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**STANDING COMMITTEE
ON AGRICULTURE**

(1998-99)

TWELFTH LOK SABHA

MINISTRY OF AGRICULTURE

**(DEPARTMENT OF AGRICULTURE
AND COOPERATION)**

**DEMANDS FOR GRANTS
(1998-99)**

SEVENTH REPORT

PAPERS LAID ON THE TABLE
OF THE LOK SABHA

7-9 JUL 1998



सत्यमेव जयते

AUTHENTICATED

Sh. Pradip
Chairman

Standing Committee on Agriculture

**LOK SABHA SECRETARIAT
NEW DELHI**

July, 1998/Asadha, 1920 (Saka)

SEVENTH REPORT

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(TWELFTH LOK SABHA)

MINISTRY OF AGRICULTURE
(DEPARTMENT OF AGRICULTURE
AND COOPERATION)

DEMANDS FOR GRANTS (1998-99)

Presented to Lok Sabha on...7...7...1998
Laid in Rajya Sabha on.....



LOK SABHA SECRETARIAT
NEW DELHI

July, 1998/Asadha, 1920 (Saka)

C.O.A. No. 63

Price : Rs. 34.00

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Ninth Edition) and Printed by Jainco Art India, 13/10, W.E.A., Saraswati Marg, Karol Bagh, New Delhi-110005.

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COMPOSITION OF THE STANDING COMMITTEE ON
AGRICULTURE (1998-99)

Shri Kinjarapu Yerrannaidu — *Chairman*

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Lok Sabha

2. Shri Ramchandra Baimda
3. Shri D.C. Sreekantappa
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SECRETARIAT

- | | | |
|---------------------------|---|-----------------------------|
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| 3. Shri S. Bal Shekar | — | <i>Deputy Secretary</i> |
| 4. Smt. Anita Jain | — | <i>Under Secretary</i> |
| 5. Smt. Jyochnamayi Sinha | — | <i>Reporting Officer</i> |

PREFACE

I, the Chairman, Standing Committee on Agriculture having been authorised by the Committee to submit the Report on their behalf, present this Seventh Report on Demands for Grants of the Ministry of Agriculture (Department of Agriculture and Cooperation) for the year 1998-99.

2. The Standing Committee on Agriculture was constituted on 5th June, 1998. 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 and Cooperation) on 19th June, 1998. The Committee wish to express their thanks to the Officers of the Ministry of Agriculture (Department of Agriculture and 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 1998-99 and for giving evidence before the Committee.

4. The Committee considered and adopted the Report at their sitting held on 29th June, 1998.

NEW DELHI;
29 June, 1998
8 Asadha, 1920 (Saka)

KINJARAPU YERRANNAIDU,
Chairman,
Standing Committee on Agriculture.

CHAPTER I

INTRODUCTORY

1.1 Agriculture sector is key to all strategies of planned economic development in India. Agriculture and allied activities still make the single largest contribution to the Gross Domestic Product, accounting for almost 30% of the total. Agriculture provides employment to around 65% of the total work force. This sector provides foodgrains to the population and raw material to the major industries. About two-thirds of the country's population depend upon this sector for their livelihood. Accordingly, a very high priority has been accorded to agriculture in the five year plans. The pressure on the land resources due to extensive and intensive cultivation, heavy removal of soil nutrients, injudicious use of various agro chemicals have exceeded beyond their carrying capacity. Hence, the dimension of agriculture has been shifted towards a new direction, which is otherwise known as sustainable agriculture, which means successful management of resources to satisfy changing human needs, while maintaining or enhancing of quality of environment and conserving of natural resources.

Agricultural Development Strategies during Ninth Plan

1.2 The agricultural development strategies during 9th Plan would be centered around achieving the objectives of sustainability of employment generation food and nutrition security, equity and poverty alleviation. Efforts will be made to achieve a growth rate of 4.5% per annum in agricultural output & production of 231 million tonnes of foodgrain by 2001/02. This will have a significant impact on overall growth and poverty alleviation. Regionally differentiated strategies will be followed to realise the full potential of growth in every region. The emphasis will be on raising the capabilities of small peasants and promoting sustainable agricultural systems, while at the same time conserving and maximising the value from scarce resources, water and land. Infrastructure development will be given the highest importance. Emphasis will be laid on minor irrigation by harnessing ground water resources. Timely and adequate availability of inputs will receive special attention. The regional programmes will be formulated in such a manner as to ensure provision of inputs to the farmer, particularly in

the remote, hilly, backward and tribal areas. Agricultural credit is a crucial input and it will receive special attention. The programmes relating to land reforms would be strengthened to raise agricultural growth and help the poor. Efforts will be made to increase public investment during the Plan period. In every district, the Rural Infrastructure Development Fund (RIDF) must be used to promote projects which encourage organisations of groups of small farmers, artisans and landless labourers for skill upgradation, processing, transport infrastructure, quality improvement etc. support to agricultural research will be enhanced and emphasis will be placed on bio-technology, micro-biology, genetic improvement of crops including hybrid technology, genetic upgradation of animal resources, improvement of fish genetic stock and post-harvest technology, etc. Efforts will be made to accelerate the growth rates of allied sectors such as horticulture, including fruits and vegetables, fisheries, livestock and dairy. Agricultural exports will receive special attention as these have a lot of potential for increasing farm incomes and employment, besides earning foreign exchange. Co-operatives will be strengthened. Greater participation of women in agriculture than at present will be encouraged, linkages with markets will be strengthened and agro-processing and agro-industries will be encouraged.

1.3 An outlay of Rs. 16,926 crores has been provided for the centrally and centrally sponsored schemes of the Department of Agriculture and Co-operation for the Ninth Five Year Plan period keeping in view the importance of this sector.

1.4 The sector-wise allocation and Expenditure of the 8th Plan outlay is given below:—

Sl. No.	Head of Development	8th Plan Total Outlay	1992-97			%age	
			B.E.	R.E.	Actuals	B.E.	R.E.
1	2	3	4	5	6	7	8
1.	Agriculture Extension and Training	40.00	69.50	68.78	50.98	73.35	74.12
2.	Agri. Census	18.00	21.22	22.19	21.16	99.12	95.36
3.	Agriculture Eco. & Stat.	89.92	88.18	91.07	84.30	95.60	92.57

1	2	3	4	5	6	7	8
4.	Seed Development	200.00	174.73	173.12	159.36	91.20	92.05
5.	Fertiliser and Manures	79.60	61.85	511.34	430.68	696.33	84.23
6.	Plant Protection	100.00	111.94	93.97	56.92	50.85	60.57
7.	Agri. Implements & Machinery	63.00	65.50	63.26	49.92	76.21	78.91
8.	Crops	1000.00	901.00	680.79	565.38	62.75	83.05
9.	Technology Mission on Oilseeds and Pulses	950.00	804.00	762.39	726.25	90.33	95.26
10.	Rainfed Farming	1100.00	954.01	807.47	773.26	81.05	95.76
11.	Horticulture	1000.00	784.45	765.50	718.93	91.65	93.92
12.	Secretariat Eco. Service	0.00	11.22	10.41	6.94	61.85	66.67
13.	Crop Insurance	275.00	309.03	345.75	344.14	111.36	99.53
14.	Trade (SFAC)	0.00	8.00	5.30	1.00	12.50	18.87
15.	Natural Disaster Mgmt.	9.00	6.25	4.91	2.79	44.64	56.82
Total Demand No. 1		4924.52	4370.88	4406.25	3992.01	91.33	90.60

Demand No. 2—Other Services of the Department

16.	Soil & Water Conservation including State Plan	800.00	635.90	613.30	582.05	91.53	94.90
17.	Planning	0.10	0.00	0.00	0.00	0.00	0.00
18.	Fisheries	400.00	431.60	399.80	361.85	83.84	90.51

1	2	3	4	5	6	7	8
19.	Credit	375.00	518.27	517.65	513.07	99.00	99.12
20.	Cooperation	900.00	844.15	872.74	847.05	100.34	97.06
Total : Demand No. 2		2475.10	2429.92	2403.49	2304.02	94.82	95.86
Total Demand No. 1&2		7399.62	6800.80	6809.84	6296.03	92.58	92.45

1.5 Statement Showing Budget Estimates, Revised Estimates and (Small) Expenditure for 1997-98 and Budget Estimates for 1998-99 is given below:—

(Rs. in lakh)

Sl.No.	Head of Development	Budget Estimate 1997-98	Revised Estimate 1997-98	Expenditure upto 31.3.98 (Suppl.)	Budget Estimate 1998-99
1	2	3	4	5	6
1.	Agri. Extension and Training	1750.00	1022.00	954.72	3248.00
2.	Agriculture Census	230.00	230.00	216.56	230.00
3.	Agriculture Eco. & Stat.	3000.00	2851.00	2794.26	3070.00
4.	Seed Development	1000.00	991.00	737.71	1500.00
5.	Fertilizer and Manures	1600.00	1161.00	772.97	1600.00
6.	Plant Protection	3200.00	2869.00	1329.52	3500.00
7.	Agri. Implements & Machinery	2000.00	1858.00	1792.43	2500.00
8.	Crops	15940.00	11236.00	11212.49	37282.00
9.	Technology Mission on O & P	18000.00	17100.00	16397.57	17500.00

1	2	3	4	5	6
10.	Rainfed Farming	17500.00	15629.00	14883.38	27000.00
11.	Horticulture	20000.00	18683.00	18242.49	30000.00
12.	Secretariat Eco. Service	300.00	351.00	223.76	300.00
13.	Crop Insurance	11000.00	11000.00	11000.00	14400.00
14.	Trade (SFAC)	250.00	200.00	50.00	250.00
14A.	Other Programme	—	—	—	600.00
15.	Natural Disaster Mgmt.	220.00	209.00	161.40	320.00
Total Demand No. 1		95990.00	85390.00	80774.26	143300.00
<i>Demand No. 2—Other Services of the Deptt. of Agri. & Coopn.</i>					
16.	Soil & Water Conservation including State Plan	13500.00 1500.00	13788.00 1500.00	13407.26 1500.00	17500.00 1500.00
17.	Fisheries	10325.00	8100.00	6964.79*	—
18.	Credit	19000.00	14095.00	14094.42	16300.00
19.	Cooperation	13110.00	11855.00	11407.96	17000.00
Total : Demand No. 2		57435	49338.00	47374.43	52300.00
Total : Demand No. 1&2		153425.00	134728.00	128146.69	195600.00

*Transferred to Department of Animal Husbandry and Dairying.

CHAPTER II

AN OVERVIEW OF THE DEMANDS

2.1 Demand Nos. 1 & 2 of Central Budget relate to Department of Agriculture & Co-operation. The BE & RE for 1997-98 & BE for 1998-99 for Demand Nos. 1 & 2 is as under:—

(Rs. in crores)

	BE 1997-98		Revised 1997-98		1998 BE	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
Demand No. 1	959.90	2047.71	853.90	2658.74	1433.00	3065.45
Demand No. 2	471.10	8.80	412.38	1.03	523.00	1.12
Total	1431.00	2048.51	1266.28	2659.77	1956.00	3066.57

2.2 The following are the budget estimates, Revised Estimates & Actuals from 1992-93 to 1998-99 in respect of Demand Nos. 1 & 2.

(Rs. in crores)

Years	Budget Estimates		Revised Estimates		Actual	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
1992-93	1049.75	1848.50	1272.90	2197.04	1214.88	2195.18
1993-94	1330.00	713.39	1327.14	1345.63	1183.50	1235.48
1994-95	1419.00	380.86	1472.22	916.63	1279.43	910.31
1995-96	1505.00	546.31	1333.00	674.97	1246.42	649.14
1996-97	1487.25	2274.19	1392.86	1727.10	1378.61	1724.52
1997-98	1431.00	2048.51	1266.28	2761.74	—	—
1998-99	1956.00	3177.45	—	—	—	—

2.3 As per the above mentioned Tables the Department has slashed down the plan allocation from Rs. 1431.00 crores (at the BE stage) to Rs. 1266.28 crores (at the Revised Estimate stage) under Plan head, while in the Non-Plan side the amount has increased from Rs. 2055.21 crores (BE stage) to Rs. 2761.74 crores at the RE stage. Pertaining to the reasons for shortfall in expenditure in the Plan side, the Ministry in its written reply has stated that:

“As per the decision of the then Government, New schemes were not taken up in 1997-98. This partly accounts for the lower allocation at the RE stage. Further, the Revised Estimates are prepared taking into account various factors like balances available with the State Governments/Implementing agencies from previous years, progress of implementation of the schemes, capacity of the implementing agencies to utilise funds, actual needs and fulfilment of procedural requirements in regards to the schemes etc. The allocations in respect of the schemes were decided after taking into account all these factors.”

2.4 The percentage of Plan outlay of Department of Agriculture & Co-operation as a proportion of the total Central Gross Plan Budgetary support for all the Central Ministries/Department and also as a percentage of the total Central Budget since the beginning of 8th Plan till the year 1997-98 is as under:

**Allocation of Plan Outlay for the Department of
Agriculture & Cooperation**

(Rs. in crores)

Year		Budgetary Support to Department of Agriculture & Cooperation	Percentage of Total	
			Central Outlay	Budget Support to Central Ministries/ Departments (Gross Budgetary Support)
1		2	3	4
1991-92	BE	1014.35	2.36	5.33
	RE	1016.93	2.53	5.76
1992-93	BE	1050.00	2.17	5.68
	RE	1273.16	2.56	6.48

1		2	3	4
1993-94	BE	1330.00	2.08	5.72
	RE	1320.05	2.15	5.20
1994-95	BE	1405.00	2.00	5.15
	RE	1458.84	2.14	5.22
1995-96	BE	1490.00	1.89	5.14
	RE	1325.39	1.78	4.59
1996-97	BE	1471.25	1.69	4.50
	RE	1377.91	1.78	4.58
1997-98	BE	1519.25	1.65	4.20
	RE	1416.00	1.54	—
1998-99	BE	1941.00	1.84	4.50

2.5 It is seen that the percentage of Plan outlay of Department of Agriculture & Co-operation (excluding State Plan) to the total Gross Plan Central Budget has been increased to 1.84% from 1.54% in the Revised Estimate of 1997-98. Further, the %age of budgetary support to Department of Agriculture & Co-operation has increased from 4.20% in RE (1997-98) to 4.50% in the BE during 1998-99 which is only an increase of 0.30%. From the figure given in the above mentioned Table it can be observed that the %age of budgetary support out of total Central outlay (1.84%) for 1998-99 is far below than the %age of allocation during the beginning of 8th Plan *i.e.* 1991-92 and remained almost at the same level during 1992-93. Thereafter there was a declining trend and it touched the lowest figure *i.e.* 1.54% in 1997-98.

2.6 When asked what was the total demand projected by the Ministry of Agriculture during 1998-99 and out of this what is the total demand accepted by the Planning Commission during discussions and what is the total amount posed for grants at the budget stage, the Ministry has stated that “the Department of Agriculture & Co-operation

had proposed an outlay of Rs. 2122.50 crores for the current financial year, including requirements on account of Externally-Aided Projects. The Planning Commission had initially approved an outlay of Rs. 1416.00 crores as the domestic budgetary support excluding State plan of Rs. 15.00 crores and Externally-Aided Projects. The same was posed for Grants at Budget stage and also accepted by the Ministry of Finance”.

2.7 When asked in what way the programmes are going to be affected by this, the Secretary to the Department has stated during oral evidence that “last year we had a large number of new schemes which were not there in the earlier Plan and which had to be approved in the Plan for last year. There were a large number of schemes. Three or four of them are very important like Eastern India on Farm Water Management Scheme, Technology Mission on Cotton, Credit Revamping Scheme, Crop Insurance Scheme, etc. So, all these schemes and some other smaller ones we had planned to introduce from last year. We had, therefore, asked for a slightly higher allocation. Last year, the Planning Commission and the Finance Ministry give us a smaller amount. A decision was taken for various reasons such as financial constraints or otherwise that no new schemes would be approved and no new item of expenditure would be approved. It was also decided that there would be attempts made to keep a five per cent reduction both in the Plan and the non-Plan Budgets. Keeping that in view we tried very hard last year. We went to the Committee of Secretaries and the Ministry of Finance. We also went to the Cabinet on more than one occasion. But those new schemes were not allowed. They said that there is a ban on new schemes. The Cabinet also did not agree to relaxation of the ban. Then the time came for the Planning Commission to give interim allocation for the current year. As you are aware because of the change of the government the Planning Commission gave us interim allocation which they fixed at the same level as it was in 1997-98. They did not give any augmentation over that. We asked for more. We told them that we are ready with our new schemes. We also said that we can implement them during the course of the year. So, please give us money. We also said that the schemes which we were not able to pose to you last year, we want augmentation for that.

We want more money for that. But that was not accepted and in the interim Budget, so to say, the same amount was given. This year, when discussions took place on the Budget, which was recently placed

in Parliament, we had discussions with the Planning Commission in detail and we asked for more money. They have asked two questions. One is, whether our schemes were ready and why we could not spend the amount last year. Secondly, they wanted to know whether we are in a position to spend this year. We told them that to the best of our ability, we will see that the schemes get approved. The approval depends on the Planning Commission, Ministry of Finance and the Cabinet, and then sanctions will have to be given. We said that we would try our level best and if they approve the schemes, then it would be spent during the year. Therefore, we asked for some more money. On the basis of that, the outlay has been enhanced to Rs. 1,941 crore. This is the present position."

2.8 The Government in their National Agenda has aimed for doubling of food production and making India hunger free in next ten years. When asked whether Budget allocation for 1998-99 is sufficient to meet the above objectives, the Ministry in its written reply has said that "with the enhanced Plan outlay of Rs. 1941 crores for 1998-99 which provides for new ventures like "On-Farm Water Management for Increasing Production in Eastern India," greater emphasis on National Watershed Development Programme for Rainfed Areas, etc., the Government is making a beginning towards realisation of the objective of doubling the food production in ten years. The position regarding adequacy of fund requirements will be reviewed at the RE stage."

2.9 During oral evidence session of the Department of Agriculture & Co-operation, when asked, with the marginal increase of 0.3% over last year, how you will achieve the target the Secretary has replied that "we had asked for much more money. Even in the normal course, we had asked for more money. We had asked for Rs. 3,937 crore. Against that, we have about a half. Obviously, even in our own estimate, it will not be enough. We have got less than Rs. 2,000 crore whereas we had asked for Rs. 4,000 crore."

He further stated:

"Doubling of food production will require not only money. It will require institutional changes and working with the States. In that background, Rs. 2,000 crore for this year will certainly not be enough."

When asked about the comprehensive programme for doubling of food production in the next ten years the representatives of the Department of Agriculture and Co-operation has stated that the Planning Commission has already worked out outline of the gross plan on the basis of which they would tackle various areas, the difficulties in the different States and the potential in those States. This plan is in its preliminary stages. There we feel we can spend some more money. In this connection the proper coordination of Department of Agricultural Research and Education, Department of Water Resources and Ministry of Food Processing Industries is highly essential in order to achieve the objective and to make sure that whatever product is available, the farmer gets reasonably good prices.

Percentage of allocation to North Eastern States

2.10 The Hon'ble Prime Minister has given a Statement that 10% of the Central Budget will be provided to implement specific schemes/objectives in the North Eastern States and all the Ministries/Departments will ensure for strict implementation of these programmes/schemes.

2.11 In this connection the Ministry has furnished the detailed statements pertaining to all the schemes/programmes launched in the North Eastern States which are enclosed in the following annexures.

