Decentralisation of Planning-Evaluation/Research Studies of CACP is in operation during the IX Five year Plan with a budget allocation of Rs. 150 lakh. The major programme of the scheme are (a) retabulation and analysis of costs of cultivation data generated under the Comprehensive Scheme for Studying the cost of cultivation of principle crops in India (b) creation of data bank on agricultural trade policy related matters and its analysis (c) all India analysis directly oriented to agricultural price policy and (d) preparation of quick studies on market behaviour during peak season.

15.4 When asked whether the recommendations of the Commission are binding on the Government, the department stated that the Commission for Agricultural Costs & Prices is a recommendatory body. As such, its recommendations are not binding on the Government.

However, by and large, the Government has been accepting the Commission's agricultural price policy recommendations, though sometimes the minimum support prices recommended by the Commission have been revised upwards.

## **CHAPTER - XVI**

### **NATURAL DISASTER MANAGEMENT**

16.1 The NDM Division is implementing a Central Sector Scheme on "Natural Disaster Management Programme" during the Ninth Plan, which was approved on 02.11.1998. The objective of this scheme is to focus on disaster preparedness with emphasis on mitigation measures. This includes integration of relevant aspects of disaster prevention and mitigation in the national development process. The programme is also expected to increase the level of awareness of the communities about disasters they are likely to face and prepare them adequately to face the crisis situations. The activities under the scheme include human resources development, research and consultancy, documentation of various natural disasters, creation of Faculties on Natural Disaster management at the national and state levels and to implement various programmes to achieve the goals and objectives of International Decade on Natural Disaster Reduction (IDNDR). As such, no physical target can be fixed for various activities under this scheme.

16.2 During 2000-2001 Rs. 630 lakhs have been allocated for the purpose. A Cyclone of rare severity termed as Super Cyclone hit Orissa on 29<sup>th</sup> October, 1999. Earlier also a very severe cyclone hit Orissa on 17-18<sup>th</sup> October, 1999. The Super Cyclone also caused wide spread damages to the infrastructure and public utility services. The magnitude of damage to property and loss of life was unprecedented. The Government of India, there, deemed it a calamity of rare severity and treated it as a calamity to be handled at National level.

16.3 At the national level, a National Crisis Management Committee headed by Cabinet Secretary has been constituted with the Secretaries in charge of the nodal Ministries responsible for various types of disasters as members. The Central Relief Commissioner in the Ministry of Agriculture functions as the coordinating agency at the national level under which, a Crisis Management Group (CMG) functions. The CMG meets as often as required in the wake of natural calamities to coordinate efforts at the Central level and also liaise with the State Governments.

16.4 A National Contingency Action Plan (NCAP) has been formulated and circulated to the State Governments for launching of relief and rescue operations without delay. The NCAP identifies the initiatives required to be taken by various Central Ministries/Departments in the wake of natural calamities, sets down the procedures and determines the focal points in the administrative machinery. The State Governments have also formulated their area specific Contingency Action Plans which are updated annually keeping in view the situation and experiences gained from time to time.

16.5 National Remote Sensing Agency, Department of Space has sent proposal on NDM information Services through Space-Technology (NDM ISS) for implementation during Ninth Five Year Plan. The proposal envisages early warning assessment and monitoring of drought and floods through remote sensing. This scheme has four components namely crop acreage and



production estimates (CAPE), drought monitoring, flood area mapping and marine fisheries. An amount of Rs. 2000 lakh has been allocated during Ninth Five Year Plan for the programme. EFC memo for this scheme has been prepared and circulated in consultation with Planning Commission and other concerned. It is expected that the scheme will be implemented during the current year. Rs. 2000 lakh have been allocated as grants-in-aid for 2000-2001.

