



**COMMITTEE ON AGRICULTURE**  
**(2009-2010)**

FIFTEENTH LOK SABHA

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

DEMANDS FOR GRANTS (2009-2010)

FIRST REPORT



**LOK SABHA SECRETARIAT**  
**NEW DELHI**

DECEMBER, 2009/ AGRAHAYANA, 1931 (Saka)

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Presented to Lok Sabha on 18.12.2009

Laid on the Table of Rajya Sabha on 18.12.2009



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NEW DELHI**

DECEMBER, 2009/ AGRAHAYANA, 1931 (Saka)

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## COMPOSITION OF THE COMMITTEE ON AGRICULTURE (2009-2010)

Shri Basudeb Acharia - Chairman

### MEMBERS

#### LOK SABHA

2. Shri Narayan Singh Amlabe
3. Shri K.C. Singh 'Baba'
4. Shri Thangso Baite
5. Shri Jayant Chaudhary
6. Smt. Shruti Choudhry
7. Smt. Ashwamedh Devi
8. Shri Biren Singh Engti
9. Smt. Paramjit Kaur Gulshan
10. Shri Anant Kumar Hegde
11. Sk. Nurul Islam
12. Shri Naranbhai Kachhadiya
13. Shri Surendra Singh Nagar
14. Shri Prabodh Panda
15. Shri Premdas
16. Shri Vitthalbhai Hansrajibhai Radadiya
17. Shri Nripendra Nath Roy
18. Shri Bhupendra Singh
19. Shri Uday Singh
20. Shri Jagdish Thakor
21. Shri Hukmdeo Narayan Yadav

#### RAJYA SABHA

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

## **SECRETARIAT**

- |    |                      |   |                     |
|----|----------------------|---|---------------------|
| 1. | Shri S. Bal Shekar   | - | Joint Secretary     |
| 2. | Shri P.V.L.N. Murthy | - | Director            |
| 3. | Shri P. C. Koul      | - | Additional Director |

## INTRODUCTION

I, the Chairman, Committee on Agriculture, having been authorized by the Committee to submit the Report on their behalf, present this First Report on the Demands for Grants (2009-2010) of the Ministry of Agriculture (Department of Agriculture & Co-operation).

2. The Committee considered the Demands for Grants (2009-10) of the Department of Agriculture and Co-operation, which were laid on the table of the House on 07 July, 2009. The Committee took evidence of the representatives of the Department of Agriculture & Co-operation and Field Organisations, Department of Commerce, Department of Fertilizers, Ministry of Health and Family Welfare and the Planning Commission at their Sittings held on 15 October and 22 October, 2009. The Committee wish to express their thanks to the officers of the Department of Agriculture & Co-operation and others for appearing before the Committee and for furnishing the information that the Committee desired in connection with the examination of Demands for Grants of the Department.