Schemes Implemented in North Eastern States (1997-98, 1998-99)

(Rs. in lakhs)

Name of the Scheme	1997-98			1998-99		
	BE	RE	Releases to all States	Releases to NE States	BE	Allocation NE
1	2	3	4	5	6	7
I. CROPS						
1. Integrated Cereals Development Programme —Rice	4141.00	4141.00	4141.00	206.00	4600.0	347.00
2. Sustainable Development of Sugarcane based, Cropping system	1600.00	1100.00	1105.81	29.00	2750.00	133.92
3. Special Jute Development Prog.	400.00	377.00	373.66	54.00	500.00	145.58
4. Integrated Cereal Development —Coarse Cereal	2240.0	2240.0	2235.69	6.00	2503.00	15.04
II. TMOP						
5. National Pulses Development	3438.00	3764.00	3760.00	93.00	3600.00	10.30

1	2	3	4	5	6	7
6.	Oilseeds Production Programme	9459.00	11022.84	260.00	10230.00	50.50
7.	Oil Palm Development Programme	2499.00	238.04	5.78	1200.00	18.38
8.	Accelerated Maize Deve. Programme	1000.00	650.00	166.44	1000.00	192.64
III. RAINFED FARMING SYSTEMS						
9.	National Watershed Development Project for Rainfed Areas	17350.00	14864.00	865.00	26850.00	2475.00
IV. FERTILISER						
10.	Balanced and Integrated use of Fertiliser	700.00	355.55	17.30	159.00	demand driven
11.	Dev. of Fertiliser use in low consumption					
				0.00	300.00	demand driven
12.	National Project & Tech. Mission on Dev. & Use of Bio-fertiliser.	660.00	80.00		586.00	demand driven
V. SEEDS						
13.	Integrated Seed Dev. Scheme	390.00	0.00			discontinued

1	2	3	4	5	6	7
14. National Programme for Varietal Development	400.00	221.00	220.00	—	400	demand driven
15. Streamlining of certified Seeds Production of important Identified Vegetable Crops	88.00	88.00	88.00	1.00	300.00	demand driven
16. National Seeds Programme III	50.00	410.00	100.00	100.00	25.00	demand driven
VI. PLANT PROTECTION						
17. Grants in Aid to States/UTs for Setting/Strengthening of States Bio-Control laboratories under Integrated Pest Management Centre	312.00	312.00	312.00	165.00	118.00	demand driven
VII. MACHINERY						
18. Promotion of Agricultural Mechanisation among Small Farmers	1600.00	1600.00	1668.94	52.90	2000.00	81.60
19. Strengthening of farm machinery trg. and testing Instt.	300.00	245.00	202.23	58.64	292.00	131.1

1	2	3	4	5	6	7
VIII. EXTENSION						
20.	Exchange of Farmers within the country	30.00	20.00	19.88	2.82	25.00
						0.25
21.	Farmers Scientists Interaction	30.00	10.00	8.91	—	25.00
						—
22.	Strengthening of Agricultural Extension	777.00	582.00	516.00	95.88	823.00
						131.5
23.	Extn. through voluntary Org.	150.00	70.00	70.00	10.00	100.00
						10.00
IX. SOIL & WATER CONSERVATION						
24.	State Land Use Board	150.00	200.00	196.00	51.91	200.00
						42.00
25.	Soil Conservation in the Catchments of River Valley Projects	10900.00	10612.00	10612.0	51.00	8100.00
						150.00
26.	Watershed Development Project in Shifting Cultivation Areas	1500.00	1500.00	1500.00	1500.00	1500.00

1	2	3	4	5	6	7
X. HORTICULTURE						
27.	Development of Medicinal & Aromatic Plants	60.00	49.33	1.00	200.00	0.75
28.	Use of Plastics in Agriculture	8100.00	8039.74	170.00	11000.00	548.1
29.	Development of Commercial Floriculture	300.00	146.7	39.00	1000.00	108.00
30.	Development of Mushroom	400.00	295.46	90.20	475.00	79.00
31.	Integrated Development of Tropical, Arid Temperate Zone Fruits	1700.00	1672.4	324.6	2500.00	344.9
32.	Development of Betervine	0.00	0.00	discontinued		
33.	Development of Arecanut	0.00	0.00	discontinued		
34.	Development of Vegetables	300.00	238.94	39.75	2000.00	25.5
35.	Integrated Development of Spices	3000.00	3025.22	328.06	3750.00	453.72
36.	Development of Root & Tubers	50.00	36.78	5.23	200.00	5.60
37.	Development of Cashewnut	1600.00	1391.59	24.80	2000.00	92.23

1	2	3	4	5	6	7
XI CREDIT						
38.	Agriculture Credit Stabilisation Fund	600.00	400.00	—	500.00	demand driven
39.	Investment in debenture of SCLDCs	13000.00	13000.00	1.04	15000.00	—
40.	Special Scheme for SC/ST	85.00	81.00	3.64	80.00	—
XII ECONOMICS & STATISTICS						
41.	Timely Reporting Scheme	230.00	225.00	15.00	240.00	24.00
42.	Improvement of Crop Statistics	203.00	193.00	3.60	212.00	21.00
43.	Livestock Census	1443.00	1432.00	74.39	430.00	43.00
44.	Establishment of Agency for Reporting of Agricultural Statistics	580.00	563.01	10.00	620.00	63.00
XIII CENSUS						
45.	Agricultural Census	230.00	194.00	—	230.00	—

1	2	3	4	5	6	7
XIV. COOPERATION						
46.	Assistance to Women's Cooperatives	140.00	140.00	139.39	82.00	140.00
47.	Assistance to weaker section	140.00	140.00	138.00	49.00	140.00
XV. NEW SCHEMES						
48.	Promotion and popularisation of Agricultural Equipment in the North Eastern States				160.00	160.00
49.	Increasing crop productivity in NE States				3.00	3.00
Total		143100.00*	126628.00*	85333.00*	5004.89	7434.61

*Relates to All Schemes of the Deptt. of Agriculture and Cooperation
 Percentage of releases to North Eastern States during 1997-98 = 2.57%
 Percentage Allocation to North Eastern States during 1998-99 = 3.83%

CHAPTER III

CROPS

3.1 Under crop division the following are the Central Sponsored Schemes :

- (i) Integrated Cereals Development Programme in Rice Based Cropping System Area (ICDP—Rice).**
- (ii) Rice seed, Minikit & State Level Training Programme.**
- (iii) ICDP—Wheat.**
- (iv) Minikit Programme of Wheat including Propagation of new technology.**
- (v) ICDP—Coarse Cereals.**
- (vi) Minikit Programmes of Coarse Cereals including propagation of new technology.**
- (vii) Intensive Cotton Development Programme.**
- (viii) Special Jute Development Programme.**
- (ix) Sustainable Development of Sugarcane Based Cropping System (SUBACS).**

Statement Showing the Scheme-wise 8th Plan Outlay, B.E., R.E. and Actual Expenditures (Releases) during the Eighth Plan

3.2 Under Crop Division is as under:—

Name of the Scheme Project/Programme	Eighth Plan Approved Outlay	Total 1992-97			% age Achievement w.r.t	
		B.E.	R.E.	Actual Expd. (Release)	B.E. 1992-97	R.E. 1996-97
1	2	3	4	5	6	7
CENTRALLY SPONSORED SCHEMES :						
1. IPRD/ICDP-Rice	23428.00	34262.00	20607.00	16496.50	48.15	80.05
2. SFPP-Wheat/ICDP-Wheat	15682.18	19752.00	15630.00	13925.84	70.50	89.10
3. SFPP (Maize & Millets)/ ICDP-Coarse Cereals	9410.18	11076.00	8960.00	7652.44	69.09	85.41
4. Intensive Cotton Development Programme	6143.37	7053.00	5483.00	4895.53	69.41	89.29

1	2	3	4	5	6	7
5.	Special Jute Development Programme	1987.86	1289.00	983.79	50.74	76.32
6.	Sugarcane Development Programme	5645.00	5970.00	4254.91	89.61	71.27
7.	ASMF for construction of STW/DW Programme	5537.00	5537.00	5537.00	116.89	100.00
8.	Efficient on-farm Water Management System	28124.41	1100.00	0.00	0.00	0.00
Total		95958.00	87817.00	53746.01	61.20	83.23
CENTRAL SECTOR SCHEMES :						
1.	Remote Sensing	1399.00	1174.00	792.32	75.89	67.49
2.	Minikit Programme of (a) Rice	383.00	280.00	177.80	59.27	63.50

1	2	3	4	5	6	7
(b) Wheat	494.00	400.00	389.00	243.44	60.86	62.58
(c) Coarse Cereals	464.00	500.00	240.00	155.67	31.13	64.86
3. Drought Prone Area Programme	1302.00	1.00	1302.00	1302.00	—	100.00
Total	4042.00	2245.00	3385.00	2671.23	118.99	78.91
GRAND TOTAL						
Centrally + Central Sector Schemes	100000.00	90062.00	67961.00	56417.24	62.64	83.01
Crop Directorates		38.00	38.00	14.51	38.18	38.18

3.3 Scheme-wise Details of Plan Outlay and Expenditure During Ninth Plan Period in Respect of Crops Division is as Under

S.No.	Schemes	Ninth Plan Outlay	1997-98		Short Fall	% age of Shortfall in total	1998-99		Total of Col. 4 & Col. 8	%age of Col. 9 out of Col. 3
			Budget Alloc.	Actual Expd.			Budget Alloc.			
1	2	3	4	5	6	7	8	9	10	
ON-GOING SCHEMES										
1.	ICDP-Rice	26500.00	4141.00	4141.00	0.00	0.00	4600.00	8741.00	32.98	
2.	ICDP-Wheat	13500.00	1644.00	1635.00	9.00	0.55	2500.00	4144.00	30.70	
3.	ICDP-CC	13500.00	2240.00	2235.69	4.31	0.19	2503.00	4743.00	35.13	
4.	Cotton	10000.00	1500.00	1396.35	103.65	6.91	2200.00	3700.00	37.00	
5.	SJD	2000.00	400.00	373.66	26.34	6.58	500.00	900.00	45.00	
6.	SUBACS	10000.00	1600.00	1105.80	494.20	30.89	2750.00	4350.00	43.50	
7.	MINIKIT-Rice	1350.00	150.00	91.46	58.54	39.03	300.00	450.00	33.33	

1	2	3	4	5	6	7	8	9	10
8.	MINIKIT-Wheat	1350.00	150.00	149.56	0.44	0.29	300.00	450.00	33.33
9.	MINIKIT-C&C	500.00	100.00	78.00	22.00	22.00	115.00	215.00	43.00
	CROP DTES	60.00	15.00	7.75	7.25	48.33	14.00	29.00	48.33
Total on-going Schemes		78760.00	11940.00	11214.27	725.73	6.08	15782.00	27722.00	35.20
** New Schemes									
10.	On-Farm Efficient Water Management	44940.00	4000.00	0.00	4000.00	100.00	15500.00	19500.00	43.39
11.	Tech. Mission on Cotton	26300.00	0.00	0.00	0.00	—	5997.00	5997.00	22.80
12.	Increasing Crop Productivity in NE States	**	0.00	0.00	0.00	—	3.00	3.00	—
Total New Schemes		71240.00	4000.00	0.00	4000.00	100.00	21500.00	25500.00	46.19
Grand Total		150000.00	15940.00	11214.27	4725.73	29.65	37822.00	53222.00	81.39

****Funds to be provided with suitable pruning of outlay for on-going schemes of ICDP-Rice, SUBACS & SJDP.**

3.4 It has been observed from the background material furnished by the Ministry that in Crop division there are major shortfall in terms of both physical as well as financial so far as all the Centrally Sponsored Schemes/Programmes during 8th Plan as well as during the year 1997-98. The 8th Plan approved outlay for this division was Rs. 1000.00 crores. The total BE from the year 1992 to 1997 was Rs. 900.62 crores and RE was Rs. 679.61 crores and Actual Expenditure was Rs. 564.17 crores.

3.5 The 9th Plan outlay for Crop division is Rs. 1500.00 crores Budget allocation for 1997-98 was Rs. 159.40 crores and the actual expenditure is Rs. 112.14 crores leaving an amount of Rs. 472.57 unspent. Budget allocation for the year 1998-99 is Rs. 282.00 crores. The reasons for shortfall as mentioned in by the Ministry are:

- (a) The State Governments were already having unspent balance lying with them.
- (b) Late sanctions of the Scheme by some States as well as non-implementation of the scheme and the inability of some of the States to provide the matching contribution.

3.6 When asked about the steps being followed by the Department for effective monitoring to ensure hundred percent implementation of the schemes. The Ministry has stated that:

“A new Centrally Sponsored Scheme of ‘Efficient on-farm Water Management for Increasing Agricultural Production in Eastern India’ was proposed to be taken up for implementation during 1997-98 as the fore-runner of Ninth Five Year Plan and a provision of Rs. 42.50 crore was kept in VIII Plan in anticipation of its approval. This scheme could not be taken up for approval because of the government decision not to have a new scheme.

As regards implementation of the on-going Centrally Sponsored Crop Production oriented schemes during 1998-99, GOI Administrative Approvals have been conveyed before commencement of the Kharif season and sanction for revalidation of available balance of Central funds with the States from the

last year's releases for utilisation during current financial year also simultaneously accorded.

In the coming years too, the States would be advised to fix the realistic physical targets under the different schemes considering the availability of the required inputs and resources capacity of the States to implement the same. States are being advised to take suitable mid-season corrective measures as may be necessary in regard to targets in respect of different components of the scheme so that fuller implementation of the schemes, as a whole becomes possible, the monitoring of the programmes implementation will be further streamlined/strengthened."

3.7 In the Central Sector Schemes of Minikit Programme of Rice, Wheat & Coarse Cereals there has been major shortfall in expenditure during the 8th Plan period and also during the 9th Plan period so far. When asked to state the reasons for not spending full allocation for the schemes the Ministry in its reply has stated that under these programmes, the Seed Minikits of varieties/hybrids released/notified during the last 5 years for different growing conditions, are supplied by the State Governments to the farmers for popularisation and self seed multiplication at the farmers level. Expenditure on the Seed Minikits Distribution Programmes and State level training programmes for rice, wheat and coarse cereals is incurred on reimbursement basis. Through these programmes, spread of recently released varieties/hybrids and transfer of technology are sought to be achieved on a wider scale in the shortest possible time. During 1997-98, the overall funds utilization under these programmes was nearly 80%. The saving was due to less demand from States/Seed Producing Agencies and a few of the States did not take up the programme for implementation at all. With a view to increase the availability of desired location-specific varieties for the year 1998-99, special efforts have been made for multiplication of seed in the Kharif 1997. The States are also being urged upon to take up the programme vigorously this year. In the Annual Report of the Department of Agriculture & Co-operation (1997-98) it has been stated that on the whole, the country has received 102% of its long period normal rainfall was normal for the tenth year in succession.

3.8 Foodgrains output in 1996-97 was estimated to have risen to 199 million tonnes. This was 19 million tonnes higher over 1995-96

production representing an increase of 10.5 per cent. Rice production was estimated at 81.3 million tonnes compared to 77 million tonnes in the preceding year. Wheat production was 69.3 million tonnes as against 62.1 million tonnes in the preceding year. Coarse cereals output in 1996-97 was estimated to be about 5 million tonnes more over the preceding year's output of 29 million tonnes. Thus 1996-97 emerged as one of the best years in respect of foodgrain production pushing up the overall growth of agriculture production to a record level of 9.3 per cent. Foodgrains production target of 200 million tonnes in 1997-98 is unlikely to be achieved as there has been a set back in wheat sowing besides the inability to sustain coarse grains output at previous year's level. Production of pulses is likely to fall to 13.1 million tonnes. Foodgrains output in 1997-98 may end up at 194.1 million tonnes with decline in production of wheat, coarse cereals and pulses. Only rice exhibited a robust growth over last year. Foodgrains production performance in the last five years is listed Table given below:

Foodgrains Production						(Million Tonnes)
Crop	1993-94	1994-95	1995-96	1996-97	1997-98	
					Target	Estimated
Rice	80.3	81.8	77.0	81.3	83.0	83.5
Wheat	59.8	65.8	62.1	69.3	68.5	66.4
Coarse Cereals	30.8	29.9	29.0	34.3	33.5	31.1
Pulses	13.3	14.0	12.3	14.5	15.0	13.1
Foodgrains	184.3	191.5	180.4	199.3	200.0	194.1
Kharif	100.4	101.1	95.1	104.4	105.5	103.7
Rabi	83.9	90.4	85.3	94.9	94.5	90.4

3.9 Average Annual growth in foodgrains production is shown in Table given below:

Production of Foodgrains—Average Annual Growth						(Million Tonnes)
Year	Rice	Wheat	Coarse Cereals	Pulses	Total Foodgrains	Compound Annual Growth (percent)
1950-51	20.58	6.46	15.38	8.41	50.82	—
1960-61	34.58	11.00	23.74	12.70	82.02	3.22
1970-71	42.22	23.83	30.55	11.82	108.42	1.72
1980-81	53.63	36.31	29.02	10.63	129.59	2.08
1990-91	74.29	55.14	32.70	14.26	176.39	3.54
1997-98*	83.52	66.38	31.15	13.08	194.13	1.73

*Estimated

3.10 It has been stated by the Ministry that the growth rate of foodgrain Production (2.60%) is higher than the population growth rate of 2.14%. However, in the 9th Plan document it has been stated that the rate of demand for the foodgrains due to growth of population is higher than the actual growth in foodgrain production. When asked about the scope for any complacency the Ministry has stated that:

“Keeping in view the likely increase in population a higher growth rate of 4.5% of foodgrains has been fixed by the Planning Commission for the Ninth Five Year Plan. Efforts are also being made to double the foodgrain production during the coming decade.”

3.11 It has been further observed that when in every other country the production is increasing our food production & yield per hectare is coming down. During 8th Five Year Plan a target about 210 million tonne was fixed. In 1997-98 there has been a decline in the target. In 1997-98 there has been a decline in certain specific crops like wheat, coarse grains, oil seeds pulses etc. in regard to the reasons for such

decline the Secretary to the Department of Agriculture & Co-operation has stated during oral evidence that there is a slight decline. That can be for various reasons but the overall trend is towards an increase. I agree that the increase is not as rapid as it should have been. A part of the reason is, we are not evolving as many new technologies as we should.

3.12 Further, it has been observed that on one hand the foodgrain production is going down while on the other hand, our country is importing so many items like, wheat, oil seeds and other Commercial Crops for domestic consumption. Since 1992-93. When asked about the remedial measures to be taken to stop the practice. The Secretary to the Department has stated during the oral evidence as:

“There are two ways—one is of course, to increase our food production. We will have to specifically focus on those areas where wheat can be produced. Where potential is there and productivity is not as high as the national average, we will have to provide them the right quality of seed in time; provide them the irrigation sources, whether by rainfed means or through irrigation. Provide them fertilisers should make them use the fertiliser and then make sure that the wheat is harvested without any loss. That is the main thing. And then we will have to devise with the help of research, new varieties of wheat.”

3.13 Regarding production of Commercial Crops, in 1997-98, a target of 89 lakh tonnes was fixed for groundnut but there is shortfall in actual production. In 1996-97 it was 90.2 lakh tonnes. So also in the case of Jute & Wheat. Answering to a query pertaining to the reasons for such decline, the Ministry during oral evidence session has stated that :

“Whether it is wheat or it is ground nut, we have gone down. Last year was exceptionally a good year. We have not felt considering the overall monsoon and other implications. In fact, there was drought in some areas we thought that this target would be met. So, we kept it slightly lower and as our achievement show, it has been a bit lower than that also.”

3.14 It has been observed that during 8th Plan there is variation in the production these crops. While in one year, there is a decline

while in the next year there is an increase. When asked about the Plan of action on the part of the Government to improve the overall production, the Ministry has stated during oral evidence that :

“There was a cyclical growth in the overall pattern. We should not have the system of up & down. We should be able to aim at the target and devise a plan starting from the seed, irrigation and fertilizer and meet them. That has not been done. That will have to be done. I agree with that.”

CHAPTER IV

SEEDS

4.1 Seed is the basic, crucial and vital input for attaining the sustained growth in agricultural production. In view of its importance, emphasis has been laid on the production and distribution of quality seeds from the very First Five Year Plan. The following Plan Schemes are under implementation in the seeds division.

4.2 Approved Plan Outlays and Expenditure for different schemes/ projects for 1997-98 and Annual Outlay for 1998-99 for Seed Division is as under :—

(Rs. in lakhs)

Sl. No.	Name of the Scheme	IXth Plan outlay	B.E. 97-98	Expdt. for 97-98	Annual Plan Outlay 98-99
1	2	3	4	5	6
1.	N.S.P. III	500	50	397	25
2.	Quality Control Arrangement on Seeds	2000	42	15	375
3.	Transport Subsidy on Seeds	1000	30	22	100
4.	Integrated Seed Development Programme	—	390	—	—
5.	Streamlining Certified Seed Production of Important Identified Vegetable Crops	2000	88	88	300

4.3 Despite implementation of various schemes by the Government to assist the farmers for ensuring timely and adequate availability of

Certified/Quality seeds of suitable varieties at reasonable prices, therefore most of the farmers are still using locally available seeds without having any guarantee for germination. This has been one of the reasons for Crop failure due to which farmers in many states committed suicide.

4.4 As per the Table given in Annexure I, the availability of Certified seed in all the crops is more than the requirement. In spite of that the farmers community suffer because of non-availability of these seeds. When asked about the reasons the Ministry in its written reply has stated that:

“It has been noticed that though the overall availability of seed exceeds the projected requirement, there are shortages of seeds of certain individual crops during some years. This occurs mainly due to lack of advance Planning by the State Governments. The gap between the requirement and availability is met by tying up supply of certified/quality seeds with other seed producing agencies from the neighbouring states or National level seed producing organisations.”

4.5 Pertaining to seed distribution when asked whether it is because of poor distribution arrangement, the Secretary to the Department of Agriculture & Cooperation has stated during oral evidence that :

“This is that plan that we make for the State Government agencies of various seed corporations to produce seeds. We do that on the basis of discussions with the State Government and the State seed supplier. They do that after checking up with the people who require the seed. There will also be people who have kept their own seed from previous year which will be over and above that, so, this is only the State Government or the State Corporation seed supply. This supply is equal to or slightly more than what the demand has been placed upon them. In some cases, the demand is not placed and in some other cases, demand does not reach. We have to investigate this point as to whether there is any unfulfilled demand outside this. That we will have to check up. Thus far, we have been going on the basis of the reports.

As per Agricultural Statistics at a Glance for the year 1995-96 average cultivated area under 12 crops is 1340.60 lakh hectare. Against this, the percentage area covered by the certified/quality seed distributed during the same year is 14%. The coverage is very low. When asked about the steps taken by the Ministry to increase the coverage, the Ministry has stated during the oral evidence that :

“This excludes the area where the farmers get the seeds of their own and are utilising them. Secondly, we will have to create demand through extent in making people aware of the fact that this seed is more useful.”

NSP III

4.6 Under National Seed Project-III 11 State Seeds Corporation and two Central Seed Corporation namely National Seeds Corporation Ltd. & State Farmers Corporation of India Ltd. were the beneficiary organisation. The utilisation of funds by the following Seeds Corporation is as under :—

Sl. No.	Name of the Corporation	Amount Released	Amount Utilised
1.	AP State Seed Development Corporation	703.40	533.40
2.	Karnataka State Seeds Corporation India Ltd.	454.04	384.85
3.	M.P. State Seed & Farm Development Corporation	898.00	585.00
4.	Orissa State Seed Corporation	648.00	318.00

4.7 It has been observed from the above mentioned Table, there is shortfall in utilisation of funds released by the Central Government when the farmers are not getting the seeds in time and when asked about the suggestion to improve the situation, the Ministry has stated that :

"There are two issues involved in it. I do not mean to say that it is the role of the States and, therefore, we are not doing anything. Later on, you will find that we have been assisting the States in improving their seed preparation and processing the things. For example, in Kerala, we have provided irrigation and drainage facilities at five different seed farms in places like Ullur, Udoor, etc., construction of storage at Trivandrum, purchased equipment, and construction of thrashing floor. Likewise, we have provided development of irrigation facilities, purchase of seed grader and dryer, construction of godown and conditioning storage, construction of thrashing floor, construction of wire gauge in Punjab. Likewise, we have been providing help for every State.