## **Part II**

### **RECOMMENDATIONS/OBSERVATIONS**

#### **Recommendation SI. No. 1**

##### **Reduced Annual Plan Outlay vis-à-vis Ninth Plan Outlay**

The Committee note that an outlay of Rs. 9153 crore was approved by Planning Commission and Ministry of Finance for the ninth plan against Rs. 18,253 crore projected by the Department. The Committee are distressed to find that even this reduced outlay has not been proportionately made available to them in the first three years (1997-2000) of the Plan that have elapsed and also in the budgetary outlay for the 4<sup>th</sup> year (2000-2001). During the first three years of the Plan an expenditure of Rs. 4410.88 crore has been incurred leaving Rs. 4742.92 crore to be utilised during the remaining two years. However, against a requirement of Rs. 2964 crore projected by Department for 2000-2001, a budget provision of only Rs. 1965 crore has been made for the Department which is very inadequate to meet the targets of 9<sup>th</sup> plan and also to meet the objective of doubling food grain production in 10 years. The Committee wish to emphasise that the development of agriculture is essential not only to provide food to increasing population of country but also to ensure and improve livelihood of rural population. Therefore, this sector needs to be given high priority in all planned strategies of the Govt. The Secretary (AC) during evidence has clearly stated that with the present level of allocation, the Department is unlikely to meet the food production targets envisaged in the Ninth Plan. The Committee are further perturbed to note that the draft Ninth Plan Mid term review and Allied sectors has observed that the production targets particularly in the context of cereals & pulses are unlikely to be achieved. The Committee, therefore, strongly recommend that Planning Commission and Ministry of Finance should review the allocation of funds to this vital sector and enhance allocation of plan funds to at least Rs. 2964 crore at Revised Estimate stage, so that the Department can progress towards reaching the food grain targets set for the Ninth Plan.

#### **Recommendation SI. No. 2**

##### **Non-Utilisation of full budgetary allocation by Department**

The Committee are distressed to find that Department has not been able to utilise full plan budgetary allocation of Rs. 1956 crore provided in BE (1999-2000). The allocation was brought down to Rs. 1492 crore at the revised estimate stage, which amounts to 23.7% reduction from the original estimate. The primary reason for this reduction in plan allocation as stated by the Department is non-approval by Planning Commission of several new initiatives proposed by the Department. The Committee are deeply anguished that we are in the 4<sup>th</sup> year of the Ninth Plan and many important schemes proposed to be launched at the start of Ninth Plan have still not taken off, though allocation for the same in the budget has been made year after year. As stated by Secretary (DAC) that till the beginning of the last year, they were functioning in the Eighth Plan mode and it is only during the second half of the year, they have been able to get some of the new

schemes for the Ninth Plan cleared. The Committee strongly disapproved the late start of the Ninth Plan and strongly recommend to the Planning Commission that since only 2 years of the Ninth Plan are left, all the schemes proposed for the plan be cleared urgently, so that the schemes are implemented on a war footing and increased allocation be made to make up for the lost time.

### **Recommendation SI. No. 3**

#### **Unspent Balance with States**

The Committee are concerned to note that in many important on-going schemes particularly in crops and horticulture sector, plan funds have not been utilised in full as some States have unspent balances from the previous years, thereby resulting in less release of funds to them.

The Committee have also been informed that some State agriculture Departments are not receiving funds from their respective State Finance Departments in time. The Committee are of the view that this is a perennial problem and some concrete measures are required to be taken in this regard.

The Committee recommend that the Department should strengthen their monitoring mechanism and ensure that funds released to States, reach the State Agriculture Department within 15 days of their release. The names of States who lag behind in implementation of schemes should be invariably given in performance budgets and the States who have performed well be rewarded by higher allocation.

### **Recommendation SI. No. 4**

#### **Allocation for North Eastern Region**

The Committee are unhappy to find that the Department has been able to allocate only 4.07% of total budgetary outlay during 1998-99 and 5.16% of total outlay during 1999-2000 to the North East against the stipulated allocation of 10% of total Central budget for North East Region. However for 2000-2001 an allocation of Rs. 195 crore amounting to 10% of total budgetary allocation has been made for this region and a new scheme viz. Technology Mission for development of horticulture in North East is proposed for implementation, which is expected to give a boost to horticulture development in the region. The Committee are, however, constrained to note that the Planning Commission have still not approved the scheme. The Committee strongly recommend that the Department should vigorously pursue with the Planning Commission for early clearance of scheme, so that the scheme is implemented in the first trimester of the financial year. The Committee further recommend the Department to effectively monitor and ensure that the funds allocated for other sectors also are judiciously and fruitfully utilised by the States. The Committee also desire that proper training should be imparted to State Agriculture Department officials in North East so that various new initiatives taken by the North East are smoothly implemented.

### **Recommendation SI. No. 5**

#### **Macro-management**

The Committee find that Government has adopted a new approach to management of Agriculture named Macro-management, wherein 27 on-going Centrally sponsored schemes have been subsumed under macro management mode. The Committee have been informed that the new approach will accord greater flexibility to State Governments to develop and pursue activities on the basis of regional priorities.

The Committee appreciate the new approach and feel it to be a step in the right direction for effective and full utilisation of the limited allocation available for the sector. The Committee are,

however, constrained to note that the scheme has not yet been finally cleared by normal process of EFC.