3. The Report was considered and adopted by the Committee at their Sitting held on 16 December, 2009.

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

**NEW DELHI;**  
**16 December, 2009**  
**25 Agrahayana, 1931 (Saka)**

**BASUDEB ACHARIA**  
***Chairman,***  
***Committee on Agriculture***



## **ABBREVIATIONS**

<b>ACA</b>	<b>Additional Central Assistance</b>
<b>ADWDRS</b>	<b>Agriculture Debt Waiver and Debt Relief Scheme</b>
<b>AS</b>	<b>Ammonium Sulphate</b>
<b>ATMA</b>	<b>Agriculture Technology Management Agency</b>
<b>BDA</b>	<b>Bamboo Development Agency</b>
<b>BE</b>	<b>Budget Estimates</b>
<b>CBs</b>	<b>Commercial Banks</b>
<b>CCEA</b>	<b>Cabinet Committee on Economic Affairs</b>
<b>CFQC&amp;TI</b>	<b>Central Fertilizer Quality Control and Training Institute</b>
<b>DAC</b>	<b>Department of Agriculture and Cooperation</b>
<b>DCCB</b>	<b>District Central Cooperative Banks</b>
<b>DDP</b>	<b>Desert Development Plan</b>
<b>DAP</b>	<b>Di-Ammonium Phosphate</b>
<b>ECA</b>	<b>Essential Commodities Act</b>
<b>EFC</b>	<b>Expenditure Finance Committee</b>
<b>FQCL</b>	<b>Fertilizer Quality Control Laboratories</b>
<b>GoM</b>	<b>Group of Ministers</b>
<b>HYV</b>	<b>High Yielding Variety</b>
<b>ICAR</b>	<b>Indian Council of Agriculture Research</b>
<b>ICT</b>	<b>Information and Communication Technology</b>
<b>IPM</b>	<b>Integrated Pest Management</b>
<b>ISOPOM</b>	<b>Integrated Scheme of Oilseeds, Pulses, Oil palm and Maize</b>
<b>IWMP</b>	<b>Integrated Watershed Management Programme</b>
<b>IWDP</b>	<b>Integrated Waste-lands Development Programme</b>
<b>KCC</b>	<b>Kisan Credit Card; Kisan Call Centre</b>
<b>KVK</b>	<b>Krishi Vigyan Kendra</b>
<b>MAP</b>	<b>Mono-Ammonium Phosphate</b>
<b>MSTL</b>	<b>Mobile Soil Testing Laboratories</b>
<b>MT</b>	<b>Metric Tonne</b>
<b>NAFED</b>	<b>National Agriculture Cooperative Marketing Federation</b>
<b>NAIS</b>	<b>National Agriculture Insurance Scheme</b>
	(vii)
<b>NBS</b>	<b>Nutrient Based Subsidy</b>

<b>NBP</b>	<b>Nutrient Based Pricing</b>
<b>NCDC</b>	<b>National Cooperative Development Corporation</b>
<b>NDC</b>	<b>National Development Council</b>
<b>NeGP</b>	<b>National e-Governance Plan</b>
<b>NFSM</b>	<b>National Food Security Mission</b>
<b>NGO</b>	<b>Non-Governmental Organisation</b>
<b>NPMSF</b>	<b>National Project on Management of Soil Health &amp; Fertility</b>
<b>NPK</b>	<b>Nitrogen Phosphate Potash</b>
<b>NRAA</b>	<b>National Rainfed Area Authority</b>
<b>OTS</b>	<b>One-Time Settlement</b>
<b>PACS</b>	<b>Primary Agriculture Credit Society</b>
<b>PEO</b>	<b>Programme Evaluation Organisation</b>
<b>PRI</b>	<b>Panchayati Raj Institutes</b>
<b>RADP</b>	<b>Rainfed Area Development Programme</b>
<b>RE</b>	<b>Revised Estimates</b>
<b>RFS</b>	<b>Rainfed Farming System</b>
<b>RKVY</b>	<b>Rashtriya Krishi Vikas Yojana</b>
<b>RRBs</b>	<b>Regional Rural Banks</b>
<b>SAU</b>	<b>State Agricultural University</b>
<b>SCARDBs</b>	<b>State Cooperative Agriculture and Rural Development Banks</b>
<b>SCBs</b>	<b>State Cooperative Banks</b>
<b>SEWP</b>	<b>State Extension Work Plan</b>
<b>SREP</b>	<b>Strategic Research and Extension Plan</b>
<b>STL</b>	<b>Soil Testing Laboratories</b>
<b>SSP</b>	<b>Single Super Phosphate</b>
<b>TMOP</b>	<b>Technology Mission on Oilseeds and Pulses</b>
<b>TSP</b>	<b>Triple Super Phosphate</b>
<b>UT</b>	<b>Union Territory</b>
<b>UC</b>	<b>Utilisation Certificate</b>
<b>ZBB</b>	<b>Zero Based Budgeting</b>

## **CHAPTER – I**

### **IMPLEMENTATION OF COMMITTEE'S RECOMMENDATIONS**

The Thirty-seventh Report (14<sup>th</sup> Lok Sabha) of Committee on Agriculture on Demands for Grants (2008-09) of the Ministry of Agriculture (Department of Agriculture & Co-operation) was presented to Parliament on 16 April, 2008. The Report contained 15 recommendations/observations.