I am not saying that I am not taking an overall responsibility. My only request is that the State Governments also have a very large role to play in seeing that the quality of the seeds given by them is good. I will only be able to supplement them to the extent I get to know that there is a defect. If they are incapable of doing it, then, I will come and supplement. If there are shortcomings in implementation, then, yes, I can talk to them. But they have a very large role to play. I may not be misunderstood."

4.8 It has been observed that in some States people use various type of spurious seeds in the market which does not have any germination guarantee as a result farmers bear losses occurred to their crops. When asked whether the Government has any mechanism to check the sale of spurious seed the Ministry has stated that :

"The Seeds Act, 1966 & Seeds (Control) Order, 1983 have sufficient provision to check the sale of supurious seeds and are implemented by the State Government. However, we must give proper attention to catch the culprits and punish them. In order to make the enforcement of the Act more stringent, proposal for amending the Insecticide Act, and the rules framed there under is under the consideration of the Government. When asked as to why there is delay in amending the rules and the steps taken in this regard the Ministry has stated that:

"The basic point which most of the States is pressing is about amending one or two items in the rules, which are there. That has already been done. We are just awaiting a few final signatures. It should be out at any time."

4.9 In regard to amending the Act, we will have to bring a legislation. That will take some more time. We have to consult the Insecticide Board. That has been done. We will have to prepare a Cabinet Note which will then be vetted out by the Law Ministry.

4.10 In regard to the demand of most of the States to amend one particular section in the rules, that is ready for implementation.

4.11 It has been observed that the benefit of the Schemes under Seed division are not reaching the poor & marginal farmers. When asked as to what steps have been taken by the Government in this regard the Ministry has stated during oral evidence that "Right now there is no scheme specifically meant for poor & marginal farmers" but we will definitely consider it."

4.12 It has been observed that under the scheme for Quality Control Arrangement on Seeds out of the total budgetary allocation of Rs. 1.51 crores, an expenditure of only Rs. 0.52 lakhs has been incurred during the 8th plan period. Under the 9th plan, an outlay of Rs. 20 crores has been approved for the scheme. However, during 1997-98, the allocation was Rs. 0.42 crores only and out of this amount an expenditure of Rs. 0.15 crores only has been made. When asked as to why the annual allocation for this scheme continues to be low and at this rate of poor allocation and very poor utilisation, how do you propose to ensure the achievement of the main aim of the scheme to provide good quality seeds to the farmers. The Ministry has summarised the work done under the Scheme Component as under:—

4.13 Budgetary allocation for setting up of National Seed Training Centre with modern seed testing laboratory and strengthening of seed quality control organisation for the 8th plan was Rs. 350.00 lakhs. The scheme has three components and the budgetary allocation mentioned against each component is as follows :

1.	Setting up of National Seed Training Centre with modern seed testing laboratory	Rs. 280.00 lakhs
2.	Development of 2 elite seed testing laboratory	Rs. 30.00 lakhs
3.	Secretariat support to Central Seed Certification Board and Central Seed Committee	Rs. 40.00 lakhs
		Rs. 350.00 lakhs

Physical and financial target for each component for the 8th Plan is as follows :—

		Target		Achievement	
		Physical	Financial	Physical	Financial
1.	Setting up of National Seed Training Centre with modern seed testing lab.	10 ha. and Con-struction	Rs. 280.00 lakhs	10 ha. of land acquired	—
2.	Developing Elite Seed Testing Lab.	2	Rs. 30.00 lakhs	2	Rs. 30.00 lakhs
3.	Secretariat support to Central Seed Certification Board/Central Seed Committee	—	—	—	—

Note-I : The main component of the scheme is the construction of NSTC at Varanasi. The position has been explained in answer to Question No. 8.

Note-II : There is no physical and financial target for the third component as this was mainly meant for pay and allowances of the staff of the Secretariat of Central Seed Committee and Central Seed Certification Board established under relevant provisions of Seed Act, 1966. Besides, TA/DA of the Non-Official Members attending the meetings of the said committees were also met under this component.

An amount of Rs. 1995.00 lakhs has been kept for this scheme during the 9th plan period. This scheme will have six components.

The allocation for each component is proposed as follows :—

	(Rs. in lakhs)
(a) Setting up of NSTC	1495.00*
(b) 25 Seed Development Organisations (15 STL and 10 SSCA)	375.00
(c) Financial assistance to NSC and SSCs for conducting training in seed development programmes	20.00
(d) Strengthening of Seed Division	20.00
(e) Secretariat support to CSC and CSCB	75.00
(f) Financial assistance to CSTL	10.00
Total	1995.00

*This amount includes Rs. 166.00 lakhs released to CPWD, Allahabad during 1991-92 for construction of NSTC.

Out of Rs. 1995 lakhs, an amount of Rs. 42.00 lakhs was spent during 1997-98. The break-up of this expenditure (component-wise) is given below :—

	(Rs. in lakhs)
Component	Expenditure for 1997-98
(a) Setting up of NSTC	25.00
(b) Secretariat support to CSC and CSCB	15.00
(c) Strengthening of Seed Division	2.00

During 1996, Government of India acquired 10 hectares of land which was handed over to CPWD for commencing construction work. The boundary wall around the complex has been completed. It is expected that the civil work at Varanasi for construction of NSTC will commence shortly.

After construction of NSTC by CPWD, suitable arrangement would be made for training of in-service officials. National Seed Training Centre is intended for dissemination of knowledge about seed science and technology, quality control, storage etc.

Summary of the work done under the scheme component strengthening of State Testing Labs during the 8th Plan Period is indicated below:—

Sl. No.	States	Amount released (Rs. in lakhs)	Year	No. of labs
1.	Andhra Pradesh	15	1991-92	1
2.	Uttar Pradesh	15	1991-92	1
3.	Tamil Nadu	15	1991-92	1
4.	Madhya Pradesh	15	1991-92	1
5.	Orissa	15	1991-92	1
6.	Rajasthan	15	1991-92	1
7.	Maharashtra	15	1991-92	1
8.	N.S.C.	15	1991-92	1
9.	Punjab	15	1991-92	1
10.	Himachal Pradesh	15	1991-92	1
Total		150		10

Except Government of Orissa, M.P. and N.S.C. other State Governments have purchased the equipment *i.e.* electrophoresis, compound microscope, binocular, weighing balance, personal computers. They have also constructed Green House/Mist Chamber and installed Generator Set (10 KV).

During the 9th Plan period, it is proposed to strengthen 3 labs during 1998-99 and 4 labs each during the year 1999-2000, 2000-2001 and 2001-2002 with an outlay of Rs. 15.00 lakh for each lab. Apart from this, financial assistance was also provided for strengthening the Seed Testing Laboratories under N.S.P.-III.

CHAPTER V

NATURAL DISASTER MANAGEMENT

5.1 The NDM Division has only one Central Sector Scheme of Natural Disaster Management Programmes. This Scheme was approved in December 1993. The objective of the Scheme is to focus on disaster preparedness with an emphasis on mitigating measures. This include integration of relevant aspects of disaster prevention and mitigation in the national development planning process. The programme is also expected to increase the level of awareness of community about disasters they are likely to face and prepare them adequately to face the crisis situations. The activities under this Scheme include human resource development, research and consultancy services, documentation of various natural disasters, creation of faculties on natural disaster management at the national and State levels, to implement various programmes so as to achieve the goals and objectives of international Decade on Natural Disaster Reduction.

5.2 The year 1997-98 was not different from any other year and witnessed different natural disasters like cyclones, heavy rains, floods, earthquake, droughts, hailstorm, etc. During the current year, various crops were affected severely as a result of Pest attack due to adverse weather conditions in some parts of the States of Andhra Pradesh and Rajasthan. The magnitude of the loss to crops was so much that it forced some farmers to commit suicide. For the first time, this calamity has been included in the category of natural calamities qualifying for relief/assistance.

5.3 Damage due to heavy rains, flood, cyclone & landslide during South West monsoon, pre-monsoon & North East monsoon, on drought & thunder bolt are as under:—

APPENDIX I

DAMAGE DUE TO HEAVY RAINS, FLOOD, CYCLONE AND
LANDSLIDE—SOUTH-WEST MONSOON, 1997

S. No.	State/UT's	Period of Occurrence	Total Districts (No.)	Districts Affected (No.)	Villages Affected (No.)	Area Affected (in lakh Hectare)	Population Affected (in lakh)	Damage Crop area (in lakh Hectare)	Damage Houses/ Huts (No.)	Human lives lost (No.)	Animals lost (No.)
1	2	3	4	5	6	7	8	9	10	11	12
1.	Andhra Pradesh	23-26.9.97	23	9	1301	1.35	47.98	1.35	7725	40	93
2.	Arunachal Pradesh	14.6.97	12	9	66	Neg	0.14			8	
3.	Assam I Wave	6.6.97	23	6	439	0.41	1	0.07		1	
	II Wave	8.7.97	23	17	3076	6.35	24.58	1.01	4770	14	
	III Wave	16.9.97	23	3	341	0.21	13.08				
4.	Bihar	13.7.97-Sept. 97	55	25	6650	11.45	67.61	6.3	166390	155	151
5.	Gujarat I Wave	23-26.6.97	19	17	2125	1.98	3.12	1.98	117500	219	9949
	II Wave	26.7-26.8.97	19	11	1931	0.95	11.49	0.95	25319	66	979

1	2	3	4	5	6	7	8	9	10	11	12
6.	Himachal Pradesh	29.7, 11.8.97	12	12	1931	4.48	28.55	2.54	11067	223	4809
7.	Jammu and Kashmir	Aug-97	14	11	11935			0.08	20907	80	6682
8.	Karnataka	Jul-97	20	11	299	0.05		0.05	1641	66	82
9.	Kerala	9.6.97-23.9.97	14	14	1482	3.85	95	0.9	16109	143	183
10.	Maharashtra I Wave	1-30.6.97	31	21	1432	Neg.	Neg.	967	76	70	
	II Wave	1-31.7.97	31	18	265	Neg.	Neg.	Neg.	406	14	18
	III Wave	1-31.8.97	31	8	2419	0.49	7.95	0.49	33279	73	198
	IV Wave	1-31.9.97	31	15	55		0.02		382	36	32
11.	Madhya Pradesh	Aug-97	45	4	748	0.22	4.56	0.22	47963	34	1263
12.	Orissa	July & Aug 97	30	19	9387	4.06	39.32	4.06	87678	29	52
13.	Punjab	25.7-31.8.97	17	12	3090	0.86		0.86	10685	22	75

1	2	3	4	5	6	7	8	9	10	11	12
14.	Rajasthan	June-Sept 97	30	11	385	Neg.		Neg.	10196	64	94
15.	Sikkim I Wave	7-9.6.97	4	4					3000	57	
	II Wave	5-6.8.97	4	4	1						5
16.	Uttar Pradesh	July-Sept 97	72	35	2284	3.49	10.21	1.55	5123	102	114
17.	West Bengal I Wave	27-28.6.97	18	3		Neg.	1.17	Neg.	2000		
	II Wave	22-24.7.97	18	6	881	1.93	12.36	1.93	38750	21	
	III Wave	6.8.97	18	1			0.01		16	17	
Total				241	52,523	42.21	368.15	24.34	611873	1560	24849

APPENDIX II

DAMAGE DUE TO HEAVY RAINS, LANDSLIDE, LIGHTNING DURING PRE-MONSOON

S. No.	State/UTs	Period of Occurrence	Total Districts (No.)	Districts Affected (No.)	Village Area Affected Area (in lakh Hectares)	Population Affected (in lakh)	Damage to Crop (in lakh Hectares)	Damage to Houses/Huts (No.)	Human lives lost (No.)	Animals lost (No.)
1	2	3	4	5	6	7	8	9	10	11
1.	Kerala	16.3-28.5.97	14					2536	30	
2.	Mizoram	19.5.97	3	3	306			8589	1	
3.	Sikkim	21-23.5.97	4	1					10	
	TOTAL		21	4	306			11125	41	

DAMAGE DUE TO HAILSTORM THUNDER BOLT 1997-98

S. No.	Name of the State	Period occurrence	Number of Districts affected	Number of villages affected	Crop Area affected (in hectares)	Value of crop loss (Rs. in crore)	Human Lives lost (No.)	Damage to Houses (No.)	Cattle lost (No.)
1	2	3	4	5	6	7	8	9	10
1.	Andhra Pradesh	March-April 97	16	1733	100000	56.1934	60	1147	4077
2.	Bihar	1.12.97	7		159000		31	35000	
3.	Haryana	Apr-97 Oct-97	15 4	339 90	48000				
4.	Madhya Pradesh	Apr-97 Oct-97 March 98	5 45 36	169 8134 5457	445230 217045	17.50 —	36 28	103757 35903	641 1265
5.	Maharashtra	19-27 Oct	18	936	103207	30.06	34	4041	
6.	Punjab		6	159	8600	2.26			
7.	Rajasthan	Oct & Nov 97	8		8760				254
8.	Uttar Pradesh	3-5 April 97 Dec-97	18 16	2529 2240	115000	2.55	13 45	21	398 239
Total			194	21786	1204842	108.56	247	179869	6874

APPENDIX IV

DAMAGE DUE TO HEAVY RAINS, FLOOD, CYCLONE—NORTH-EAST MONSOON 1997

S. No.	State/UTs	Period of Occurrence	Total Districts (No.)	Districts Affected (No.)	Villages Affected (No.)	Area Affected (in lakh Hectare)	Population Affected (in lakh)	Damage to Crop Area (in lakh Hectare)	Damage to Houses/Huts (No.)	Human lives lost (No.)	Animals lost (No.)
1	2	3	4	5	6	7	8	9	10	11	12
1.	Madhya Pradesh	Oct-Dec 97	45	29		15.50		15.50			
2	Kerala	5.10-31.11.97	14	11	63	0.01	0.03	Neg	1849	54	
3.	Tamil Nadu	1.10-16.11.97	29	29		1.68		1.68	155348	162	454
TOTAL			88	69	63	17.19	0.03	17.18	157197	216	454

INFORMATION ON DROUGHT-EXTENT OF DAMAGE 1997

S. No.	State	No. of Districts affected	No. of Villages affected	Cropld Area affected (in lakh ha.)	Estimated Value of damaged crop (Rs. in lakh)	Population affected (in lakh)	Cattle Population affected (in lakh)
1.	Andhra Pradesh	22		39.11			
2.	Karnataka	21	12889	29.05	44524.95	98.53	30.86
3.	Maharashtra	17	63 Taluka				
	Total	60	12889+63 Talukas	68.16	44524.95	98.53	30.86

5.4 The approved outlay for the Natural Disaster Management scheme during the 8th Plan was Rs. 9.00 crore and the actual allocation was only Rs. 8.09 crore, out of which an expenditure of Rs. 3.20 crore was incurred. Hence, there is a shortfall to the tune of about 62 per cent. During 1997-98 a provision of Rs. 2.20 crores was provided and the RE was Rs. 2.09 crores. A provision of Rs. 3.20 crore has been kept in the BE 1998-99. In the Performance Budget, it has been mentioned that in the initial years there has been shortfall in the activities being undertaken under the scheme predominantly because of lack of response from the State Government, Research Institute/ Organisations. However, there has been considerable change in the response of Government and non-Governmental organisations towards the end of 8th Plan.

5.5 When asked whether they have changed any strategy during the 9th Plan for effective utilization of allocation for the scheme, the Ministry has stated that:

"It is proposed to involve various scientific and technical institutes like NRSA, University of Roorkee, Centre for Disaster Mitigation and Management, Chennai, NIC, in various activities under the Scheme. State Governments, where the faculties have not been established, are being persuaded to create such faculties. It is also proposed to create more than one faculties in the States which are more prone to natural disasters or bigger in area to cater their need effectively. Active involvement of NGOs and private organisations, print and electronic media, for increasing the level of awareness among the public and community participation, will be the part of the strategy for the 9th Five Year Plan. Latest technology will also be adopted in the field of information technology for building up effective disaster management information system. With declaration of current decade as International Decade for Natural Disaster Reduction more and more organisations are showing interest in the activities relating to disaster mitigation. National Centre for Disaster Management which has recently been created in IIPA is now fully equipped and will be undertaking various activities not only to cater to the need of the country but the 'Region' also, in the field of natural disaster reduction."

CHAPTER VI

CREDIT

6.1 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.

Agricultural Credit Stabilization Fund Scheme

6.2 The Scheme provides assistance to meet the gap in Stabilisation funds at the State Cooperative Banks level. The Stabilisation funds are used to help farmers by way of conversion of short-term loans to medium-term loans, when they are affected by natural calamities. The assistance provided during the VIIIth Plan was of the order of Rs. 23.72 crore. During 1997-98, a sum of Rs. 4.00 crore had been released. A sum of Rs. 5.00 crore has been provided for 1998-99 under the scheme.

6.3 When asked whether an allocation of Rs. 5 crores for 1998-99 will be adequate for providing assistance to meet the requirement of State Cooperative Banks in order to help them to convert the short term loans of farmer into medium term loans with the help of their stabilisation Fund in the States affected by natural calamities and Crop failures which led to suicide by farmer, the Ministry in its written reply has stated that:

“As a matter of policy, Government of India are not in favour of any blanket write off of any loans as such measures tend to vitiate the climate of recovery thus undermining the viability of lending institutions. However, there is a scheme namely, Agricultural Credit Stabilisation Fund under implementation. Under the scheme, Central assistance is provided to the State Governments (in the ratio of 75% grant and 25% loan) to help build up the credit stabilisation funds at the level of State Cooperative Banks with a view to increase their capacity to support conversion of short term loans into medium term loans in areas affected by natural calamities and where the crop-loss is more than 50%. For the year 1998-99, a sum of Rs. 5 crore has

been provided under the scheme for providing assistance to meet the requirements of State Cooperative Banks to enable them to convert short term loans into Medium term loans on account of natural calamities. Depending upon the need the allocation for the current year under the scheme would be enhanced at the Revised Estimates stage.

Assistance to Cooperative Credit—Institutions in the Cooperatively under developed State

6.4 During the 8th Five Year Plan period a total of 15 State Cooperative Banks were assisted under the scheme as against the target of 25 i.e. 60%. The shortfall as stated by the Ministry in its reply has stated that was on account of non-receipt of proposals for release of Central assistance from some of the State Governments and ineligibility of some Banks for release of Central assistance under the scheme. Under the scheme Assistance to Cooperative Credit Institutions in the Cooperatively underdeveloped State and special Area the financial and physical target and achievement are as under:

Rs. in thousand					
No.	Name of the Scheme/ project/progress	Approved outlay	Actual allocation	Actual expendi- ture	Percentage of expendi- ture out of actual allocation
1	2	3	4	5	6
1.	Investment in Debentures 1992-93 of State Land Dev. Banks				
	1992-93	50,00,00	50,00,00	50,00,00	100%
	1993-94	55,00,00	55,00,00	55,00,00	100%
	1994-95	68,00,00	68,00,00	68,00,00	100%
	1995-96	120,00,00	120,00,00	120,00,00	100%
	1996-97	151,00,00	151,00,00	151,00,00	100%

1	2	3	4	5	6
2.	Assistance to Coop. Credit Institutions in the Cooperatively underdeveloped State and Spl. Areas (Non-overdue Cover Scheme)				
	1992-93	7,00,00	7,00,00	7,00,00	100%
	1993-94	8,00,00	8,00,00	8,00,00	100%
	1994-95	8,00,00	8,00,00	8,00,00	100%
	1995-96	10,00,00	8,00,00	8,00,00	100%
	1996-97	10,00,00	10,00,00	9,51,00	95.1%

6.5 Although the funds allocated for the Scheme—Assistance to Cooperative Credit Institutions in Cooperatively under-developed States—have been fully utilised during the Eighth Plan, the physical achievement is only 75% of the target. When asked to explain the reasons for the disproportionate physical achievement in respect of this scheme, the Ministry has stated that:

“Under this Scheme, assistance is provided to various States on the basis of proposals received from them. Physical targets under the scheme are fixed in terms of number of State/District Central Cooperative Banks to be assisted. During the Eighth Plan period, a total of 150 State/District/Central Cooperative Banks could be assisted under the Scheme against the initial target of 200 banks. The shortfall was on account of non eligibility of some of the Banks to avail central assistance under the scheme and non-receipt of proposals for central assistance from some of the States.”

6.6 After the recent suicides by farmers, a need has been felt to improve the flow of credit to farmers. When asked about the steps taken in this regard, the Ministry has stated that:

“Recent occurrences in Andhra Pradesh and other States leading to farmers committing suicides on account of financial distress

have been noted with great concern by the Central Government. A Study Group has been constituted to examine in depth the nature and extent of indebtedness among farmers in the State of Andhra Pradesh and to suggest measures for increasing the role of public financial institutions in the purveyal of credit. The Group has visited the State and interacted with the State Government and related agencies and is in the process of finalising its report.

To provide agricultural credit to the farmers in the country, there is a network of rural financial institutions—CBs, RRBs and CCS. The following measures have been/are proposed to be taken to increase flow of credit to the agricultural sector:

- (i) CBs have been asked to increase the flow of credit to agriculture.
- (ii) To strengthen the financial capability of NABARD, its capital base has been raised.
- (iii) Weak RRBs have been recapitalised.
- (iv) Banks have been advised to set up specialised agricultural branches to deal with high-tech agricultural advances.
- (v) Banks have been advised to extend ash credit facilities for meeting composite credit requirements of farmers.
- (vi) A proposal for revamping of cooperative credit structure has been initiated.
- (vii) The State Governments have been advised to constitute Standing Committee to assess the requirements of agricultural credit for the Rabi and Kharif season.
- (viii) Steps have also been initiated to amend Multi-State Cooperative Societies Act, with a view to restoring autonomy in CCS.
- (ix) The Cooperative Bank of India has been registered so as to enable CSS to impart greater internal mobility to its resources.
- (x) NABARD has been asked to formulate a scheme for introduction by banking institutions of Agricultural Credit

Cards for farmers to facilitate, convenient drawls of credit requirements."