The Committee desire that since it is a totally new approach, the administrative process for its clearance be expedited and the scheme put into operation without any delay.

#### **Recommendation SI. No. 6**

##### **Technology Mission on Cotton**

The Committee are happy to note that the `Technology Mission on Cotton to improve production, productivity and quality of cotton has finally been launched and will be fully operational next year. The Committee desire that with launching of `Technology Mission a permanent policy on export of cotton be also chalked out, as it would motivate the farmers to improve the productivity and quality of cotton with an eye on International Cotton Market.

#### **Recommendation SI. No. 7**

##### **Seeds**

The Committee note that quality seeds are imperative for good and quality production. They, however, find that the farmers though keen on use of quality and certified seeds are not getting them adequately and in time. The Committee were informed during evidence that a Ninth Plan Working Group on seeds had gone into the question of availability of quality seeds to the farmers. The Committee would like to know the main recommendation of the working group and the action taken by Government thereon. They further desire that the Department should work out an annual need based requirement of quality seeds in the country and prepare a scheme to provide the same to farmers within a short period.

#### **Recommendation SI. No. 8**

##### **Technology Mission on Oilseeds**

The Committee are distressed to find that against the Ninth Plan target to bring 80,000 ha. under oil seed cultivation, an area of only 19,976 ha. has been brought under oil seed production in the first 3 years of the plan. The Committee were informed that the farmers could not be motivated to take up oil palm cultivation with a long gestation period, as there has been a crash in market price of indigenous crude palm oil due to reduction in import duty of edible oils and import of large quantity of edible oils including palm oil under OGL. The Committee are unhappy to note that on the one hand production of oilseeds has been taken on a mission mode and farmers are being motivated to take up oil palm cultivation and on the other hand by reducing the import duty on edible oil and importing large quantity of cheaper edible oil farmers are being discouraged to take up this crop. The Committee, therefore, recommend that the Government should review the whole oilseeds scenario and rationalise the import duty on edible oil so that the indigenous oil production is given the right impetus and the farmers get the right price for their produce.

#### **Recommendation SI. No. 9**

##### **Fertilisers**

The Committee note with concern the substantial increase in prices of fertilisers due to reduction in subsidy announced in the budget. They also note that fertiliser is the basic input for crops and the consumption of fertiliser is directly related to its market price. The Committee, therefore, desire that the Government should review the reduction in subsidy on Fertilisers.

The Committee have been informed during evidence that there is enough availability of urea and other decontrolled fertilisers in the country. The Committee, however, find that the fertilisers are not made available to the farmers in time due to which they are compelled to purchase it in black market or purchase spurious fertilisers. The Committee, therefore, recommend that distribution mechanism for fertilisers in States be reviewed and it should be ensured that fertilisers reach the farmers in time. The Committee further desire that a need based requirement of fertilisers in States be worked out and States, where fertiliser consumption is low, those States be encouraged to use more.

#### **Recommendation SI. No. 10**

##### **Soil Testing**

The Committee are constrained to note the inadequate number of soil testing labs in the country. There are only 514 soil testing labs that include 175 mobile soil-testing labs. They are dismayed to note that annual capacity of even these testing labs is not being utilised fully. As against the capacity of testing 58,79,500 samples only 44,80,700 samples are being tested i.e. only 76% of the capacity is being utilised. The Committee were informed that Department gives funds to State for setting up the laboratories but for running the labs the expenditure is to be borne by the State Governments, which they are sometimes not able to meet. The Committee recommend the Department to examine the working of all soil testing labs which have been set up with central assistance and the States where testing labs are not working to their full capacity be asked to take urgent remedial measures to make them fully functional. The States can also consider charging a small fee for soil testing to meet the running expenses. The Committee further recommend that one soil testing lab should be set up at each block level so that even small and marginal farmers can take advantage of soil testing at their vicinity. The Committee also recommend the Government to consider bringing soil-testing scheme under MPLADs Scheme.

#### **Recommendation SI. No. 11**

##### **Drip Irrigation**

The Committee note that the most important component, under the scheme of 'Use of Plastics in Agriculture' is the promotion of water saving technology of drip irrigation system. But the Committee have observed that sub-standard drip irrigation systems are supplied to farmers resulting in their non-functioning after six months or one year. The Committee feel that the Department should concentrate on this issue because this is the programme which is fully utilised by the farmers as well as the Department.