1.2 In compliance of Direction 73 A of Directions by Speaker, the Minister of Agriculture and Minister of Consumer Affairs, Food & Public Distribution made a Statement in Lok Sabha on 15 December, 2008 giving the status of implementation of various recommendations made by the Committee in their Thirty-seventh Report. An analysis of the Minister's Statement showed that Government had accepted 11 out of 15 recommendations. The replies of the Government on 7 recommendations were satisfactory. Replies to 4 recommendations were not found satisfactory. Replies to 4 recommendations were of interim nature.

1.3 On the basis of the Action Taken Notes received from the Department of Agriculture & Co-operation in respect of the above Report, the Committee presented their Forty-second Action Taken Report (14<sup>th</sup> Lok Sabha) to the Lok Sabha on 18 December, 2008. The Committee commented on the Action Taken Replies furnished by the Ministry in respect of Recommendations at Sl. Nos. 3, 9, 10, 11, 12, 13, 14 & 15.

## **CHAPTER – II**

### **OVERVIEW**

#### **I     Introductory**

Although its share in GDP has declined from over half at Independence to less than one fifth currently the performance of the agricultural sector still exerts a significant influence on the growth of the Indian economy. Agriculture (including allied activities) accounted for 17.1 per cent of the Gross Domestic Product (GDP-at constant prices) in 2008-09 but its role remains critical as it accounts for about 58.2 per cent of the employment in the Country. Apart from being the provider of food and fodder, its importance also stems from the raw materials that it provides to the industry. The prosperity of the rural economy is also closely linked to agriculture and allied activities. Agricultural sector contributed 12.2 per cent of national exports in 2007-08. The rural sector (including agriculture) is being increasingly seen as a potential source of domestic demand; a recognition, that is shaping the marketing strategies of entrepreneurs wishing to widen the demand for goods and services.

2.2     With an average growth of over 4.9 per cent over three years (2005-06 to 2007-08), the agriculture sector (including allied activities) lent credible support to the overall growth in GDP. However, in 2008-09, the growth rate declined to 1.6 per cent (as per the revised estimates of CSO). This is significantly lower than the 4.0 and 4.9 per cent growth witnessed in 2006-07 and 2007-08 respectively. The decline in growth rate is mainly due to an estimated decline in production of wheat, coarse cereals, pulses and oilseeds.

As it is, agricultural growth is characterized by sharp fluctuations and remains vulnerable to the vagaries of nature. Some of the other problems besetting Indian agriculture include :

- (a) Slow down in growth
- (b) Widening economic disparities between irrigated and rainfed areas
- (c) Uneven and slow development of technology
- (d) Inefficient use of available technology and inputs
- (e) Degradation of natural resource base
- (f) Lack of adequate incentives and appropriate institutions
- (g) Rapid and widespread decline in ground water table with particular adverse impact on small and marginal farmers
- (h) Increased vulnerability to world commodity price volatility following trade liberalisation
- (i) Increase in non-agricultural demand for land and water as a result of the higher overall GDP growth and urbanisation, etc.

2.3 Rapid growth of agriculture is essential not only for self-reliance but also for meeting the food and nutritional security of the people and to bring about equitable distribution of income and wealth in the rural areas, to reduce poverty and to improve the quality of life.