6.7 When asked to what extent the Department is responsible for providing credit under the present guidelines & policies the representatives of the Department has replied during oral evidence that:

"One thing is that we are responsible because the cooperative sector is with us. There is one big scheme which I was mentioning this morning about the revamping of the cooperative credit sector. That is one area where we are pressing them. But there again the role of the Finance Ministry and the Banking Division is probably more important than ours because ultimately they are the people who will approve the scheme or disapprove the scheme. That is one area.

The second is, we keep interacting with NABARD which is a major institution for financing of credit in the rural areas. We keep issuing guidelines. We interact with them once or twice a year or even more often to try and persuade them to simplify or liberalise the guidelines. In exceptional cases, like in the case of Andhra Pradesh this year, we persuade them to go there and provide relief to them. So, our role there basically is of facilitator, as a nodal Ministry to try persuade them to take an active part in this with a view to helping the farmers and we come up with other schemes like rehabilitation of cooperative banks."

6.8 It has been observed that after crossing 50 years of independence still farmers are taking loan from the private money-lenders where the charge exorbitant rate of interest. This is due to the fact that cooperatives are not flourishing in our country in true spirit. There are so many credit societies in rural areas. All those societies are occupied by some group of people and majority of the people are not taking part in these movements. In addition to it they are not flourishing because of the Government intervention.

6.9 When asked about the steps taken by the Department to curb these wrong practice the Secretary of the Department of Agriculture

and Cooperation has stated that:

"The first thing is that there is a Money Lending Act which has to be enforced by the State Government. To make sure that the moneylenders do not squeeze them ultimately, the Money Lending Act has to be enforced with greater vigour.

The second thing is to increase the reach of the cooperative banks. Still, the largest proportion of credit comes to the farmer from cooperative institutions. If we can get this scheme through, we may be able to increase their reach. But these two things will have to be taken up together."

CHAPTER VII

CROP INSURANCE

7.1 A Comprehensive Crop Insurance Scheme (CCIS) is already under implementation in the country since Kharif, 1985 season. It covers all the farmers availing crop loans from rural financial institutions (*i.e.* Credit Cooperatives, Regional Rural Banks and Commercial Banks) for growing wheat, paddy, millets, oilseeds and pulses. The sum insured is equal to crop loan disbursed, subject to a maximum of Rs. 10,000/- per farmer. The premium payable is 2% for wheat, paddy, millets and 1% for oilseeds and pulses of the sum insured. 50% of the premium payable by small and marginal farmers is subsidised equally by the Central and State Governments in the ratio of 2:1.

7.2 Since inception of the scheme, 19 States and 4 Union Territories have participated in it, in one or more seasons. From Kharif 1985 season to Rabi 1996-97 season, 58.43 million farmers have been covered over an area of 985.06 lakh hectares. The claims amounting to Rs. 1454.48 crore have been paid, compared to a premium income of Rs. 268.90 crore.

7.3 When asked in how many States it is being implemented presently, the problems being faced by the States in implementing the scheme and the reasons that all States are not implementing the scheme, the Ministry stated that:

“In the Rabi 1997-98 season Comprehensive Crop Insurance Scheme (CCIS) is implemented in 15 States and 2 Union Territories. The implementing States have expressed following problems from time to time.

- Limited coverage of CCIS in terms of farmers and crops.
- On account of large size of the unit area, yield loss reflected, is not realistic.
- Losses due to localized natural calamities like hailstorm, landslide etc. are not compensated/easily assessed under the CCIS.

- On account of inadequate crop-cutting machinery, the implementing States have expressed difficulty in undertaking the stipulated number of crop-cutting experiments.
- Since the scheme is voluntary in nature, States with low-risk on account of assured irrigation facilities etc., such as Punjab, Haryana have not joined the scheme.
- The absence of an apex-level institution/organisation at the national level to conduct supervision and monitoring of the loaning activities of the farmers covered, sometimes results in defective implementation of the scheme.

On account of the following reasons, all the States have not implemented the scheme:—

- The scheme is voluntary for States.
- The scheme has limited coverage in terms of farmers (i.e. only loanee farmers covered) and crops (i.e. only foodgrains, pulses and oilseeds crops are covered).
- Since the scheme is area based therefore, realistic crop loss are not reflected as the yield data is based on the average of a notified area.
- The localized natural calamities like hailstorm, land-slide etc. are not compensated/covered properly under the CCIS.
- On account of inadequate crop cutting machinery, the States face difficulties in undertaking requisite number of crop cutting experiments under CCIS.”

Experimental Crop Insurance Scheme (ECIS)

7.4 The Government of India approved a revised scheme called the Experimental Crop Insurance Scheme (ECIS) covering all small and marginal farmers (both loanee as well as non-loanee) for implementation in 24 selected districts of 8 States from Rabi, 1997-98. 100% insurance charges payable by the small and marginal farmers will be borne by the Central and the State Governments concerned. The financial liability on account of this subsidy as also the indemnity claims would be shared between the Central and the State Governments

in the ratio of 8 : 2. The scheme will be operated as far as possible in low unit area preferably a Gram Panchayat subject to the ability of the apparatus of the State Government in respect of conduct of crop cutting experiments and furnishing of yield data for the previous years.

The review of the performance of ECIS in Rabi 1997-98 has brought to the light a number of difficulties. Keeping this in view, the question of continuance of ECIS during Kharif 1998 is being examined by this Department.

1.5 The performance of the ECIS in the Rabi 1997-98 season was reviewed and this has brought out following constraints in ECIS:—

- Farmers (small and Marginal farmers) lack a sense of participation as they do not have to pay any insurance charges.
- Farmers face difficulties in compulsory opening of Bank Accounts.
- An unacceptably high amount of financial liability may arise on account of claims.
- In addition to above, some aspects such as, covering more crops particularly commercial crops, non-loanee farmers (other than small and marginal farmers), raising of sum insured limit beyond (Rs. 10,000/- per farmer and making the scheme financially viable are left unaddressed in ECIS.

7.6 In view of the performance of the ECIS as reviewed, it is felt that the ECIS is administratively infeasible while also suffering from the weaknesses of having open-ended financial implications from the point of view of the budgetary support required. It is also seen as not being adequately responsive to the demands of the farmers and States. It has therefore been proposed that ECIS would be replaced by CCIS initially in the Districts/States concerned and both ECIS and CCIS permanently replaced by a Modified Comprehensive Crop Insurance Scheme (MCCIS).

7.7 It has been stated that claims amounting to Rs. 14.4 crores has been paid to farmers till 20.10.1997 against the premium income of Rs. 2.68 crores under CCIS.

7.8 When asked to state the extent of compensation paid to small and marginal farmers out of the total claim settled, the Ministry has given the following clarification:—

“Since inception of the scheme, claims amounting to Rs. 1454.48 crore (Not Rs. 14.4 crore as shown above) have been paid as

against a premium income of Rs. 268.90 crore. The claims paid for small and marginal farmers and other farmers upto Rabi 1996-97 season since the implementation of the scheme excluding claims for Kharif 1994 season are indicated below:—

(Rs. in lakhs)

Small & Marginal Farmers	Other Farmers
51,859.95	85,657.74

Keeping in view the limitations of CCIS and the ECIS it is proposed to introduce a Modified Comprehensive Crop Insurance Scheme (MCCIS) as a permanent substitute for ECIS as well as CCIS. The proposed MCCIS is yet to be worked out. The following are some of the features which could perhaps be factored into the proposed MCCIS:—

- All farmers (both loanee and non-loanee irrespective of small and marginal farmers) and some cash crops where past yield data are available may be included.
- Regarding levying/charging of insurance charges liability on account of claims, two alternatives have been suggested:—
 - (a) The insurance charges would be fixed by the Government (where they are not actuarial), which would then cross-subsidise the difference/shortfall between actuarial calculations and actual collections at the flat rate.
 - (b) Alternatively, the Government would extend a fixed subsidy (lump-sum) to the implementing agency and leave it to that agency to alter or modify insurance charges in such a way as to make the scheme internally viable.
- The liability on account of claims under both the alternatives would be the responsibility of the implementing agency. The Question of establishing a separate agency under the aegis of G.I.C. exclusively to handle this Scheme will also be examined. The idea is that the scheme should be self-sustaining on a long-term basis and fully available international re-insurance facilities, relieving the exchequer of the burden—except to the

extent that a directed subsidy may operate to soften the terms in respect of sections of the farmers.

- To encourage the participation of non-loanee farmers (participation of non-loanee farmers would be voluntary), an appropriate reward/disincentive system may be thought of.
- The upper-limit for the sum insured, the indemnity levels may remain the same in the beginning.
- Appropriate safeguards/mechanisms may be worked out to avoid misuse of the scheme particularly in respect of those crops which are of a multi-picking nature.

Since MCCIS will replace both CCIS and ECIS the available budget under both the schemes would be operated upon for the requirement of MCCIS."

7.9 Crop insurance is the most important sector as 70% of the people living in the villages depend on Agriculture. In this connection, the GIC entrusted with insurance purpose sometime express their hesitation because it involve lakhs of farmers, bank accounts. When asked as to whether there is any proposal to have a separate corporation to deal with Crop Insurance, the Secretary has replied during oral evidence that:—

"In the proposal we have put up for the consideration of the Government, we have said that there should be a separate Corporation either a subsidy of GIC or a separate Corporation which will do it."

7.10 It has been observed that problems arise in implementation of Crop Insurance partly because of large size of the Unit area, yield loss reflected, is not realistic. When asked about the present unit are, the Ministry has stated that:—

"It is left open to the State, whichever unit area they can provide us for a guaranteed yield."

CHAPTER VIII

PLANT PROTECTION

8.1 The major thrust area in the case of Plant Protection since Eighth Five Year Plan is Promotion of Integrated Pest Management, ensuring availability of safer pesticides for sustaining crop production from the ravages of Pests diseases and streamlining the guarantee measures for accelerating the introduction of new high yielding Crop varieties. Emphasis is also being given for strengthening Post-entry facilities to check the entry of exotic Pests, disease & Weeds through international trade of agricultural commodities.

IPM

8.2 During Eighth Five Year Plan the major thrust area was Integrated Pest Management.

For this scheme, the 8th Plan outlay was Rs. 45.00 crores. The expenditure incurred thereon was only Rs. 29.90 crores leaving an amount of Rs. 16.10 crores unspent. So far as physical target and achievement is concerned, there are major shortfalls in achieving the target under its 3 components, i.e.:—

- (i) IPM Farmers' Field School (66.44% financial achievement & 69.47 physical achievement).
- (ii) AEOs trained through IPM cluster demo/training (73.4% physical achievement).
- (iii) Farmers trained through FFS (59.52%) physical achievement).

8.3 The implementation of the programme suffered due to non-creation of posts, delay in setting up CIPMCs in North-East, and delay in construction of buildings by CPWD and poor progress of State Governments in utilising funds for State Biocontrol Laboratories.

8.4 When asked about the special steps are proposed to be taken to achieve the goal envisaged for it during the Ninth Plan period for creation of a solid core of IPM Trainers and Responsive Farmers with

this type of low achievement in both physical and financial targets the Ministry has stated the following steps which are being take to create a solid core of IPM trainers and responsive farmers.

- (i) *Seven Long Training Programmes* : Seven season long training programmes are being conducted during 1998 for cotton, groundnut, rice, soyabeans and pigeon pea.

These programmes will help to train about 280 master trainers @ 40 trainees in each course.

- (ii) *Farmers Field Schools* : Farmers' Field Schools are being conducted by the State Governments and Central Integrated Pest Management Centres.
- (iii) *Training for Biocontrol Laboratories* : Special training courses are being organised for the staff who will be working in Biocontrol Laboratories for production of biocontrol agents.
- (iv) *Publishing of Literature for IPM Modules* : Recently, IPM modules for the following crops have been finalised:—

- (a) Cotton
- (b) Moong/Urad
- (c) Soyabean
- (d) Pigeon pea
- (e) Groundnut

These IPM practices have been given wide publicity and circulated to the State Governments for educating the farmers.

- (v) *Special Training for Women* : A Special Training Course is being organised for women to educate them about production techniques for NPV and other biocontrol agents. Women are being trained at the State level also in the Farmers' Field Schools.

***Strengthening & Modernisation of Plant Quarantine Facilities**

8.5 Plant Quarantine aims at preventing the introduction of exotic pests, insects, diseases weeds, nematodes rodents mice etc. into the

country and also contains the spread of exotic pests and diseases already introduced in the country by adopting Domestic Plant Quarantine Regulations. It has now become most essential to strengthen and develop Plant Quarantine facilities in view of New Policy on seeds Development and acceptance of WTO agreement where the threats of introduction of exotic pests become more due to considerable increase of imports and exports of plants and plan materials.

8.6 The 8th Plan outlay for this scheme was Rs. 34.50 crores out of which an amount of Rs. 15.61 crores could be spent leaving an amount of Rs. 28.89 crores unspent during 1997-98, the BE was Rs. 14.77 crores out of which and expenditure of Rs. 5.22 crores incurred. The reasons for such low expenditure as stated by the Ministry is "due to non-availability of adequate man power and suitable accommodation, new PQ&F Stations at Bangalore, Mangalore, Kakinada, Kandla and Jamnagar could not be set up nor could the existing five major stations at Amritsar, Mumbai (Bombay), New Delhi, Calcutta and Chennai (Madras) to fully upgraded and equipped. Under the compelling circumstances, funds allocated towards providing infrastructural facilities/inputs/vehicles and other office materials, etc. could not be fully utilised which resulted in lower expenditure.

8.7 Comparatively low expenditure on the capital side during the plan period accrued mainly due to lengthy procedural formalities in obtaining estimates from the CPWD authorities and subsequently securing approval from the competent authority besides slow pace of work by CPWD authorities.

8.8 When asked whether outright purchase of builtup space for setting up Laboratories and Plant Quarantine Stations was thought of to ensure the urgent creation of infrastructure facilities the Ministry in its written reply has stated that the Plant Quarantine Stations are set up within the airport premises. There is no possibility of acquiring private accommodation on outright purchase basis.

Secondly, the plan quarantine buildings and laboratories have to adhere to certain technical and space requirements. This may not be possible in buildings which have been constructed without keeping these in view.

Thirdly, there is a requirement of glass houses/screen houses which need to be built up only on technical specifications as far as creation

of posts is concerned, a detailed exercise has been done with the Directorate of Plant Protection, Quarantine & Storage (PPQ&S). Posts have been identified for various schemes for Plant Protection. The posts are included in EFC Memo. and will be created after clearance of the EFC Memo. and then by Ministry of Finance.

Regarding administrative approval for plans of Rs. 195.00 lakhs, it may be mentioned that it is meant for the office of Secretariat of Central Insecticides Board & Registration Committee. It is included in the EFC Memo.

The approval of Estimates will be given after approval of EFC Memo.

These actions would be completed in a reasonable time.

CHAPTER IX

EXTENSION

9.1 Approved outlay for the 8th Plan period for Extension Division is Rs. 40.00 crores which had a major component of National Agricultural Extension Project (N.A.E.P) (Central Sector/Centrally Sponsored Programme), National Agricultural Extension Project (N.A.E.P.—III) (Central Sector/Centrally Sponsored Programme), Fair, Exhibitions, Production of Agricultural Films etc. For the Ninth Plan, a sum of Rs. 80 crores has been tentatively approved for Extn. Division.

9.2 Under the programme National Agricultural Technology Project (NATP), no expenditure was incurred during the Eighth Plan Period although some allocations were made from 1995-96 onwards. Even during 1997-98, no expenditure was made under NATP. However, during 1998-99, an outlay of Rs. 13.98 crores have been proposed as an externally aided project.

9.3 Pertaining to the reasons as to why NATP could not take off during the Eighth-Plan Period and during 1997-98, the Ministry has stated that:

“The Project formulation exercise initiated in 1995-96 continued through 1997-98. The project has been negotiated with the World Bank in January, 1998 to be formally launched in July, 1998.”

It has been observed that under the scheme for Training of women, out of Rs. 2.00 crores allocated for the year 1997-98, only Rs. 42.00 lakhs have been spent. Consequently, the physical achievement under the various components of the scheme is very poor. As regard to the reasons the Ministry has stated that:

“The budget provision for 1997-98 under the scheme was Rs. 2.00 crores. The budget provision was made based on the presumption that the scheme will be significantly expanded both in terms of geographical coverage and number of beneficiaries. The modified scheme was proposed to be extended to 21 districts of 11 States and 1 UT as against one district each of the 7 selected States of the VIIth Plan Period. The budget estimates was,

therefore, on the revised cost norms of the scheme. However, during mid year of 1997-98, it was decided that the scheme would continue in 1997-98 according to the cost norms of the VIIIth Plan period and would be limited to its original geographical coverage. Accordingly the budget estimates were revised from Rs. 2.00 crores to Rs. 49 lakhs of which Rs. 42 lakhs were spent under the scheme. This is almost 87% utilisation of funds."

Pertaining to the remedial measures are proposed to tone up the performance, the Ministry has stated that:

"Various Evaluation Teams who had conducted the assessment of the scheme have highlighted the excellent impact of the scheme in increasing general awareness level and technology adoption by women farmers. However, efforts will be made to ensure that the Institutional Arrangements in Himachal Pradesh are suitably modified to have a 100% achievement level like the other States. Efforts are also being made through suitable orientation programmes in the proposed new states, so that the ground is prepared for effective implementation of the scheme."

9.4 It is seen that under the programme for Strengthening of Agricultural Extension Training, no officers could be sent abroad for training due to 'administrative reasons' although the target was to send 20 officers abroad for 1997-98 and also for 1998-99. The aspect of Village Level Worker Training in 1997-98 had heavy shortfalls as only 16 could be trained against a target of 26.

9.5 When asked to explain exactly as what is meant by 'Administrative delays', the Ministry has stated that:

"The officers/extension personnel are deputed for overseas training on the basis of the recommendation/nomination from the Government of States/UT Administrations. Every year the schedule of the overseas training are screened to identify related areas of extension training. Extension personal are selected keeping in view the experience, educational qualification, area of specialization and length of service etc. Frequently, educational qualification and field experience of the extension personnel do not match with the course requirement, leading to non-utilization of training slots. Sometimes there are delays in State Governments forwarding nominations. Sufficient nominations of women officers were also not received from States."

9.6 Will it be feasible to increase the target for 1998-99 from 20 to 40 officers to improve the condition the Ministry has stated that :

"The funds (Rs. 40 lakhs) allocated for 1998-99 are just enough for deputing 20 senior/middle level extension functionaries only. On an average an amount of Rs. 2 lakhs is incurred to meet expenditure on domestic travel, foreign travel, training fee, living allowance, insurance cover, airport tax etc., per head. It is, therefore, difficult to increase the target at this stage."

9.7 When asked as to what special efforts will be made to achieve the target of 220 VLW Trainees, as only 16 could be covered last year, the Ministry has stated that :

"The target fixed for 1998-99 is 160 trainees including Village Extension workers (VEWs), Assistant Extension Officers (AEOs) and Subject Matter Specialists (SMSs). To achieve this target State Departments will be persued to give wider publicity to the scheme and encourage more extension workers to upgrade their qualification and skills through graduate and post graduate courses in Agriculture. During Ninth Plan financial norms for stipends, book grants etc. are proposed to be revised upwards to motivate the extension workers for higher training under the scheme. It may be clarified here that during 1997-98, 138 extension workers were treated against the target of 160.

CHAPTER X

SOIL & WATER CONSERVATION

10.1 Out of the geographical area of 329 million hectare of the country, an estimated area of 173 m.ha. suffers from degradation due to water and wind erosion and other problems like salinization and waterlogging and shifting cultivation practices. Besides, diversion of prime agricultural land for various developmental activities such as roads, industries, mining etc., have affected the land availability for agriculture. Droughts and floods are also a common features in many parts of the country. Moreover, another critical inputs, namely, water is also becoming limited. In view of the above, Soil and Water Conservation Programmes assume special importance and play a vital role not only in increasing production but also in reducing land degradation and maintaining ecological balance.

10.2 The mandate of Soil & Conservation Department are as under :—

- formulate policies and strategies on soil and water conservation.
- Implement, monitor and evaluate and coordinate Central and State level programme.
- provide infrastructure for multi-disciplinary training, organisation and demonstration of dynamic soil and water conservation technology & approaches.
- Support soil and land use surveys and basic data generation on land capability, problems & conservation needs.
- Collaborate with foreign multi & bilateral assistance programmes.
- Service National Level Boards, Committees etc.

10.3 The details of Plan Outlay & Expenditure during the 8th Plan (1992-93 to 1996-97) in respect of various schemes are as under:—

10.4 During the Eighth Five Year Plan, the actual allocation for all the schemes under this division was Rs. 623.00 crores and the expenditure thereof was Rs. 563.00 crores leaving an amount of Rs. 60.00 crores unspent.

10.5 Pertaining to the reasons for such shortfall in achieving the financial target, the Ministry has stated that —

(i) All India Soil & Land Use Survey Organisation (AISLUS) :

Non-finalisation of building plan.

Delay in upgradation of Remote Sensing Units at AISLUS Centres.

(ii) National Land Use & Conservation Board :

Due to non-filling up of vacant posts.

Due to administrative reasons, NLCB could not be made fully functional.