Although this programme is being implemented fully but the Committee find that the performance is not satisfactory due to supply of sub-standard drip irrigation equipments. They, therefore, desire the government to issue necessary instructions to State Governments to take concrete steps to make available good quality equipments to the farmers. The Committee would also like to have a report of the funds already released, the utilisation status and a State-wise list of the functioning and non-functioning units in field. The Committee also recommend that the defaulter companies supplying sub-standard equipments should be black-listed, in order to encourage proper utilisation and implementation of this very important and useful scheme.

#### **Recommendation SI. No. 12**

## **Cold Storages**

The Committee have observed that due to lack of cold storages facilities and their proper functioning 8 to 37 per cent of fruits and vegetables get spoiled. The main reason for their non-functioning is failure of power supply, which in turn leads to more loss and wastage. The Committee, recommend that the Government should instruct the State Governments to ensure uninterrupted quality power supply to cold storages to enable them to function smoothly.

There are a total number of 3,443 units with a capacity of 103.53 lakh tonnes, out of which cold storages with a capacity of about 8 lakh tonnes are not functioning. The Committee, therefore, feel that there is an urgent need for expansion/modernisation/rehabilitation programme for existing cold storage facilities. The Government should expedite the clearance for this programme and separate budgetary allocations should be made for this purpose.

In order to utilise the full capacity of cold storages the Committee recommend that since many of the cold storages are geared or designed for a particular product and the products are kept for a limited period only, Government should have a scheme to have cold storages with many chambers so that they may be utilised for different products, thereby, utilising its full capacity for the whole year.

### **Recommendation SI. No. 13**

#### **Implementation of Insecticides Act**

The Committee find that sale of spurious insecticides in many States has led to destruction of crops and losses to farmers. The Committee were informed that under the Act for sale of spurious insecticides the maximum punishment ranges from six months to two years. An amendment of Insecticides Act has been proposed to be introduced in Parliament to make it more stringent. The Committee recommend that in the proposed amendment of the act, the maximum punishment should be 5 years and the fine be increased upto Rs.1 lakh so that it could become a deterrent for persons selling spurious insecticides.

### **Recommendation SI. No. 14**

#### **Farm Machinery Training and Testing Institute in Tamil Nadu**

The Committee are happy to note that a site for setting up of Farm Training and Testing Institute in Tamil Nadu has been selected and land taken over. The completion of infrastructural facilities for the institute would take 5-7 years, once, the necessary staff is posted there. The Committee have been further informed that training in agricultural equipment would be started within a period of two years after the sanction of staff.

The Committee are, however, constrained to find that necessary posts for the Institute have not been sanctioned by the Ministry of Finance so far. The Committee, therefore, recommend that the Department should take up the matter with the Ministry of Finance vigorously so that the institute is made operational at the earliest and the farmers start getting the benefits of training on agricultural equipment.

### **Recommendation SI. No. 15**

#### **Promotion of Agricultural Mechanisation among small farmers**

The Committee are unhappy to note that under the scheme of `Promotion of Agricultural Mechanisation there has been a reduction in budget outlay for 2000-2001. Against Rs. 1663, Rs.

1637 & Rs. 1603 lakh provided and spent during 1997 to 2000 only Rs. 1560 lakh have been provided for 2000-2001. The Committee find that this scheme is very popular among small farmers, and has elicited an overwhelming response from the farmers.

The Committee, therefore, recommend that, in view of the positive response of the farmers and full utilisation of funds, the budgetary allocations under this scheme should be suitably enhanced at the Revised estimated stage so that increased number of small farmers could be benefited by this scheme.

#### **Recommendation SI. No. 16**

##### **Training of Women in Agriculture**

The Committee find that scheme of 'Training of Women in Agriculture' launched on pilot basis during VIII Plan in 7 states of the country is going on extremely well and is giving good results. The Committee have been informed that despite the good performance, Planning Commission has advised against the extension of the scheme to cover more States and the scheme is now operating in seven old districts and five new districts in the five North Eastern States. The Committee fail to understand the logic behind non-extension of a scheme which is gradually showing good performance. The Committee strongly recommend the DAC to approach Planning Commission once again to reconsider the continuation of this scheme and give immediate approval for its extension to all the State/UTs.