## **II Functions of Department of Agriculture & Co-operation**

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

The functions of the Department are as follows : –

- (i) Formulation & implementation of National Policies and Programmes for achieving rapid growth and development of Agriculture through optimum utilization of country's land, water, soil and plant resources;
- (ii) Undertaking developmental planning, and assist States in undertaking scarcity relief measures and in management of natural calamities relating to drought;
- (iii) Formulation of policies relating to co-operation and co-operative organisations, co-operative training and education;

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

2.5 The Department is organised into 24 divisions and a Technology Mission on Oilseeds, Pulses and Maize (Annexure I). In addition, it has four attached offices and 21 subordinate offices all over India for coordination with State-level agencies and implementation of Central Sector Schemes in their respective fields. Further, there are two public sector undertakings (PSUs), seven autonomous bodies, 11 national-level cooperative organisations and two authorities under the administrative control of the Department.

### III Overview of Demands

2.6 In view of the General Election scheduled for May-June, 2009, the Government had taken a Vote on Account for the first four months (April – July, 2009) of the current fiscal instead of going for the presentation of a full Budget. Later, Demand No. 1 pertaining to the Department of Agriculture & Co-operation for the year 2009-10 was presented to the Lok Sabha on 7 July, 2009. The details of Revenue as well as Capital expenditure under the Plan and Non-Plan Sides of Demand No. 1 are as under :

	(Rs. in Crore)		
	Plan	Non-Plan	Total
REVENUE			
Voted	11215.17	607.50	11822.67
Charged	-	-	-
CAPITAL			
Voted	91.90	0.65	92.55
Charged	-	-	-
GRAND TOTAL	11307.07	608.15	11915.22

2.7 The total allocation for Department of Agriculture & Co-operation is Rs. 11915.22 crore for the year 2009-10. Out of this Rs. 11215.17 crore and Rs. 607.50 crore are in Plan and Non-Plan sides respectively under the Revenue Section and Rs. 91.90 crore and Rs. 0.65 crore are in the Plan and Non-Plan sides under the Capital Section.

2.8 The comparison of Revised Estimates for the year 2008-09 and Budget Estimates for 2009-10 are given in the table below:

(Rs. in crore)

	RE 2008-09		BE 2009-10	
	Plan	Non-Plan	Plan	Non-Plan
REVENUE	9715.23	526.77	11215.17	607.50
CAPITAL	84.77	0.77	91.90	0.65
Total	9800.00	527.54	11307.07	608.15
GRAND TOTAL	10327.54		11915.22	

The Revenue Section (Plan Side) for 2009-10 shows an increase of 15.44% compared to the RE figure of Rs. 9715.23 crore for 2008-09. In the Non-Plan side of Revenue Section, the BE of 2009-10 has also seen an increase of 15.33% from RE of 2008-09. The BE for 2009-10 in Capital Section (Plan Side) is Rs. 91.90 crore which is a hike of 8.41% over the RE for 2008-09 of Rs. 84.77 crore. In the Non-Plan side, the RE 2008-09 of Rs. 77 lakh has been marginally reduced to Rs. 65 lakh for 2009-10.

2.9 Demand No. 1 provides for implementation of various Central Sector, Centrally Sponsored and State Plan Schemes together for Plan and Non-Plan activities. The Centrally Sponsored Schemes are implemented by the State Governments and managed by the Centre as well as the States. The funding pattern is either 100% Central share or it is shared by the Centre and the States. The beneficiaries are the States and the funds are released by the Government of India in the form of Grants-in-Aid depending upon the pattern of assistance. The State Government provides its share wherever required and also the infrastructure



including logistics and manpower. The Central Sector Schemes are normally implemented by the Central Government but in certain cases through the State Governments. The funding pattern is generally 100% Central share for such schemes. The State Plan Schemes are mainly run on the Additional Central Assistance (ACA) mode; the release of funds depending upon the States meeting the various qualifying guidelines set for the respective schemes.