(iii) Strengthening the State Land Use Board :

Due to vacant posts in the State Governments :

Due to transfer of staff and other administrative reasons in the State.

Due to non-allotment of funds by State Governments for the studies/seminars.

(iv) Soil Conservation in the Catchment of River Valley Project :

Due to launching of revised guidelines in 1992-93, the project proposals were received late from the State Government.

(v) Reclamation of Alkali Soils :

Subsidy for gypsum was reduced due to which funds could not be utilised by State Governments.

(vi) Alkali Land Reclamation and Development Programme with EEC Assistance.

Delay in starting of scheme and also slow progress in implementation by the Implementing Agency of Bihar.

10.6 As per the estimates by various agencies, the working figures used by the Department of Agriculture and Cooperation for degraded lands are as follows :

	Type of degradation	Area (In lakhs hectare)
1.	Water erosion	1071.26
2.	Wind erosion	177.96
3.	Ravines	39.75
4.	Salt Affected Soil	76.16
5.	Water logged	85.26
6.	Shifting Cultivation	49.12
7.	Degraded forests	194.94
8.	Special problems areas	27.30
9.	Coastal sandy areas	14.65
	Total	1736.40

10.7 When asked about the total area of degraded land revived as a result of implementing such an holistic scheme, the Ministry has stated that :

"A number of Centrally Sponsored/Central Sector schemes are being implemented to treat the degraded land in the county. Under the various schemes of Department of Agriculture and Cooperation about 18.20 lakh ha. area has been treated in last two years *i.e.* 1996-97 and 1997-98."

10.8 The Committee observe that out of 1736.40 lakh hectare of degraded land only 18.20 lakh hectare of land has been revived during the last two years by implementing various schemes under the Sector Soil & Water Conservation, where there is shortfall in achieving the financial target.

CHAPTER XI

AGRICULTURAL IMPLEMENTS & MACHINERY

11.1 The Promotion and Popularisation of the use of modern agricultural machines/implements, and human resource development in the field of agricultural machinery have been the main plank of the strategy of the Government of India's scheme/programmes for agricultural mechanisation in the country. Keeping these objectives in view, as many as six plan schemes relating to agricultural implements & machinery had been under implementation during the 8th Plan. The details of Plan Outlay, Expenditure during the 8th Five Year Plan (1992-93 to 1996-97) is as under :—

Sl. No.	Name of the Scheme	Approved Outlay	Actual allocation	Actual Expenditure	(Rs. in lakhs)
					Percentage of expenditure out of actual allocation
1	2	3	4	5	6
1.	Strengthening of Farm Machinery Training and Testing Institutes, at Budni (M.P), Hissar (Haryana) Garladine (A.P)	400.00	473.13	473.13	100
2.	Setting up of Farm Machinery Training and Testing Institute at Biswanath Chariali, (Assam)	500.00	415.26	415.26	100
3.	Setting up of Farm Machinery Training & Testing Institute in Rajasthan & Tamil Nadu	600.00	0.16	0.16	100
4.	Development of Prototypes of Industrial Designs of Agricultural Implements	135.00	14.01	14.01	100

1	2	3	4	5	6
5.	Promotion of Agricultural Mechanisation Among Small Farmers	3400.00	3799.80	3799.80	100
6.	Strengthening of Agricultural Engineering Deptt. of the State Agriculture Universities.	500.00	359.95	395.95	100

*Scheme-wise details of physical targets achieved during the
Eighth Five Year Plan (1992-93 to 1996-97)*

Sl. No.	Name of the Scheme	Units	Target	Achievement	Percentage of achievement out of target
1	2	3	4	5	6
1.	Strengthening of Farm Machinery Training and Testing Institutes at Budni (M.P), Hisar (Haryana)	Training (no. of personnel)	12,000	15,316	127.6
	Garladinne (Andhra Pradesh)	Testing (No. of machines)	330	285	86.3
2.	Setting up of Farm Machinery Training and Testing Institute at Biswanath Chariali (Assam)	Training	600	840	140
3.	Establishment Farm Machinery Training & Testing Institutes in Rajasthan & Tamil Nadu	—	—	—	—

1	2	3	4	5	6
4.	Development of Proto-Types of Industrial Designs of Agricultural Implements	No. of proto-types to be developed	16	1	6.25
5.	Promotion of Agricultural Mechanisation among Small Farmers.	No. of tractors to be subsidised	11,328	12,576	111.01
6.	Strengthening of Agril. Engineering Department of State Agricultural Universities	No. of trainees to be trained	4,000	11,49	28.7

Scheme-wise a details of plan outlay and expenditure during the Ninth Plan period

Sl. No.	Name of the Schemes	Ninth Plan outlay	1997-98		Short-fall	Percentage of short-fall in total	1998-99		Total of Col. 4 & 8	Percentage of Col. 9 out of Col. 3
			Budget allocation	Actual Expenditure			Budget allocation			
1	2	3	4	5	6	7	8	9	10	
1.	Strengthening of Farm Machinery Training and Testing Institutes at Budni (MP), Hissar (Haryana), Garladinne (Andhra Pradesh), and Biswanath Chariali (Assam)	1200.00	300.00	202.23	97.77	32.88	292.00	592.00	49.33	
2.	Promotion of Agricultural Mechanisation	5000.00	1600.00	1669.30	—	—	2000.00	3600.00	72	
3.	Development of Industrial Designs of Agricultural Implements including Horticultural equipment and their trials at Farmers' Field	200.00	10.00	—	10.00	100	20.00	30.00	15	

1	2	3	4	5	6	7	8	9	10
4.	Promotion of Agricultural Equipment in North-Eastern States	1000.00	10.00 (token)	Being a new Scheme, it was not implemented during 1997-98, at the instance of Cabinet/Ministry of Finance.			160.00	170.00	17
5.	Conducting Study and Formulating Long-term Mechanisation strategy for Each Agro-Climatic Zone	100.00	10.00 (token)	—do—			28.00	38.00	38

Strengthening of Farm Machinery Training and Testing Institutes

11.2 Budgetary allocation during the year 1997-98 for strengthening of Farm Machinery Training and Testing Institutes at Budni (MP), Hissar, Garladinne and Biswanath chariali was Rs. 300.00 lakhs. The actual expenditure incurred was Rs. 202.23 leaving an amount of Rs. 97.77 unspent. When asked to furnish the reason for such shortfall in achieving the financial targets, the Ministry has stated that:

“It may be seen that the budgetary allocation for all the four Institutes for Major Works under the Capital Section was Rs. 200 lakhs, 50 lakhs for machinery & equipment and Rs. 50 lakhs for wages, salaries, OTA etc. The shortfall in achieving the financial targets during the year 1997-98 was substantially under this head, *primarily* due to the slow pace of construction work undertaken by NBCC Ltd., to construct functional and residential buildings at FMTTI Assam. A few proposals such as purchase of Mini Bus for school going children etc. could not be approved during the year and the same are being taken up again.”

11.3 It may be mentioned here that NBCC Ltd., has not been able to complete the construction work of the functional and residential buildings at Assam Institute due to heavy rains and floods, local disturbances including militancy, frequent bundhs etc.

11.4 Under Development of proto-types of Industrial Designs of Agricultural Equipments, it is seen that against the targets of developing the prototypes of the Industrial designs of 16 agricultural implements, prototypes of industrial design of only one agricultural implement *viz.* Groundnut decorticator (manually operated) could be developed. The reason given by the Ministry are as under:

- (i) Lack of logistic support to the R&D organisation for the development of the prototypes of Industrial designs of agricultural implements; and
 - (ii) Nonchalance on the parts of these organisations for taking up this work contributed to tardy progress under the scheme. Out of total approved outlay of Rs. 135 lakhs for 8th Plan, actual allocation was only 14.01 lakhs.
- (a) When asked about the steps taken by Government to provide necessary support to give impetus to such an important scheme; and

- (b) The incentives given by Government to public/private sector for participating in the scheme, the Ministry has stated that:

11.5 The Scheme envisages the provision of financial assistance to the organisations in the Government and public sector for the development of prototypes of agricultural implements. The Department propose to add more research and Development organisations for taking up the development of prototypes. It has also been proposed to extend the financial support to the organisations in the private sector. With the announcement of the Budget (1998-99), regarding opening up of the manufacture of agricultural implements to the medium and large sectors of the Industry, it is expected that more organisations from these sectors will come forward for the design and development of the agricultural implements. In order to ensure timely completion of the projects, modalities are being worked out for executing formal agreement with prospective organisations.

All the expenditure towards development of the prototypes of industrial designs by the R&D organisations, under the Scheme, is borne by the Government of India.

11.6 Furthermore, it has been observed that the Government has dropped the Plan programme of setting up Farm Machinery Training & Testing Institutes in the States of Rajasthan & Tamil Nadu during the Ninth Plan, whereas the recommendation of the Committee in its 9th Report was to take up the setting up of these institutes on a war footing stage as no expenditure was incurred on this Plan programme during the entire Eighth Plan period. The Ministry has stated the reason that the subject of training in agriculture including farm machinery is constitutionally the responsibility of the State Governments. It has been further observed that by handing over to the State Government, such as important scheme will get delayed.

11.7 When asked whether the Ministry will reexamine the scheme for its revival, the Ministry in its written reply has stated that the Central Government have already set up four Farm Machinery Training & Testing Institutes in different regions of the country which are being further strengthened to expand their activities. These Institutes are expected to serve as a model to State Governments for creation of such infrastructure on their own for testing and arranging training to the farmers. In view of this, setting up of institutes in Rajasthan and Tamil Nadu is not being taken up for the present.

CHAPTER XII

FERTILISER

12.1 To support Crop Production to reach the level contemplated great stress has been laid in the 9th Plan on adequate & timely delivery of core inputs such as fertilizer.

12.2 Details of Plan outlay & expenditure during 8th Plan in respect of fertilizer is as under:—

Fertiliser Division

(Rs. in lakhs)

S. No.	Name of Scheme	Approved Outlay	Actual Allocation	Actual Exp.	Percentage of exp. out of actual allocation
1	2	3	4	5	6
1.	Balanced & Integrated use of Fertilisers	2600	2475	1877.96	75.9
2.	National Project on Development of fertiliser use in low consumption and rain-fed areas	1020	821	628.37	76.5
3.	National Project on Development and use of bio-fertilisers	1600	1400	1157.00	82.6
4.	Strengthening of CFQC&TI and Reg. labs	700	818	604.98	74.0
5.	Data Processing on computer	30	30	28.81	96.0
Total		5950	5544	4297.12	77.5

12.3 It is observed from the details of Plan Outlay and expenditure during Eight Five Year Plan in respect of Fertiliser Division that there is major shortfall in achieving the financial targets in respect of all the schemes under this Division. When asked to elaborate the reasons (Schemewise) alongwith the steps taken by the Ministry to overcome the difficulties, the Ministry has stated that:

- “(i) Under the Scheme on Balanced and Integrated Use of Fertilizers, the shortfall is under the component of demonstration on micro-nutrient other than Zinc and training on bio-composting. The funds are released on the basis of proposals received from the States. The proposals received from the States. The proposals received for these components from the States were inadequate. Hence there is shortfall in the expenditure.
- (ii) Under the Scheme on Development and Use of Bio-Fertilizers, one of the important components is to give financial grants for setting up of Bio-Fertilizer production units in different States. The grants were restricted to the Government sponsored Institutional agencies/major fertilizer/seed companies during VIII Plan. To encourage greater response, during IX Plan the grant will be made available to well established private entrepreneurs also.

The remedial steps taken by the Department to achieve financial targets include periodical reviews and monitoring. Some of the components are being made part of the crop production schemes for better coordination/implementation. The monitoring system at headquarter will be strengthened by employing latest information technology.

12.4 Scheme-wise details of Plan outlay & Expenditure during Ninth Plan is as under:—

(Rs. in lakhs)							
S.No.	Name of Scheme	IX Plan Outlay	1997-98 Budget Allocation	1998-99 Actual Exp.	Total of Budget Allocation	Col. 4 and 6	Reasons for shortfall
1	2	3	4	5	6	7	8
1.	Balanced & Integrated use of Fertilisers	To be* finalised	700	355.55	159	859	Not enough proposals from States/UTs
2.	Modernisation of soil testing services	—do—*	100	Nil	400	500	EPC Memo not yet approved
3.	National Project on Development and use of Bio-fertilisers	1930	660	328.00	586	1246	Non-receipt of adequate proper for bio-fert. development
4.	Strengthening of CRQC&TI and Reg. Labs.	680	130	133.06	145	275	—

1	2	3	4	5	6	7	8
5.	Data Processing on computer	50	10	6.85	10	20	—
6.	Improving fertiliser use in low consumption areas especially in Eastern India.	To be* finalised	—	—	300	300	—
Total		10000	1600	823.46	1600	3200	

*Schemes mentioned at Sl. No. 2 & 6 have not yet been approved for 9th Plan. Scheme at Sl. No. 1 was implemented during 1997-98 on existing basis.

12.5 Out of the Budgetary allocation for all the five schemes under Fertilizer Division during the year 1997-98, the actual expenditure in respect of Balanced & Integrated use of Fertilizers, Modernisation of soil testing services, National Project on Development & Use of Bio-Fertilizers and Data Processing on Computer has been very low. It has been stated by the Ministry that non-receipt of adequate proposals from the States is the reasons for not achieving the target in respect of Balanced & Integrated use of Fertilizers & National Project on Development & Use of Bio-Fertilizers. In respect of the Scheme for Modernisation of Soil testing services, the EFC Memo has not yet been approved.

12.6 When asked as to when the EFC Memo is likely to be approved for taking up the scheme for modernisation of soil testing service, as Soil Testing is the first step in the farmers' work schedule to determine the kind of nutrient requirements in their soil and the remedial steps to get enough proposal generated from the States/UTs to implement the programmes of Fertilizer Division satisfactorily. The Ministry has stated that:

- “(i) The EFC meeting for the new centrally sponsored scheme “Modernisation of Soil Testing Services” was held in the month of February. Since Planning Commission has taken a view that no new Centrally Sponsored Schemes will be approved without clearance by the full Planning Commission, the scheme could not be approved. It was therefore decided in the meeting that this component should form part of the continuing scheme “Balanced and Integrated Use of Fertilizers” which had a component on soil testing. The EFC of the scheme on Balanced and Integrated Use of Fertilizers is being formulated and will be finalised shortly.
- (ii) The State Governments have been informed well in advance about the proposed components of the scheme. The States will also be requested to identify the potential areas where the scheme may be implemented immediately.
- (iii) Under the National Project on development and use of Bio-fertilizers, grants are to be given to private agencies who are in related field of agro-inputs. This will result in more proposals for expanding bio-fertilizers production.

- (iv) NGOs will also be entitled to set up soil testing laboratories to ensure larger coverage."

12.7 Regarding physical achievement during the 8th Five Year Plan there are shortfalls in achieving the target under various components of the scheme under this Division. The physical achievement is only 25% of the target in respect of the area covered by Demonstrations of micro-nutrients other than Zinc, while the achievement is only 39% of the target for training on bio-composting. The achievement is only 69% of the target in the scheme for supply of fertilizer in small bags to farmers.

12.8 When asked to furnish the details reasons for such shortfalls alongwith the steps taken by the Ministry to achieve 100% target, the Ministry has stated that:

"The deficiencies of micro-nutrients other than Zinc are rather less pronounced and much less established. Similarly, the techniques of Bio-composting is also being newly introduced with regard to types of microbes which are helpful in quick decomposition. These being comparatively new areas, organisation of demonstrations by States was not adequate. In the case of small bags, extra cost being paid is not considered adequate.

It has been decided to make the demonstrations for micro-nutrients as part of the crop production scheme during 9th Plan so that their success in implementation/monitoring improves. With regard to small bags, this component is proposed to be dropped in the 9th Plan but other approaches have to be tried to get manufacturers to sell in small bags."

12.9 The Centrally Sponsored Scheme for the Development of Fertilizer use in Low Consumption & Rainfed Areas has been discontinued in the 9th Plan on the advice of Planning Commission.

12.10 The reasons given by the Planning Commission for discontinuing the scheme are as under:

"The Planning Commission had decided that the Scheme with smaller outlays may not be continued. This Scheme had an outlay of Rs. 5.0 crores only during 1997-98, hence was classified as a small scheme. Further, the Commission had observed that the components of the scheme like demonstrations on green manuring

and training in composting, etc. are covered under other crop production schemes. With regard to supply of fertilizers in the small bags, it was suggested that the matter may be pursued with the fertilizer manufacturers.

In view of the above observations of the Planning Commission, the scheme was discontinued. However, a New Scheme titled 'Enhancing Fertilizer Consumption in Low Consumption areas with Special Reference to Eastern States' has been proposed. Under the Scheme it is proposed to open retail outlets in villages/interior areas where the outlets are not in existence. Financial support will be given to such retailers to open the outlets. This will assist small traders to commence fertilizer sales in areas where consumption is low and they would have no incentive to establish an outlet. This will ensure greater availability of fertilizers in remote areas."

CHAPTER XIII

PULSES

13.1 During the 8th Plan period an outlay of Rs. 189.60 crores was provided for the implementation of the programme and a target of 15.00 million tonnes for the production of pulses was fixed by the terminal year of the 8th Plan. However, due to the resource crunch and cuts imposed by the Ministry of Finance the actual allocation of funds for the implementation of the programme was Rs. 159.91 crores. The funds allocated both at the BE/RE stage together with the physical targets and achievements during the 8th Plan period are given below:

Year	(Rs. in crores)			%age utilisation	(In million tonnes)		
	BE	RE	AR		Physical targets	Achievements	%age Achievement
1992-93	25.78	25.78	23.20	89.99	14.50	12.82	88.41
1993-94	27.98	27.98	25.19	97.71	15.50	13.31	85.87
1994-95	32.94	32.94	18.57	56.37	15.50	14.12	91.09
1995-96	34.38	34.38	33.34	96.97	15.50	12.30	79.35
1996-97	34.38	38.83	38.74	112.68	15.00	14.45	96.33

13.2 During the 9th Plan period an amount of Rs. 200.00 crores had been provided for the implementation of the programme. The

year-wise allocation of funds together with the physical targets in the implementation of the programme are given below:

Year	Allocation (Rs. in crores)	Target (In million tonnes)
1997-98	34.38	15.00
1998-99	36.00	15.50
1999-2000	43.00	16.25
2000-2001	43.21	16.85
2001-2002	43.21	17.50

13.3 During 1997-98 an allocation of Rs. 34.38 crore was provided at the BE stage for the implementation of the programme and a target of 15 million of pulses production was fixed. During the course of the year the State Govt. asked for the additional allocation of funds particularly, for the distribution of sprinkle sets so that the target fixed for the production of pulses during the year could be well achieved. In consideration of the request of the State Govt. the higher allocation of funds was sought at the RE stage which was Rs. 37.64 crore in financial term and as against this an amount of Rs. 37.60 crore was utilised in the implementation of the programme. The shortfall in the production of pulses during 1997-98 is however, attributed to untimely and frequent rains and prolong cloudy weather giving rise to pest and disease attacks.

13.4 During 1998-99 an allocation of Rs. 36.00 crores has been provided for the implementation of the programme and a target of 15.5 million tonnes of pulse production has been fixed. The shortfall in the utilisation of funds as stated by the Ministry was on account of less utilisation by the States due to resource constraint with them or delay in the sanction of the scheme by the State. During the 8th Plan period there had been some surrender of funds during the course of the implementation of the programme because of the fact that the State Govts. were not only utilising the unspent balances of the previous year but also because of the resource crunch in the States as a result of which the State Govts. were not in a position to secure the matching contribution for the implementation of the programme. The funds allocated to the States during the 8th Plan period both at the BE/RE stage together with the surrender of funds *vis-a-vis* the allocation of funds at the BE stage and the percentage surrender together with

utilisation beyond allocation *vis-a-vis* Budget Estimates and percentage utilisation by allocations are given below:

(Rs. in crores)

Year	BE	RE	Amount released	Surrender	%age surrender	Utilisation beyond allocation	%age utilisation beyond allocation
1992-93	25.78	25.78	23.20	2.58	10.00	—	—
1993-94	27.98	27.98	25.19	2.79	9.97	—	—
1994-95	32.94	32.94	18.57	14.37	43.62	—	—
1995-96	34.38	34.38	33.34	1.04	3.02	—	—
1996-97	34.38	38.83	38.74	—	—	4.36	12.68

13.5 During 1996-97 the State Governments asked for the additional allocation of funds particularly, for the distribution of sprinkler sets and in order to meet the request of the State Governments for providing them the additional assistance, the higher allocation of funds was sought at the RE stage and as a result thereof the utilisation of funds beyond allocation was Rs. 4.36 crores and in terms of percentage it was 12.68 *vis-a-vis* the allocation of funds at the BE stage. However, as regards the attainment of physical target, there has been no appreciable increase in the production of pulses. The production of pulses did stabilise around 13 million tonnes which had earlier fluctuated widely depending on the rainfall behaviours and incidence of pest and diseases. During the VIII Plan period, of course, record production of 14.45 million tonnes was achieved during the terminal year of the VIII plan which was higher than the production of 14.26 tonnes as the highest production during 1990-91.

13.6 The National Pulse Development Project was started with the main objectives *i.e.* to increase the area under Pulses by popularizing the cultivation of summer pulses in irrigated areas also raising the productivity per unit area through adoption of improved production technologies in rainfed areas. But as per the consolidated statement pertaining to the yearwise outlay and fund utilization under this project, there have been major shortfall since 1992-93. It has been further

brought by the Economic Survey of India (1996-97) that Pulses production in the country has been stagnating around 8.14 million tonnes for the last 40 years. Per capita pulses has also come down from 69 grams in 1961 to about 39 grams in 1996.