#### **Recommendation SI. No. 17**

##### **Soil and Water Conservation**

The Committee are perturbed to note that a huge area of 35.81 lakh hectares in 10 States is affected by alkaline soil and out of this an area of only 72,438 hectares in six States has been reclaimed so far. The Committee have been informed that the scheme is being implemented with financing pattern of 60:40 on sharing basis for which the State Governments are not in a position to contribute. Therefore, there is a proposal to revise the pattern of assistance to 75:25. The Committee feel that this very important project as it increases the net cultivated area of the States. The Committee, therefore, recommend that Government should consider for making it 100% centrally funded Scheme.

#### **Recommendation SI. No. 18**

##### **NAFED**

The Committee have noted that overall business performance of NAFED has been declining. During 1998-99 there was a business of Rs. 462.94 crores against Rs. 546.44 crore during 1997-98. For 1999-2000 a target of Rs. 850.38 crores has been kept. The Committee are of the view that NAFED should take concrete measures to augment exports, which in turn would help in enhancing the business performance of the federation and farmers will also be encouraged to produce more. The Committee also recommend that the cold storage facilities may be developed so that federation does not suffer losses on account of wastages for want of cold storages.

The Committee are of the view that NAFED should concentrate on the North Eastern region also. The Committee, therefore, recommend that NAFED should also open its branch office in Tripura for taking up business of Pineapples, oranges, ginger and other agro products.

#### **Recommendation SI. No. 19**

## **Delay in approving the schemes of Cooperative Sector**

The Committee note that some of the important new schemes of Ninth Plan under the Cooperative sector, viz. Strengthening of Cooperative sector, Janata Personal Accidental Insurance Scheme for Labour Cooperatives, Development of Reservoir Fisheries through cooperatives in selected States & Development of Wool Processing and Industrial Cooperatives have not been approved so far by Planning Commission, as they have expressed some reservations about these schemes. The Committee feel that these are very important schemes and will have positive impact on the development of cooperatives in the country. Since the implementation of scheme has already been very much delayed, the Committee desire the Department to resolve all the reservations expressed by the Planning Commission urgently and pursue the matter vigorously for early clearance of these schemes.

### **Recommendation SI. No. 20**

#### **Crop Insurance**

A new scheme namely National Agricultural Insurance Scheme (Rashtriya Krishi Bima Yojna, RKBY) has been started with effect from present Rabi crop of 1999-2000. The Committee have noted that 9 States have implemented this scheme and 3 more States would join with effect from next crop. The Committee desire that the Government should take steps to encourage all the States/UTs to implement this scheme.

The Committee have been informed that for availing benefits under the scheme the beneficiary should make available data of yield for crop of 10 years and eight crop-cutting experiments. The Committee are of the view that there is no need for this condition of 10 years of data because for want of data the scheme may not be implemented in full. Therefore, the Committee recommend that the Government should take in account lesser number of crop cutting experiments in place of 8. The Committee also recommend that Crop Insurance scheme should be made easy to the farmers, and the conditions for the implementation of the Insurance Scheme should be relaxed so that more and more farmers may come under the purview of the scheme and benefited therefrom. While assessing the damage under the system, village should be taken as a unit in place of Block as a unit. Space Technology and Satellite surveys may also be used as an alternative method to make an assessment of the yield.

The Committee note that in the first year, only three crops are being covered under the scheme, namely sugarcane, potato and cotton. They desire that the Department should make concerned efforts to include all the crops under the scheme so that more and more farmers may come under the umbrella of Crop Insurance.

### **Recommendation SI. No. 21**

#### **Natural Disaster Management Programme**

The objective of the Central Sector Scheme on "Natural Disaster Management Programme" is to focus on disaster preparedness with emphasis on mitigation measures. The State of Orissa was recently devastated by super cyclone, which caused heavy damage to life and property of the people in State. In this connection, the Committee have observed that a lot is needed to be done in this direction as various agencies of Government and non-Government organisations are also showing interest now. The Committee, therefore, recommend that more emphasis should be given on implementation of the scheme and Department should take help of non-Governmental

organisations to create awareness among common masses specially in disaster prone areas for preparing them to face crisis and react accordingly.

The Committee have noted that a proposal on NDM information service through Space Technology (NDM ISS) envisaging early warning assessment and monitoring of drought and floods through remote sensing is to be implemented during 9<sup>th</sup> plan with an outlay of Rs. 2000 lakhs. But till now no funds have been utilised. The Committee feel that forewarning is the first and the foremost measure which should be taken for the preparedness of Natural Disasters. The Committee, therefore, recommend that this scheme should be implemented with sincerity and in true spirit as it is very useful for forewarning the people in order to save their lives and properties and the amount allocated for 2000-2001 be utilised in full.