13.7 Explaining to the reason for such low production of pulses and regarding the steps taken up to overcome such difficulties, the Ministry in its written reply has stated that the slow growth rate in pulses production is because of the fact that pulses are generally cultivated by the resource poor small & marginal farmers in less productive lands with inadequate use of inputs. In addition, pulses are more risky as these are more prone to damage by the floods and drought conditions and pest attacks. Besides, no major genetic breakthrough has been made which would give more response to better management practices.

13.8 For increasing the production of pulses in the country Centrally Sponsored "National Pulses Development Project (NPDP)" is under implementation which provides for assistance to the farmers for the adoption of improve pulses production technology. Some of the major programme components for which emphasis is being given include the propagation of micro irrigation system, Integrated Pest Management Approach for the control of Insect pests and diseases and timely and adequate supply of quality seeds of pulses. Besides, field demonstrations are also being organised for the effective transfer of pulses production technology.

13.9 It has been observed from the detailed Demands that during 1997-98 the BE Grants-in-aid for Research & Development in Post Harvest Technology in Pulses was Rs. 1.00 crore. However, in the RE stage it was slashed down to Rs. 90.00 lakhs. The Ministry in this regard clarified the position by stating that on an assessment of certain ongoing projects in collaboration with scientific and technological Institutes, it was found that these Institutes/Laboratories will not be able to utilise any fresh flow of funds as they had balances from previous years' releases and also that the requirement for fresh funds will not consume the entire budget estimates. Even requirement for new proposals was also low. Hence the provision was lowered at the RE stage. Furthermore, under production of Breeder Seeds & Holding Frontline Demonstration the allocation has been reduced from

Rs. 2.00 crores to Rs. 1.00 crore at the RE stage during the year 1997-98. When asked about the reason the Ministry has stated that:

"The provision of Rs. 2.00 crores was made for the production of breeder seed and holding of frontline demonstrations in BE 1997-98. However, during the course of the year, only the provision made for holding the frontline demonstrations was required and, as such, the corresponding provision for the production of breeder seed and holding of frontline demonstrations at the RE 1997-98 stage was brought down to Rs. 1.00 crore as per the requirement of the programme. The Committee in its 9th Report relating to Demands for Grants (1997-98) had recommended that there should be greater coordination with scientific institutions-organisations so that greater efforts are made in the field of genetic breakthrough in pulses. In its reply the Ministry has stated that there is no major genetic breakthrough has been achieved yet not only in India but also anywhere in the world. However, it has been observed that in other parts of the world the highest per hectare yield has been recorded at 4769 kg. When asked about the steps taken by the Ministry to modify the present scheme to intensify the pulses production by keeping in mind the present scenario the Ministry has replied that:

"As per information available in the FAO Production Year Book Volume 50-1996, the highest per ha. yield of 4769 kg. has been recorded in pulses in France but the world's per ha. production of pulses during 1996-97 has been 799 kg. as against 623 kg. per ha. in India. In our country the pulses are grown by small and marginal farmers on marginal lands under rainfed conditions and farmers are not able to provide the quality inputs in higher doses. Moreover, we do not have high yielding varieties and hybrids in pulses which are responsive to higher doses of inputs like fertilizer and irrigation. Therefore, there is need to develop high yielding varieties and hybrids in pulses by our research system. until such time, we propose to intensify our efforts for increasing production and productivity of pulses under the existing scheme of NPDP by giving emphasis on the core components of the scheme like production and distribution of seeds, integrated nutrient & pest management, adoption of improved production and protection technology, micro irrigation (sprinkler distribution) and improved farm implements. In addition to this, we have also proposed the inclusion of some new components in NPDP during 9th Plan for enhancing the production and productivity of pulses like production of (I) Nucleus Polyhydrosis Virus (NPV)

& (ii) distribution of gypsum/pyrites. Besides this, the production of pulses will be promoted under inter-cropping with other crops and inclusion of pulses in sequence cropping including the cultivation of pulses during summer season under irrigated conditions. It has been observed that the National Pulses Development project could not achieve the desired result due to the failure of the Govt. to provide incentive prices to attract the farmers having irrigated productive land to cultivate pulses with better use of inputs and management parties. There is large gap between the Minimum Support and Market Price for pulses as the Market Price for pulses has always been higher than the Minimum Support Price. Regarding the steps taken by the Ministry for providing incentive prices. The Ministry has stated that:

“There are several constraints which are coming in the way for not achieving the desired results in the production of pulses under NPDP like pulses are cultivated by small and marginal farmers on marginal lands under rainfed conditions without providing the quality inputs. In addition to this, there is no major genetic break-through in evolving the high yielding varieties and hybrids in pulses which are responsive to the higher doses of inputs like fertilizer and irrigation.

13.10 The minimum support price is fixed on the recommendation of Commission for Agricultural Costs and Prices. Since prices of pulses are mostly higher than the minimum support price. The pulses are having remunerative pricing. However, this only will not lead to higher production. A technological break-through is necessary which is to take place in the case of pulses. Effort is on by the ICAR for technological breakthrough in pulses production. Within the existing technology, however, there is potential for increasing pulses production through input support system including extension and better management. This is being attempted in the IX Plan under the National Pulses Development Project in which the major emphasis would be on supply of seed and other inputs. In addition, there is thrust on micro-irrigation (sprinkler distribution) and production of Nucleus Polyhydrosis Virus (NPV) and adoption of Integrated Pest Management (IPM) for controlling pests and diseases and use of Sulphur. Area under pulses is already 23 million ha. Further expansion of the area is not feasible except by way of marginal increase through inter-cropping. The major production is to come through enhancing productivity. Attempt is being made in the IX Plan in this direction.

CHAPTER XIV

RAINFED FARMING SYSTEM

14.1 As per the 9th Plan document, even after the irrigation potential is fully exploited, half of the cultivated land may remain dependent only on rainfall. Therefore, agricultural growth in future would have to depend on exploring and harnessing the growth potentials in rainfed areas. In order to meet this the strategy for the development of rainfed areas is through the adoption of watershed management approach.

14.2 The strategy for the development of rainfed areas is through the adoption of watershed management approach, which is primarily based on the twin concepts of integrated watershed management approach, and sustainable farming system development this is achieved through treating both arable and non-arable lands and natural drainage-lines in the rainfed areas for *in-situ* moisture conservation and promotion of diversified farming system approach. A major effort is being undertaken to improve the production technology for rainfed crops alongwith other agriculture and allied activities including agro-forestry, silvipasture, livestock management and pisciculture.

14.3 Based on the above strategy, the National Watershed Development Project for Rainfed Areas (NWDPA) was launched during 1990-91 and implemented through VIII Plan period. The project continues during IX Plan. The other Centrally-sponsored projects implemented by the Ministry of Agriculture based on integrated watershed management approach include: (i) Soil Conservation in the Catchment of River Valley Project (ii) Integrated Watershed Management in the Catchment of Flood-Prone Rivers (iii) Watershed Development Project for Control of Shifting Cultivation areas in North-Eastern India. These projects are also being continued during the IX Five Year Plan. During the VIII Plan, it was targeted to cover an area of 28 lakh hectares out of a total allocation of Rs. 1100 crores. As against the availability of Rs. 1338 crores (1100 crore + 230.37 crore released during 1990-91 and 1991-92 + 8 crore unspent balance of VII Plan), projects with an estimated cost of Rs. 1240.79 crores were taken up covering an area of 45.84 lakh hectares.

14.4 Yearwise allocations made, actual releases and surrender of funds is given below:—

(Rs. in crores)

Year	Allocation		Release	Surrender
	BE	RE		
1992-93	161.50	116.50	115.20	46.30
1993-94	208.00	199.00	197.85	10.15
1994-95	198.00	186.58	161.18	36.82
1995-96	188.00	152.68	152.36	35.64
1996-97	188.50	145.00	144.90	43.60
Total	944.0	799.76	771.49	172.51

14.5 The actual outlay for VIII Plan has been Rs. 944.00 crores as against the originally approved outlay of Rs. 1100 crores. Against the allocation of Rs. 944.00 crores, and the revised allocation of Rs. 800 crores, the utilisation is of the order of about 82% of the total allocation made during VIII Plan.

14.6 An outlay of Rs. 1100.00 crores is provided for IX Plan. Keeping in view the trend of expenditure and the revised cost norms, the area proposed to be treated during the IX Plan at the proposed average rate of about Rs. 4000 per hectare will be in the range of 30 million hectares. The yearwise allocation proposed for IX Plan is as under:—

(Rs. in crores)

Year	allocation (proposed)
1997-98	173.50
1998-99	268.50
1999-00	217.00
2000-01	217.00
2001-02	216.00

14.7 During 1997-98, an allocation of Rs. 173.50 crores was provided and against which the Revised Estimates was to the tune of Rs. 155.00 crores. The anticipated expenditure till March' 1998 is of the order of Rs. 148.60 crores covering approximate rainfed area of 0.50 million hectares.

14.8 During 1998-99 approximately 0.75 million hectares rainfed area is proposed to be treated involving an outlay of Rs. 268.50 crores.

14.9 As per the statistic available with the Directorate of Economics & the total cultivated areas total irrigated areas & total rainfed area is as follows:

(in million Ha.)

(i) Total cultivated area :	142.82
(ii) Total irrigated area	53.00
(iii) Total rainfed area	89.82

14.10 The 8th Plan target and achievement under NWDPRA is as under:

Sl. No.	Name of the Scheme/Programme Project	Units	Target	Achievement	Percentage of achievement out of the target
1	2	3	4	5	6
(i)	National Watershed Development Project for Rainfed Areas (NWDPRA)	Ha.	28,00,000 (Actual area taken up from 1990-91 is 45,84,266 Ha)	42,78,858 (Achievement from 1990-91 to 1996-97)	93.34
(ii)	Watershed Development Council (WDC)	— Headquarter Staff Scheme —			

14.11 as per the Present statistics the total rainfed area in India is 89.82 million hectares of which only 22 Lakh hectares have so far been covered under this Project since its inception (from 1991-92) till date.

CHAPTER XV

HORTICULTURE

15.1 The horticultural crops are providing a better alternative for diversification of Indian agriculture in view of higher returns available from them. Realising the importance and the role horticultural crops have to play, plan allocation in the Eighth Five Year Plan was raised to Rs. 1000.00 crores thousand as against Rs. 24.00 crores in the Seventh Plan. The 9th Plan outlay for Horticulture is Rs. 1100.00 crores. Budget Estimate for the year 1997-98 was Rs. 200.00 crores out of which an amount of Rs. 182.43 crores has been spent with a shortfall of Rs. 17.57 crores. Keeping in mind the importance of Horticulture sector the BE for 1998-99 has been kept at Rs. 300.00 crores.

Production and Supply of Vegetable Seeds

15.2 For the Centrally Sponsored Scheme for Production and Supply of vegetable seeds the 8th Plan outlay was Rs. 110.18 crores. The actual allocation from 1992-93 to 1996-97 was Rs. 104.90 out of which an expenditure of Rs. 87.96 has been incurred. During 1997-98 out of an allocation of Rs. 23.60 crores the Department could spend only Rs. 20.40 crores only which means there is shortfall in financial achievement during 8th Plan as well as during 1997-98. Physical achievement under this scheme during 8th Plan are as under:—

	Component	Target	Physical Achievement
1.	Distribution of Vegetable Seed Minikits (in lakhs)	5.12	5.45
2.	Production of Breeder/ Foundation Seed (in quintals)	4,000	5,653
3.	Setting up of Hybrid Seed Production Unit in Private Sector (in numbers)	80	14

15.3 The Physical achievement during 8th Plan in Hybrid Seed Production is very low i.e. only 17.5%. By stating the reasons for poor performance the Ministry has wrote that:

“considering the importance of hybrid seed, this component was taken up to speed up enhanced availability of hybrid seed of vegetables in the country. However, the States could not make much progress under this component because of lack of enthusiasm from private entrepreneurs and non-availability of parental lines.”

Central Scheme for Bee-keeping

15.4 In the Central Scheme for Bee-keeping, the Department could spend an amount of Rs. 505.66 lakhs out of the total actual allocation of Rs. 1610.00 lakhs. The percentage of achievement is only 31.41%. Even during the year 1997-98, out of the budgetary allocation of Rs. 250.00 lakhs, the Ministry has incurred an expenditure of only Rs. 116.35 lakhs. The physical achievement during the 8th Plan under this scheme is only 24303 bee colonies out of a target production of 1,31,023 No. The percentage of achievement is only 17.1%. Pertaining to the reason for shortfalls and the remedial steps proposed to improve the performance, the Ministry has stated that:

“The shortfall in physical and financial achievement during the 8th Plan and 1997-98 was due to delayed identification of State Designated Agencies (SDA) by the State Governments as well as launching of the scheme in the middle of the Plan period (October, 1994). The SDAs are responsible for the production and distribution of honey bee colonies. The matter was reviewed by the Department at various forums. Based on the experience and suggestions given by the SDAs the scheme guidelines are proposed to be modified for implementation during the 9th Plan. The modification would include assistance for bee hives besides providing handling charges to the SDAs.

Another major component in the scheme is the Development of Infrastructure for Handling and Marketing of Honey and its products. This activity is being implemented by the National Horticulture Board (NHB).

The Board faced difficulty in financing to the small cooperatives due to the stringent procedures involved in sanctioning the

projects. The programme did not gather momentum as the entrepreneurs could not avail the benefit due to requirement of bank guarantee etc. The procedure has been reviewed again to make it more simpler for the beneficiaries. Under the revised procedure it has been proposed to do away with Bank Guarantee besides considering the option of providing assistance in the form of grant instead of soft loan. The SDAs have also been impressed upon to give wide publicity about this component in their respective States while organising promotional activities."

CHAPTER XVI

COOPERATION

16.1 Centrally Sponsored Scheme for development of programme relating to Cooperative Marketing Processing and Storage in under-developed States and Union Territories was formulated at the beginning of the 5th Five Year Plan basically to rectify the regional disparities and imbalances in cooperatively developed and under-developed States. Aiming at those objectives, 14 States and 2 Union Territories, where such imbalances was pronounced, were identified as cooperatively under-developed States. Under the scheme, the State Governments, get assistance on comparatively liberal pattern and easier terms and conditions for various schemes of cooperative development. In the year 1984-85, the entire North-Eastern Region (Assam, Manipur, Meghalaya, Nagaland, Tripura, Arunachal Pradesh, Mizoram and Sikkim) have been categorised as 'Least-developed States'. These States further enjoy liberal pattern of assistance. The scheme is being continued in the 9th Plan with an outlay of Rs. 140.00 crores.

16.2 The Plan Outlay & Expenditure during the 9th Plan is as under:

(Rs. in lakhs)			
9th Plan Approved Outlay	1997-98		Shortfall
	Budget	Actual	
	Allocation	Expenditure	1998-99
	2000	2200	- 200
			2465

16.3 An amount of Rs. 20.00 crores had been provided under Budget Estimates 1997-98 Rs. 4.28 (Grants) and Rs. 15.72 (Loans) and Revised Estimates (1997-98) was Rs. 22.00 crores against this an expenditure of Rs. 22.00 crore have been incurred. During the current year an amount of Rs. 24.65 crores have been kept (Rs. 5.28 crores Grants & Rs. 19.87 crores as loan). However, against the physical target of 561 societies during the year 1997-98 the Government could establish only 179 societies. The percentage of achievement is only 32% of the

target. When asked to explain as to how the physical target could not achieved even after spending the entire allocation, the Ministry has stated that:—

“Under this scheme which is implemented by the NCDC assistance is provided for the following post-harvest activities:—

- (1) Marketing
- (2) Processing
- (3) Storage
- (4) Cold Storage
- (5) Weaker Section Programmes
- (6) Consumer & other misc. activities.

During the year 1997-98, it was envisaged to sanction assistance to 561 cooperative units/societies for various aforesaid activities. The NCDC could sanction financial assistance only to 179 viable proposals as reminded by the concerned State Governments. This is inspite of best efforts made to get suitable proposals generated.

In so far as financial target is concerned, against a Budgetary Allocation of Rs. 20 crores, an assistance to the extent of Rs. 22 crores was released thereby over achieving the target. The releases were largely against spillover commitments of the previous years and partly for new sanctions. Against a tentative target for 329 units for spillover assistance, proposals from 503 units/societies were received by the NCDC for release of assistance.”

16.4 Janata Personal Accident Insurance Scheme for Labour cooperatives has been introduced as a New Scheme under Cooperation. The 9th Plan allocation for this scheme is Rs. 100.00 lakhs. The Budget allocation for 1998-99 is Rs. 1.00 lakh.

16.5 When the Ministry was asked to state as to why the Planning Commission has allotted a meagre for this scheme. Keeping in mind the incidents of accidents occurring in several parts of the country, it has been stated that:—

“This is a new scheme. As has been mentioned earlier, introduction of a new scheme requires completion of certain procedural formalities. The process has been initiated. The

provision in this Budget is only a token provision which can be enhanced after the scheme is approved."

Share Capital Participation in Cooperative Spinning Mills (Growers)

16.6 Centrally Sponsored Plan Scheme for share capital participation in Cooperative spinning mills (Growers) was introduced during 1974-75 continued in 6th & 7th Plan and 8th Plan and is being continued in 9th Plan also, with an approved outlay of Rs. 67.00 crores. The NCDC's assistance under the scheme is in the form of loan assistance to different State Governments for share capital participation in the establishment of new expansion and modernisation of cooperative spinning mills while the term loan for the programme will have to be raised from All India Financing Institutions. The implementation of the scheme has been reviewed and proposal for enlarging the scheme has been cleared by the Government which covers providing of term loan assistance in addition to investment loan assistance for equity participation for new mills. Under the revised scheme assistance would be provided for (a) Share capital participation in new growers cooperation spinning mills and (b) Term loan assistance for (i) Modernisation/Diversification of existing cooperative spinning mills, (ii) Expansion of existing mills upto the capacity of 50,000 spindles & (iii) Modernisation of existing/setting up of modern ginning and pressing units by growers mills.

16.7 In the Scheme relating to Share Capital participation in Spinning Mills the approved plan outlay was Rs. 90.75 crores. The actual allocation was Rs. 90.75 crores out of which the Government could spend only Rs. 36.00 crores. The percentage of expenditure is only 39.67% out of the total during the whole period of 8th Plan. During the year 1997-98, the Department could not spend any amount out of the allocation of 8.60 crores resulting in 100% shortfall in achieving the financial target.

16.8 Against the physical target of establishing 28 spinning mills the Government has established only 4 spinning mills during 8th Plan. The 9th Plan target is to establish 14 spinning mills. During 1997-98 the physical achievement is nil.

16.9 In this connection the Ministry has stated the reasons for the shortfalls as under:—

“Under the scheme, assistance is provided for establishment of new Cooperative Spinning Mills organised by the Cotton Growers and their cooperatives as well as for modernisation and expansion of existing Cotton Growers Spinning mills. The scheme initially envisaged loan assistance to the State Governments for their share capital participation in new cooperative spinning mills, and modernisation and expansion of existing mills. However, in view of the difficulties in obtaining term loan from Central financial institutions such as IDBI, IFCI, ICICI etc., the required number of proposals were not forthcoming from the State Governments. Accordingly the scheme was modified in April, 1996 for enlarging the scope of the scheme to cover term loan assistance for modernisation and expansion of existing mills. In view of the lack of tie-up of term loan for new mills by the State Governments/Cooperatives with Central financial institutions, no proposal for setting up of new Grower’s Spinning mill duly recommended by the concerned State Government was received. In view of this, the financial allocation could not be fully utilised.

During the year 1997-98, it was expected to sanction proposals for establishment of 3 new Growers’ Cooperative Spinning mills. However, only one proposal from Karnataka for setting up of a new mill was received by the NCDC. For establishment of new mills, the term loan is required to be tied up with Central Financial Institutions/Banks as a prerequisite for assistance from NCDC. In the absence of such a tie-up, the unit could not be sanctioned assistance by the NCDC.”

RECOMMENDATIONS/OBSERVATIONS

Recommendation Sl. No. 1

Ninth Plan Outlay and Annual Plan Outlays

The Committee note that the approved plan outlay for the Eighth Plan period (1992-93 to 1996-97) was Rs. 7400 crores for the Department of Agriculture & Cooperation. However only Rs. 6800.80 crores was made available to the Department in the Budget Estimates from 1992-93 to 1996-97. Even out of this reduced budgetary allocation the actual expenditure incurred was only Rs. 6296.03 crores leaving a huge shortfall of Rs. 504.77 crores. The percentage of utilization of plan budgetary funds allocated to the Department during the Eighth Plan is 92.58. But against the approved outlay of Rs. 7400 crores. The actual expenditure of Rs. 6296.03 crores works out to only 85.08 per cent of the envisaged amount. Correspondingly, the quantum of planned efforts got reduced and the average annual growth rate of agriculture came to only 23 per cent against the originally envisaged growth rate of 3.91 per cent. The results of this under-allocation were reflected in the failure to achieve the targeted production in respect of foodgrains. Against the Eighth Plan target of 210 million tonnes of foodgrains, the country could achieve only 198.96 million tonnes at the end of the Eighth Plan period. In three years out of the total five years, the actual production was far below the targets. Except for wheat, the production targets for various foodgrain crops could not be achieved. In this backdrop of dismal performance, the Committee desire the Planning Commission and the Ministry of Finance to look at the Ninth Plan projections posed by the Department of Agriculture and Cooperation and allocate the necessary funds in full in each of the successive annual plans as demanded by the Department in view of the calamity that may befall the country due to continued inadequate allocation for this key sector. The Committee wish to point out to them that an ambitious target growth rate of 4.5 per annum has been fixed for agricultural production in the Ninth Plan period and the estimated food requirements of the growing population of this country would be around 227.16 million tonnes by the terminal years of the Ninth Plan. The Committee are planned to note that the Planning

Commission and the Ministry of Finance did not appreciate the need for a huge allocation for this Department to perform this task and have chosen to slash down the projected requirement of Rs. 2455.07 crores for 1997-98 to Rs. 1431.00 crores at the Budget Estimate stage. Even though the Budget Estimate for 1998-99 is Rs. 1956 crores. The allocation is only 4.5 per cent of the gross budgetary support, whereas in 1992-93, this percentage was 6.48 at the Revised Estimate stage in that year. For the year 1998-99, the total outlay projected by the Department to the Planning Commission was Rs. 2122.50 crores and the plan budgetary allocation granted is only Rs. 1956 crores. During evidence, the Committee have been informed that their actual requirement of plan funds now for 1998-99 is Rs. 3.937 crores. The Committee, therefore, recommend to the Planning Commission and the Ministry of Finance to enhance the allocation for 1998-99 for the Department of Agriculture & Co-operation to Rs. 3937 crores at the Revised Estimate stage in view of the stupendous task that they have to perform.

Recommendation Sl. No. 2

Late Start of New Plan Programmes in the Ninth Plan and Need for Higher Allocations

The Committee have been informed that in the initial year of the Ninth Five Year Plan i.e. 1997-98, no new schemes were taken up for allocation of funds and implementation according to the decision of the then Government in power. Only those selected schemes of the Eighth Plan which the Government decided to continue further into the Ninth Plan were funded. Even on these on-going schemes, a cut of 5 per cent was imposed. Therefore, the flow of funds for implementation of plan schemes during 1997-98 was very much less than what was budgeted for. Even in the current financial year 1998-99, already one-fourth of the year is over and the plan provisions are yet to be voted. The Committee wish to point out that already 1 and 1/4 years of the Ninth Plan period is over without much being done towards the implementation of the new Ninth Plan programmes. In view of this loss of precious time and in view of the ambitious target of doubling the foodgrains production in the next ten years as contained in the National Agenda, the Committee recommend that very high allocations should be made for the implementation of the new schemes of the Ninth Plan in the Revised Estimate of this year and also in the Budget Estimates of

the coming years and it should be ensured that the plan schemes do not take much time to take off. In its context, the Committee wish to bring to the notice of the Government the following observation of our first Prime Minister Shri Jawahar Lal Nehru:

"Everything may wait, but Agriculture cannot."

The Committee expect the Government to bring this observation of the Committee to the pointed attention of the Planning Commission and the Ministry of Finance for appropriate and immediate action.

Recommendation Sl. No. 3

Poor Performance in Actual Utilisation of Budgetary Allocations

The Committee observe that in the last five years, the percentage of actual utilisation of plan funds allocated in favour of the Department of Agriculture and Cooperation ranged from 82.8 to 92.6. The details are as follows:

Year	Actual Utilisation
1993-94	88.98%
1994-95	90.16%
1995-96	82.81%
1996-97	92.69%
1997-98	88.48%

The Committee are unhappy to note that the Department could not utilise the plan funds fully in the last five years and they wish to point out that this kind of utilisation will not support their claim for higher allocations whenever they approach the Planning Commission and the Ministry of Finance for funds. A perusal of the statement of actual utilisation of funds in the last five years shows that the Department of Agriculture and Co-operation could spend on an average a sum of Rs. 1270.84 crores only per annum. The Committee do not understand as to how the Department of Agriculture and Co-operation is seeking funds to the tune of Rs. 3937 crores for plan expenditure during 1998-99, while they have been able to absorb funds to the extent of Rs. 1270 crores only per

annum in the past. The Committee wish to point out that the appropriate time has come now for the Department to girdle up their loins to undertake undauntedly the task of doubling the production of goodgrains in the next ten years, as envisaged in the National Agenda.

The Committee have been informed that the under utilisation of funds was mainly due to the fact that the States did not have sufficient financial resources to contribute their part of the financial obligation in those schemes where there was a stipulation for matching contribution. The Committee therefore desire that an analysis of contributions made by the States and Union Territories during the Eighth Plan and also during 1997-98 may be undertaken with a view to identity those States who lag behind others in the matter and to take suitable steps to find a remedy for the situation. The details of the analysis so made may also be communicated to the Committee within two months of the presentation of this Report. The Committee recommend that on the basis of the analysis, a definite policy should be hammered out which would gowern such situations in all times to come so that there is complete utilisation of plan funds by the States.

The Committee, therefore, expect 100 per cent utilisation of funds in the coming years and wish the devoted team of officers of the Government best of luck in their noble endeavor of building this nation up.

Recommendation Sl. No. 4

Allocation of Uniformly Proportionate Funds Every Year for Plan Schemes

While examining the proportion of allocation of funds for various schemes in the initial year of the Ninth Plan, it has been observed that there is a tendency to allocate either token provisions or to make provisions which are less than one-fifth of the total plan outlay for the scheme. The Committee understand that it is the usual practice to allocate only 18% of the total plan outlay for the First annual plan in a Five Year Plan. Even going by this criterion and presuming that the Department will get only the total plan funds projected for the previous 8th Plan i.e. Rs. 7400 crores. The Committee find that during 1997-98, the Revised plan budgetary allocation of

Rs. 1266.28 crores for the plan schemes is somewhere around 17.11 per cent of the amount of Rs. 7400 crores projected for the previous Eighth Five Year Plan. The Committee, therefore, recommend that it should be ensured that atleast annually one-fifth of the total plan outlay for the Ninth Plan should be allocated in the initial years and the allocations should be stepped up in the subsequent years when they pick up the momentum. This should be the proper strategy for funding the plan scheme in order to achieve early and high returns on the investment.

Recommendation Sl. No. 5

Increase in the Proportion of Non-Plan Expenditure

The Committee observe that the extent of actual Non-Plan Expenditure was much lower than the actual Plan Expenditure in the years 1994-95 and 1995-96, whereas from 1996-97 onwards the total Non-Plan Expenditure has been much higher than the total Plan Expenditure. The details in this regards as follows:

(Rs. in Crores)		
Year	Plan	Non-Plan
1994-95 (Actuals)	1279.43	910.31
1995-96 (Actuals)	1246.42	649.14
1996-97 (Actuals)	1378.61	1724.52
1997-98 (RE)	1266.28	2761.74

The Committee are very much concerned about the growth in Non-Plan Expenditure in the Department of Agriculture and Co-operation and desire that an in-depth study should be made about the various components of the Non-Plan Expenditure in order to identify the avoidable and wasteful items of expenditure and to effect economy in expenditure.

The Committee further recommend that a group of economic experts should analyse the proportions of plan and non-plan allocations and fix up the ideal limit and proportion of the

Non-Plan Expenditure in comparison with the extent of plan expenditure. It should be ensured that the Department of Agriculture and Co-operation draws up budgets in future which does not exceed the limit so prescribed by the experts.

Recommendation Sl. No. 6

Allocation of 10 Per cent of Funds for North-East

The Committee not that during 1997-98, the percentage of release to the North East out of the total expenditure was 2.57, while the percentage of allocation during 1998-99 for North East is 3.83. The Committee wish to draw the attention of the Department of Agriculture and Co-operation to the assurance given by the Hon'ble Prime Minister in November, 1996 to the effect that 10% of the Central Budget will be provided to implement specific schemes in the North Eastern States and all the Central Ministries and Departments will ensure strict implementation of the programmes. In the Budget speech, the Hon'ble Finance Minister also has mentioned about the creation of non-lapsable Central Resource Pool for deposit of funds from all Ministries where the Plan Expenditure on the North Eastern Region is less than 10 per cent of the total plan allocation of the Ministry. The difference between 10 per cent of the plan allocation and the actual expenditure incurred on the North Eastern Region will be transferred to the Central Resource Pool which will be used for funding specific programmes for economic upliftment of the North Eastern States.

The Committee recommend that the Department of Agriculture and Co-operation should draw up more programmes/schemes exclusively for the North East to the value of 10 per cent of the their total plan allocation. The Committee further recommend that there is need for having schemes even beyond this 10 per cent minimum limit for the North East in the field of agriculture, as this is prime profession of all the residents of the North East. For this purpose, the Committee recommend that funds from Central Resources Pool should be utilised by the Department to develop these under-developed areas of the country.

The Committee want the Department of Agriculture and Co-operation to appreciate the fact that the North Eastern States have very little funds with them to provide matching contributions to the Centrally Sponsored Schemes in view of their huge expenditure

incurred on tackling the insurgency problem, establishment expenditure, frequently recurring natural calamities and such other special problems peculiar mainly to the North-Eastern States.

The Committee further recommend that all the Schemes for the N.E. States should therefore, be 100% Centrally Funded and no stipulation for any contribution from the State Government should be there.

Recommendation Sl. No. 7

Reduction in Provision for Agricultural Credit in Ninth Plan

The Committee note that the Department of Agriculture and Cooperation was allotted Rs. 190 crores in the Budget Estimates of 1997-98 for financing various plan schemes for providing agricultural credit, whereas for the year 1998-99, this allocation has been slashed down to Rs. 163 crores. The main reason advanced for reducing the allocation in that new Ninth Plan Scheme for Rs. 45 crores for Rehabilitation of Cooperative Credit Structure could not be put into operation in 1997-98 and in the current financial year also the scheme is not likely to take off as it involves several procedural bottlenecks. The Committee are seriously concerned about the fact that the first two years of the Ninth Plan will pass by without any planned action due to lack of approved policy on the matter, as the Ninth Plan is yet to be finalised. The Committee condemn the casual approach of the Department in the matter and there is uncertainty in the implementation of the Programme even this year (1998-99). The Committee take a serious view of the reduced allocation for this very important sector and wish to impress upon the Government that several lives of farmers have been lost in various States of the country due to the heavy interest burden on them for the loans taken from private money-lenders and therefore there is an urgent need for institutionalisation of the credit system for providing timely and adequate credit to farmers.

The Committee, therefore, recommend that emergent clearance should be given to the new Ninth Plan scheme for Rehabilitation of Cooperative Structure by setting aside all time-consuming procedural formalities and it should be ensured that the scheme should be launched within one month of the presentation of this Report.

The Committee also recommend further that a review of the procedural formalities required for getting a project cleared for implementation should be undertaken and unnecessary procedures should be done away with. Action should be taken on this aspect urgently, as credit is most important key input without which no economic activity can be undertaken.

Recommendation Sl. No. 8

Agricultural Credit Stabilization Fund Scheme

The Committee note that the Union Government has been providing financial assistance by way of Grant-in-aid (75 per cent) and long-term loan (25 per cent) under the Scheme of Assistance to Agricultural Credit Stabilisation Fund maintained at the level of State Cooperative Banks.

The Committee observe that stabilisation funds are used to help farmers by way of conversion of short term loans to medium term loans, when they are affected by natural calamities. During 1997-98 a sum of Rs. 4.00 crore was released out of the budgetary allocation of Rs. 6.00 crores and the Government could help only 6 Banks against a target of 8 banks. A sum of Rs. 5.00 crores has been allocated for 1998-99. The Committee are pained to note that in the recent past a large number of farmers committed suicide because of crop failure and heavy burden of interest charged on loan taken by them. Despite these spate of suicides by the farmers, the Government has chosen to provide a paltry sum of Rs. 5.00 crores only to convert the short term loans into medium term ones. The allocation of Rs. 5 crores is quite insignificant considering the expanded scope of natural calamities which now include such instances as large scale crop failure due to pest attacks etc. correspondingly the funds for granting relief for Natural Calamities should also increase. The Committee therefore feel that this allocation for 1998-99 is very little and is much lower than the last year's allocation. The Committee are unhappy to note there was under-utilisation of funds last year. The Committee feel that there is an urgent need to enlarge the total Ninth Plan outlay for the scheme and the Annual Plan outlay for 1998-99 should also be substantially revised upward in the Revised Estimates stage in view of the grim and grave ground reality of indebtedness of the poor farmers.

Recommendation Sl. No. 9

Assistance to Cooperative Credit Institution in Cooperatively Under-Developed States and Special Areas

The Committee note that under the scheme for assistance to Cooperative Credit institutions in Cooperatively under-developed areas, the Government could spend only Rs. 6 crores out of Rs. 8 crores allocated in 1997-98 and for the year 1998-99, the initial allocation has been reduced to Rs. 7 crores. The total 9th Plan outlay for the scheme is Rs. 51 crores which envisages an outlay of at least Rs. 10.2 crores per year. The Committee are disappointed to note that the annual budgetary allocations are far less than Rs. 10.2 crores and even the reduced allocations have not been spent fully. The Committee are at a loss to know as to how this scheme specially meant for assisting the weak District Central Cooperative Banks (DCCBs) would succeed in its objective. The Committee, therefore, recommend that in the Revised Estimate stage, the allocation should be at least Rs. 10.2 crores for this year and this amount should be progressively increased in the future budgets so that the entire Ninth Plan outlay could be utilised and the DCCBs are helped to bridge the deficit in their non-overdue cover. The Committee further recommend that the identification of Special Areas under the scheme should be done quite objectively and realistically so that the assistance earmarked reaches only those deserving areas.

Recommendation Sl. No. 10

Crop Insurance

The Committee observe that since inception of the scheme on Crop Insurance since 1 April, 1985 only 19 states and 4 Union Territories have participated in it in one or more seasons from Kharif 1985 season to Rabi 1996-97 season. In the Rabi 1997-98 season this scheme was implemented in 15 States and 2 Union Territories. The Government of India have also approved the implementation of a scheme known as Experimental Crop Insurance Scheme covering all small & marginal farmers (both loanee as well as non-loanee) and other loanee farmers in 24 selected districts of 8 States from Rabi season of 1997-98. In the Scheme 100% insurance premium payable by the small and marginal farmers will be borne by the Central and the State Governments.

The Scheme will be operated as far as possible in low unit area preferably a Gram Panchayat. The performance of ECIS was reviewed and it is felt that the ECIS is administratively infeasible while also suffering from the weaknesses of having open-ended financial implications from the point of view of the budgetary support required and not being adequately responsive to the demands of the farmers. The Government have decided to replace both the Comprehensive Crop Insurance Scheme and the Experimental Crop Insurance Scheme permanently with a Modified Crop Insurance Scheme (MCIS). This modified scheme will cover all farmers both loanee and non-loanee irrespective of small and marginal farmers and some cash crops where past yield data are available.

While appreciating the steps taken by the Government to modify the scheme relating to Crop Insurance, the Committee recommend that appropriate safeguard should be adopted to ensure that schemes is implemented in letter and spirit. The Committee further recommend that the Government should establish a separate insurance agency to handle the scheme at the earliest and recommend that village should be treated as unit area for assessments of losses. The Committee are of the opinion that so far this aspect of protecting the farmers was not addressed in full and a lot of precious time had already been lost in trying various schemes to tackle the issue. Therefore, they recommend that the Department should accord top priority for this issue and expect the Government to take up the implementation of the Modified Crop Insurance Scheme without any further delay on a war-footing after incorporating the recommendations of the Committee suitably in the Scheme.

Recommendation Sl. No. 11

Under Utilization of Funds in the Schemes Under Crops Division

The Committee observe that in Crops Division there has been a Major shortfall in terms of fund utilization in almost all the Centrally Sponsored Schemes/programmes during the 8th Plan period and during 1997-98 also. The reasons for such shortfall as informed to the Committee are late sanctions of the scheme by some states as well as non-implementation of the scheme and the inability of some of the states to provide the matching contribution and in some cases the State Governments were already having unspent balance lying

with them. Further the Committee feel that foodgrain production during the last five years has not touched the target fixed during 8th Plan i.e. 210 million tonnes. Even during 1997-98 foodgrains production target of 200 million tonnes is unlikely to be achieved. The Committee expresses their serious concern about the stagnation in the foodgrain production as the rate of demand for the foodgrains due to growth of population is higher than the actual growth in foodgrain production. The Committee are dismayed to note that the State Governments and implementing agencies are not in a position to utilize the funds given to them to meet the target.

Therefore, the Committee recommend that the Ministry should take comprehensive measures for maximising the production by intensifying its monitoring mechanism. The Committee desire that there must be compulsory quarterly reviews at the Secretary level and Half-yearly review at the Minister level both in the Centre and the States/Union Territories for proper monitoring. The Union Government should keep a constant tab on the weather situation and offer advice on planning the use of correct variety of seeds which will withstand the foreseen stresses. The State Governments should be given suitable technical advice and guidance by the Union Government in the matter of taking proper mid-course corrective measures, whenever unfavourable abiotic stresses are found to exist. The Committee desire that in order to improve production the area under cultivation should be increased and the Department should ensure optimum and timely availability of inputs such as water, biofertilisers, fertilizers & quality seeds in time, supported by soil testing labs and microbial biofertiliser labs in each district.

Recommendation Sl. No. 12

Declining trends in production of Commercial Crops

The Committee observe that there has been shortfall in target for the production of groundnut, sugarcane, Mesta, cotton and oilseeds in 1997-98. Due to shortage in the production of oilseeds, the country is still importing edible oils. The Committee feel that the steps taken so far in enhancing their production are not adequate enough and the entire strategy of development requires a re-look and refashioning. The Committee are of the opinion that the decline in production of these crops is due to the poor price the former gets

for his produce, the adverse terms of trade, the non-liberalisation of policy on agro-based industries, the inability of the industries to lift the agricultural produce from the farms for further processing due to various factors and lack of any incentive price for the produce etc. The Committee, therefore, recommend that an emergent re-appraisal of the existing extension arrangements and the in-put supply system apart from various other contributing factors should be got done through a specially constituted Committee of experts and farmers to remedy the situation at the earliest.

Recommendation Sl. No. 13

Inclusion of More Commercial Crops Under the Department of Agriculture for Improved Production

The Committee note that coffee and tea are two very important agricultural produce which have a high potential for export and these are items of mass consumption in our country. The Committee recommend that the subject of production of these two commercial crops should be entrusted to the Department of Agriculture instead of it being given to some other Ministry as at present, as the Committee feel that Department of Agriculture is in a better position than any other Ministry to improve the production of these crops with all its technical expertise at its disposal.

Recommendation Sl. No. 14

Horticulture Lower Utilisation of funds Under Horticulture Division

The Committee note that against 8th Plan outlay of Rs. 1000.00 crores for development of Horticulture was only Rs. 718.93 crores. The Planning Commission has increased the amount of allocation to Rs. 1100.00 crores during 9th Plan. Budget Estimates for the year 1997-98 was Rs. 200.00 crores out of which an amount of Rs. 182.43 crores was spent leaving a shortfall of Rs. 17.57 crores. For 1998-99, a much increased allocation of Rs. 300.00 crores has been made as more emphasis is being given to the Sector. The Committee note that despite the recommendation given in its 9th Report pertaining to Demands for Grants (1997-98) for adopting special efforts to utilize the funds allotted for this important sector during 9th Plan, the Department and

the State Governments could not utilize the funds during 1997-98 in the very first year of the Ninth Plan.

The Committee are very much disappointed at the continued poor performance of the Department under this division. The Committee are of the opinion that the programme implementation could not pick up, as many, farmers are unaware of the programmes. The Departments should publicise properly the schemes under Horticulture through sufficient literature and pamphlets in all the local languages and distribute them so that the farmers come to know as to how to approach the various functionaries to avail of the various kinds of loans and assistance. The Committee recommend that in order to make the programmes successful, the strategy should be reoriented by getting proper feed-back from the farmers about the nature of their requirements.

The Committee expect the Government to make vigorous efforts during 1998-99 to utilise the enhanced allocation with a revised strategy and achieve the physical targets for various crops.

Recommendation Sl. No. 15

Production and Supply of Vegetable Seeds

The Committee observe that for Centrally Sponsored Scheme for production & supply of vegetable seeds the 8th Plan outlay was Rs. 110.18 crores. The actual allocation was Rs. 104.90 crores out of which an expenditure of Rs. 87.96 crore has been incurred. Even during 1997-98 out of an allocation of Rs. 23.60 crores the Department could spend only Rs. 20.40 crores. However, physical achievement during 8th Plan in Hybrid Seed Production was very low i.e. only 17.5%. The Committee were informed that considering the importance of hybrid seed, this component was taken up to speed up enhanced availability of hybrid seeds of vegetables in the country. However, due to lack of enthusiasm from private entrepreneurs & non-availability of parental lines, the States could not make much progress.

The Committee, therefore, recommend that necessary corrective measures should be taken to overcome these identified constraints so that the implementation of the programme can pick up the desired momentum and achieve the desired results.

Recommendation Sl. No. 16

Central Scheme for Bee-Keeping

The Committee note that there is shortfall in achieving the financial target during 8th Plan period as well as during the period of 1997-98 under the central scheme for Bee-Keeping. Against a target of 1,31,023 colonies, only 24303 bee colonies could be produced and this comes to 17.1% of the total target. The Committee were further informed that the Reasons for shortfall was due to delayed identification of state designated agencies by the State Government for the production & distribution of honey bee colonies. The Committee further note that so far as the scheme for Development of Infrastructure for handling & marketing of Honey & its product is concerned, the National Horticultural Board is facing difficulty in financing the small cooperatives due to the stringent procedures involved in sanctioning the projects. As a result of this, the programmes did not gather momentum as the entrepreneurs could not avail the benefits due to requirement of Bank guarantee.. Therefore, the Committee strongly recommended that Ministry should take steps to simplify the whole procedure in sanctioning of projects so that more entrepreneurs avail the benefits of the scheme.

The Committee are aware that it is practically difficult to get small cooperatives organised and therefore, the scheme may be modified to benefit individuals wherever small cooperatives are not available. The Committee find that due to certain diseases, entire bee colonies perished in Karnataka and in other parts of the country recently due to which the enthusiasm to undertake this activity has diminished.

In view of the various difficulties in developing this activity, the Committee recommend that a group of experts should be commissioned to undertake an in-depth study of the matter and to suggest remedial measures. The Committee expect positive action in this regard within three months of presentation of this Report.

Recommendation Sl. No. 17

Scheme to Produce Quality Seeds at Village Level

In order to ensure timely availability of seeds, the Committee recommend that a scheme should be evolved so that in each village,

some plots are identified and taken on rent by the governmental and non-governmental seed growing agencies to undertake production of location-specific quality seeds on those plots for onward supply to the farmers locally. The production of seeds should be got done with the active assistance and guidance of agricultural scientists available with the agricultural institutions in the vicinity. This arrangement would ensure timely availability of seeds at the village itself and the seeds could be made available at cheaper rates, as the element of cost of transport of certified seeds will be completely eliminated. The local farmers will have the advantage of practically witnessing the process of production of seeds. Since only location-specific seeds will be grown, there will be guaranteed germination of seeds. The agencies who will undertake this venture should be financially and technically assisted by the government.

The Committee recommend that a scheme on these lines may be got prepared and posed for suitably high budgetary allocations immediately.

Recommendation Sl. No. 18

Monitoring of Distribution of Seeds by States

The Committee are concerned to note that despite implementation of various schemes to assist the farmers for ensuring timely and adequate availability of certified/quality seeds of suitable varieties at reasonable prices, most of the farmers are still using locally available seeds without having any guarantee for germination. This has been one of the reasons for crop failure due to which farmers in many states committed suicide. From the material furnished by the Ministry, the Committee find that in all States the availability of the certified seeds is more than the requirement. However the percentage of area coverage out of the total cultivated area by certified/quality seed distributed is only 14%. This only shows that timely supply of seeds is not being done by the States though there is adequate availability of seeds. The Committee, therefore, recommend that there should be stricter central monitoring of the distribution of seeds done by the States. The Committee feel that the prohibitively high price of quality seeds is the actual deterrent that impedes the use of these seeds by all farmers. Therefore, the Committee recommend that there should be a subsidy on the seeds sold to small and marginal farmers and far other farmers, the seeds

should be made available on a no loss/no profit basis. There should be sufficient education of the farmers to motivate them to use certified seeds for achieving better production.

Recommendation Sl. No. 19

Amendment of Seeds Act 1996

It has been observed that in some States, farmers buy and use various types of spurious seeds available in the market which do not have any germination guarantee and as a result thereof they incur heavy losses. Therefore, the Committee recommend that the Ministry should amend the provisions under Seeds Act, 1966 and Seed Control Order 1983 to make it more stringent and to punish the culprits. This step should be taken without any further delay and the legislation should be introduced and passed in this ongoing budget session itself.

Recommendation Sl. No. 20

Separate Scheme for Supply of Seeds to Small and Marginal Farmers

The Committee find that there is no specific scheme in the Seeds Division meant only for small/marginal farmers. The Committee are of the view that small and marginal farmers are the most affected lot due to use of substandard seeds and they recommend the formulation of a scheme for supply of certified seeds for small and marginal farmers preferably through cooperative societies. The government should also consider giving subsidy on the purpose of seeds by the farmer belonging to the weaker sections of the Society.

Recommendation Sl. No. 21

Watershed Management in Rainfed Areas

The Committee are happy to note that Watershed development in Rainfed Areas has been identified as a thrust area in the strategy for development of Agriculture in the Ninth Five Year Plan. The Budget Allocation for 1998-99 for the national watershed development project for rainfed areas during 1998-99 has been raised substantially to Rs. 268.50 crores from Rs. 173.50 crores for 1997-98. The Committee are, however, dismayed to find that there was shortfall in the utilisation of funds during 1997-98 and the actual expenditure was

only Rs. 148.54 crores. One of the reasons for slow implementation of project is that timely flow of funds did not take place from the State to the field level executing agencies in some states, especially in the Eastern and North-Eastern sector. The Committee desire that the Union Government should impress upon the State Governments about the need for timely release of funds to the field units. The state should also be advised to gear up the implementation machinery to give the necessary impetus to this programme.

The Committee further note that various Government departments viz. Ministry of Water Resources, Ministry of Rural Development and Ministry of Agriculture are all implementing the watershed programme.

The Committee desire that there should be proper co-ordination among all the Departments undertaking the scheme.

Recommendation Sl. No. 22

Extension Work

The Committee are happy to note that under the scheme for training of women which is an operation in 7 States, the achievement against stipulated physical targets have been remarkably good. The Committee were informed during evidence of the good work being done in imparting training to farm women and also about the enthusiasm being shown by the farm women in new farm technologies. The Committee recommend that the scheme should be extended to all the states and union territories and more funds should be given to the Scheme for this purpose.

Recommendation Sl. No. 23

Soil and Water Conservation Reclamation of Degraded Lands

The Committee observe that there is shortfall in achieving the financial as well as physical target under the sector Soil and Water Conservation. Further, the Committee are very perturbed to note that out of the total geographical area of 329 million hectares of the country, the total degraded area is 173 million hectare which is more than half of the total geographical area and during last two years the Government could revive only 18.20 lakh hectare of land. The Committee feel that the work being done in this area is too little to

make any visible impact on the problem. The Committee recommend that the matter may be taken up with all the State Governments in order to take up the work on a much larger scale by firing up very high targets and by allocating suitably larger funds. Since several Departments are having several schemes on the subject, there is need for adopting a coordinated approach in the matter with all the Ministries/Departments concerned. The Committee also recommend that the reclaimed lands may be allotted to the poorest of the poor farmers to develop them further so that sustainable development takes place.

Recommendation Sl. No. 24

Farm Machinery Testing and Training Institutes

The Committee find that there has been about 50% under spending of funds allocated in budget for (1997-98) for the 4 Farm Implements and Machinery Trainings and Testing Institutes at Budni, Hissar, Garladinne and Biswanath Chariati. The shortfall was due to slow pace of construction work of the functional and residential building at FMTTI, Assam and non-materialisation of few proposals such as purchase of Mini Bus for school going children which could not be approved during the year. The Committee feel that there was lack of action on the part of decision makers concerned due to which there was non-materialisation of such small proposals. The Committee desire that expeditious action should be taken in the matter so that the allocation is fully utilised.

The Committee further recommend that atleast one farm Machinery Testing and Training-Institute should set up in every State/ Union Territory and a suitable programme should be drawn up for this purpose with sufficient financial allocations so that location-specific training is imparted to the farmers all over the country.

Recommendation Sl. No. 25

Pulses Production

The Committee are distressed to find that despite having the scheme—National Pulses Development Project (NPDP) in operation for several years, the production of pulses in 1997-98 has gone down to 130.75 lakh tonnes from 144.60 lakh tonnes in 1996-97. The yield

per hectare has gone down from 623 kg. per hectare in 1996-97 to 567 kg. per ha. in 1997-98. The yield per hectare in India is less than the world per hectare production of pulses of 799 kg per ha. and far less than the 4769 kg/hectare recorded in France. The reason as stated by the Ministry are: (i) lack of high yielding varieties and hybrids in pulses and (ii) cultivation of it by small and marginal farmers on marginal lands under rainfed conditions without using the quality inputs.

The Committee recommend that the Government should review the NPDP Scheme at a very high level and prepare a well thought plan of action to increase the production of pulses. The Government should announce more incentives and rewards to agricultural scientists for developing new high yielding varieties which would result in more production. The Committee note that in the IX Plan under NPDP major emphasis would be on supply of quality inputs to farmers. The Committee hope that the Government would be able to persuade the State Governments to take necessary steps in this regard so that production and productivity are increased to a great extent. The Committee further recommend that a suitable scheme of incentive prices should be introduced to encourage the farmers who have assured irrigation to take up the cultivation of pulses.

Recommendation Sl. No. 26

Amendment of Insecticides Act, 1968

The Committee are of the firm opinion that due to many loopholes and the lack of stringent punishment instances of sale of spurious insecticides have increased at an alarming rate. The Committee feel that the existing enforcement machinery under insecticides Act, 1968 is not adequate enough to cover the entire country. Because of these inadequacies, many poor farmers had to suffer damages to crops and many of them in the recent months have been driven to commit suicides due to crop failure on account of spurious pesticides. The Committee feel that it is high time now for taking effective and immediate measures to protect the farmers, by amending the Insecticides Act, 1968.

The Committee expect instant legislative action on the part of the Government in the ongoing budget session itself.

Recommendation Sl. No. 27

Janata Personal Accident Insurance Scheme

The Committee observe that for Janata Personal Accident Insurance Scheme the Planning Commission has allotted a meagre amount of money i.e. Rs. 1.00 lakh in 1998-99, despite the increase in the number of accidents occurring in several parts of the country. The Committee have been informed that for this scheme the Ministry has initiated the procedural formalities and since it is a new scheme the budget allocation is only a token provision which can be enhanced after the scheme is approved.

The Committee recommend that the Ministry should approach the Planning Commission for early approval of the Scheme so that it can be implemented speedily in this year itself by making suitable budgetary provisions at the revised Estimates stage.

Recommendation Sl. No. 28

Share Capital Participation in Cooperative Spinning Mills (Growers)

The Committee observe that in the scheme relating to Share Capital Participation in Spinning Mills the approved Plan outlay was Rs. 90.75 crores and out of this amount, the expenditure made was only Rs. 36.00 crores which comes to 39.67% during the entire period of 8th Plan. During 1997-98, there was 100% financial shortfall. The Committee further observe that Government could establish only 4 Spinning Mills out of the target of establishing 24. During 1997-98 there is nil achievement. The Committee are distressed to note that due to lack of tie up of term loans for new mills by the State Governments/Cooperatives with the Central financial institutions, no proposal for setting up of new growers spinning Mill was recommended by the State Government. The Committee desire the Department should take up the matter with the Ministry of Finance to take suitable steps so that the scheme does not suffer due to technical reasons.

Recommendation Sl. No. 29*Calamity Relief Fund*

The Committee desire that the Calamity Relief Fund and National Fund for Calamity Relief should be strengthened and the amount thereof should be increased. In this connection the Committee recommend that assistance should be released in proper time after having properly calculated the loss occurred to the crops of the farmers.

The Committee find that rules for payment of compensation in case of crop failure due to natural calamities are very old and were framed before independence. The compensation given to farmers is very much inadequate. The Committee desire the Ministry to advise State Governments to revise their Relief Manuals to give increased compensation. Suitable provision should be incorporated in the procedures to completely check the irregularities in the disbursement of compensation. A model relief Manual should be prepared by the Ministry and circulated to States to guide them in this regard.

Recommendation Sl. No. 30*Soil Testing Facilities*

The Committee note that under the Scheme for Balanced and Integrated use of Fertilisers, there is a component for strengthening and modernisation of soil testing facilities in the country so that fertiliser is judiciously used on the basis of soil test reports. This component also envisages setting up of new soil testing labs. The Committee feel that the number of soil testing centres now available in the country are too few in number for the farmers to take advantage of them. Therefore, the need of the hour is to have a large number of soil testing labs especially the Mobile Testing labs all over the country which will be very easily accessible to the farmers. The Committee, therefore, recommend that a separate plan programme for setting up a large number of soil testing centres including Mobile Soil Testing labs all over the country should be chalked out and implemented at the earliest with sufficiently large financial allocations. The Soil Testing labs should be supplemented with Microbial Biofertiliser labs in each district so that microbes for bio-composting etc can be distributed to farmers to reduce their dependence on chemical fertilisers.

Recommendation Sl. No. 31

Need to provide for Rehabilitation of Weaker Section Cooperative Societies in the Scheme for Assistance to Weaker Section Cooperatives.

The Committee have been informed that under the scheme for Assistance to Weaker Section Cooperatives, there is no provision for rehabilitation of sick weaker section cooperatives. The Committee feel that there should be adequate provision in the plan scheme to help out the Weaker section cooperative societies whenever they turn sick. The Committee are shocked to note that even the National Cooperative Development Corporation (NCDC) does not have a scheme to provide assistance for rehabilitation of sick weaker section cooperative units. Even NABARD does not seem to have taken care of this aspect of cooperative development. The Committee wish to point out that in the absence of any programme for the rehabilitation of sick weaker section cooperative units, there is a danger of the entire cooperative movement among the weaker sections dying away, as they will not undertake any cooperative venture without adequate institutional and governmental protection. The case in point in this context is the fate of the Jagadamba Anusshit Jati Shetkari Vinkari Sehkari Soot Girmi Niyarnit Madha Tal situated in Madhya Taluk of Sholapur District of Maharashtra, which is almost on the verge of closure, gravely threatening the livelihood of 800 workers of this society and 6000 cotton growers dependent on this society all of whom belong to Scheduled Castes.

The Committee, therefore, recommend that the Department of Agriculture and Cooperation should advise NCDC to immediately evolve a programme to save such sick weaker section cooperative units and to encourage the growth of cooperative movement among weaker sections. If no such schemes are available, the weaker sections will not organise themselves into cooperatives, as they will lose faith in them. The Committee desire immediate positive action in this direct action.

Recommendation Sl. No. 32

Rehabilitation Package for Revamping of Cooperative Credit Structure

The proposal is being finalised by the Department in consultation with the NABARD. The Committee strongly feels that revamping of Cooperative Credit structure is absolutely essential to overcome the

problems faced by the Cooperatives and to make them financially viable and efficiently run. The Committee therefore, recommend that the same should be approved for implementation without delay. The Cooperatives should be asked, allowed and encouraged to mobilise deposits in rural areas. The concept of credit card having a cash credit limit for meeting the farmers working capital requirements should be implemented in case of cooperative credit too.

Recommendation Sl. No. 33

Crop Insurance

The new scheme should be based on actuarial premia, but the charges to be paid by small and marginal farmers should be comparatively lower and these can be cross subsidised by charging a bit higher rate from others. To administers the scheme, a separate corporate unit like in the form of an Agri. Insurance Corporation should be set up which can work as a subsidiary of GIC. The scheme must however cover all the crops and all the farmers in the country in due course.

Recommendation Sl. No. 34

Creation of a Special Fund for Assistance to less developed countries in Africa and Western/South East Asia

The Committee feels that the objective of the Fund is very laudable and it needs to be approved for immediate operation to assist the less developed countries in Africa and Western/South East Asia for development of agriculture. We should however endeavour to explore more areas of cooperation with these countries in the field of agriculture which should include not only trade in agricultural produce but also exchange of information technology, research and germ-plasm.

Recommendation Sl. No. 35

Management of Agriculture

The Committee is seriously concerned about the problem of substantially large unspent balances lying with the States out of

releases made by the Government of India for various Central/ Centrally Sponsored Schemes. It is essential that the limited allocations available to this sector must be effectively and fully utilised for the achievement of specific goals. The States which have done well need to be rewarded through higher allocation. Release of additional funds to the States with poor performance in regard to utilization of Plan funds need to be carefully reviewed.

The Committee feels that a large number of centrally supported interventions are proving ineffective largely on account of uniform top down, rigid approach in catering to the diverse needs of the States and the demand for location specificity. An innovative approach need to be formulated by the Government to ensure the limited allocations available to the agriculture sector find timely and effective application in intended areas. While the States must focus on primary initiatives. The Centre would need to supplement/ complement these efforts and also undertake independent initiatives in areas in its direct control. e.g. fiscal and monetary policies affecting credit supply, foreign trade, agricultural research, remote sensing etc. The present pattern of rigidly conceived uniformly structured Centrally Sponsored Schemes, permitting little or not location specific flexibility, must give way to regionally differentiated Central initiatives through a three dimensional State/Crop/intervention matrix formulated in an inter-active mode and implemented in a spirit of partnership with the States through a Memorandum of Understanding. In view of the Committee one factor responsible for under utilisation as well as misutilisation by States is the multiplicity of schemes and agencies that implement them within the State Departments. The Committee recommend that a more integrated approach for having various schemes unified into a fewer, multicomponent schemes should be evolved. The Committee recommend that all those schemes which have scope for pilferage and misutilisation should be very carefully needed out and more allocations should be under those schemes which can create durable assets. Which will have an enduring impact and will be easy to monitor as they are the Department's ability to keep track of developments in relation to various crops and also the occurrence of natural disasters is very weak. The Committee is for the opinion that the Department must urgently initiate measures to enable it to

anticipate the likely occurrence of natural disasters and enhance its ability to respond to crisis by relying on early warning systems. It must concentrate on a few large scale interventions which fit into chosen crop/area intervention having regard to the national priorities and must concentrate on putting in place a mechanism for obtaining real-time, on line feed-back on agricultural situation for quick remedial interventions.

The Committee also felt that the Department must evolve an effective system of monitoring and evaluation of implementation of Central interventions by the States and must take immediate remedial measures wherever any shortcomings are noticed.

Recommendation Sl. No. 36

Constitution of a Cabinet Committee on Agriculture and Rural Development (C-Card)

The agricultural operations performed by the farmers concern several Ministries in the Government of India and lack of effective coordination among the various related Ministries has hampered the development of agriculture.

The Ministry of Agriculture is responsible for planning the Agricultural production in the country, organising the efficient supply of the requisite inputs and, competent management of on farm activities, causing efficient post-harvest management and the sustainability of the production system. This is a complex managerial exercise involving inputs from various agencies each of which has to perform its role competently. The role involves also securing the requisite degree of synergy among the various agencies which is a challenging task, on account of division of responsibilities among a large number of ministries/institutes/agencies in the Government. The three Department of the Ministry of Agriculture viz. Department of Agriculture and Cooperation, Department of Animal Husbandry and Dairying and Department of Agricultural Research and Education, the Ministry of Water Resources, the Ministry of Rural Areas and Employment, the Ministry of Environment and Forests, the Ministry

of Food and Consumer Affairs, the India Meteorological Department, the Ministry of Fertilizers, the Ministry of Surface Transport, the Ministry of Railways are some of them. The range of the activities has to be closely supervised in order to achieve desired result.

The Department of Agriculture and Cooperation has mentioned that it is often unable to secure requisite response, of a timely and adequate nature from many of these Departments/Agencies. Therefore, several gaps remain unattended and also there is considerable overlap in the activities of these agencies. The ultimate sufferer is the farmer who is either unable to access the needed input in time or secure a ready and remunerative market for his produce.

The Committee, therefore, strongly recommends that a Cabinet Committee on Agriculture and Rural Development must be formed urgently in order to ensure the management of agriculture sector in a systematic and methodical manner. The Committee Further recommend that this 'C' card should also decide about entrusting a particular subject to a particular Ministry in case where the work on the same subject is undertaken by Many Ministries. This would help to ensure meaningful results in agricultural growth, as there will be focused attention by one agency on the implementation of activities relating to one subject.

Recommendation Sl. No. 37

Drip Irrigation

The Standing Committee on several occasions have recommended that modern techniques of more efficient use of water should be promoted in a big way. Instead of giving more subsidy on drip irrigation and sprinkler irrigation systems, a better strategy would be to knock off all the duties and taxes on the material used in the manufacturers of these systems also and the final products so that these items become less costly at the first point itself. The Committee fails to understand the logic of first taxing product on the one hand and the subsidising in others.

Recommendation Sl. No. 38

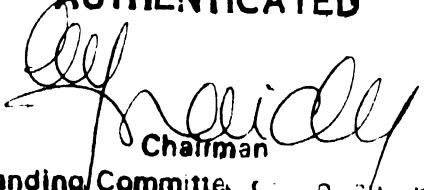
Tractors

The Committee observe that a minimum of eight acres of land has to be pledged as collateral security for tractor loans. For the purpose of stamp duty circle rate about the value of land have been already notified and on the basis of the value of the land can be calculated for the purpose of deciding the extend of land required for taking as collateral security. At many places in the country the value of eight acres of land should be taken as collateral security. The value of which is equivalent to the value of the tractor.

NEW DELHI;
29 June, 1998

8 Asadha, 1920 (Saka)

KINJARAPU YERRANNAIDU,
Chairman,
Standing Committee on Agriculture.

AUTHENTICATED

Chairman
Standing Committee on Agriculture

APPENDIX

MINUTES OF THE TENTH SITTING OF THE STANDING
COMMITTEE ON AGRICULTURE HELD ON MONDAY, THE
29TH JUNE, 1998 AT 1100 HRS. IN COMMITTEE ROOM 'B'
PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1100 hrs. to 1400 hrs.

PRESENT

Shri Kinjarapu Yerrannaidu — *Chairman*

MEMBERS

Lok Sabha

2. Shri D.C. Sreekantappa
3. Smt. Sangeeta Kumari Singh Deo
4. Shri Virendra Verma
5. Shri Sudhakar Rao Rajusing Naik
6. Shri Ramkrishna Baba Patil
7. Smt. Usha Meena
8. Shri Mahaboob Zahedi
9. Shri Mitrasen Yadav
10. Shri Anup Lal Yadav
11. Shri Bashist Narayan Singh
12. Shri Sode Ramaiah
13. Shri Ram Shanker
14. Dr. Sushil Kumar Indora
15. Lt. Gen. (Retd.) N. Foley

Rajya Sabha

16. Maulana Habibur Rahman Nomani
17. Shri Ramji Lal
18. Shri Shiv Charan Singh
19. Shri Ramnarayan Goswami
20. Shri T.M. Venkatachalam

SECRETARIAT

1. Shri P.D.T. Achary — *Joint Secretary*
2. Shri S. Bal Shekar — *Deputy Secretary*
3. Smt. Anita Jain — *Under Secretary*
4. Shri K.L. Arora — *Assistant Director*

At the outset Hon'ble Chairman (AC) welcomed the Member and requested them to take up for adoption the Draft Report on Demands for Grants (1998-99) of the Department of Agriculture & Cooperation.

The Draft Report was considered and adopted with slight modifications and changes.

The Members of the Committee thereafter authorised the Chairman to present the report on a date & time convenient to him. The Committee decided to hold its next sitting on 2.7.98 at 1000 hrs. to consider Draft Reports on Demands for Grants (1998-99) of the remaining Ministries/Departments coming under the purview of the Committee.

The Committee then adjourned.