#### **IV     Zero Based Budgeting (ZBB)**

2.10 Zero Based Budgeting in context of XI Plan was conducted by the Planning Commission in 2007 for which meetings under the Chairmanship of Senior Advisor and Member, Planning Commission were held on 16 May and 16 November 2007. DAC accepted several suggestions arising out of ZBB exercise, conducted by Planning Commission, they *inter-alia* include the following:

- (i) Rainfed, Watershed and Dryland Development schemes have been merged. Integrated Watershed Development Council was weeded out and staff merged with National Rainfed Area Authority (NRAA). Scheme of Enhancing Sustainability of Dryland and Rainfed Farming Systems was merged with proposed Rainfed Area Development Programme.
- (ii) Macro Management of Agriculture Scheme was restructured for execution during 11<sup>th</sup> Five Year Plan and revised guidelines have been issued.
- (iii) The name of the Scheme for Implementation of Protection of Plant Varieties and Farmers' Right Act 2001 have been changed to Scheme for protection of Plant Varieties & Farmers Rights.

Evaluation of various schemes has also been conducted.

2.11 The representative of the Planning Commission submitted the following on Zero Based Budgeting during the Oral Evidence :

“The Zero Based Budgeting is carried out in the beginning of the Plan. The specific purpose of this is to weed out the schemes or programmes which have become redundant. Secondly, it was to up-scale the programme which needed more investment, which needed more money and more scope in the planning process. And the third reason was to try to merge the schemes and programmes which are having overlapping or a similar kind of objective?. I may humbly submit to you that we had an intensive discussion with the Department of Agriculture and Cooperation on 16 of May, 2007. The team was led by the Additional Secretary and we had a detailed discussion on the schemes and programmes. As I mentioned, those three premises? were kept in view – the schemes which have become redundant can be scrapped; schemes which are overlapping can be merged and the schemes which needed more outlays can be up-scaled. That was the focus. We had a very detailed deliberation with the Department on the 16 of May and a large number of recommendations were made. I am happy to report that the majority of the recommendations have been accepted. In certain cases, we had mentioned that programmes and activities which are likely to continue in the Eleventh Plan should be evaluated by the third party. That was a very major recommendation from the Planning Commission side. I am happy to report that the Department of Agriculture and Cooperation have initiated a large number of evaluation studies. Briefly, this is the purpose of Zero Based Budgeting. I can confidently submit to you that this was taken up in right spirit and most of the suggestions of the Department were agreed to. But, there are a couple of suggestions which were made in the Zero Based Budgeting exercise. They were supposed to be carried out and the evaluation studies are in progress.”

## **V      Plan Allocation**

2.12 For the Tenth Five Year Plan, the Department of Agriculture & Cooperation (DAC) had proposed an outlay of Rs. 25,002 crore keeping in view the thrust areas identified for the Tenth Plan. Though the Planning Commission approved a Plan outlay of only Rs.13,200 crore for the DAC for the Tenth Plan, the allocation actually made (and expenditure incurred) was higher as indicated below:

(in Rs crore)

Year	BE	RE	Expenditure/ Release	%age Expenditure w.r.t. BE	%age Expenditure w.r.t. RE
Total Tenth Plan	15,958.42	15,474.00	14807.30	92.78	95.69

2.13 For the Eleventh Plan the Department of Agriculture and Cooperation proposed an outlay of Rs.51,052.12 crore. They have been allocated Rs. 66,577 crore. The BE, RE and Actuals during the first two years of the Plan and the BE for ongoing fiscal are as under :-

(Rs. in crore )

Year	BE	RE	Expenditure/ Release
2007-08	5560.00	6927.94	7058.50
2008-09	10105.67	9865.68	9502.48
2009-10	11307.07	-	5313.12*

- Upto September 2009

2.14 In the second year of the Eleventh Plan (2008-09), it may be seen that the original allocation of Rs. 10,105.67 crore was pruned down to Rs. 9865.68 crore. On being quizzed about the effect of such curtailment of Plan allocation on the implementation of the schemes, the Secretary of the Department submitted during the Oral Evidence as noted below:

“It definitely affects some schemes because then what we have to do is once we are told that the RE is going to be lower than the BE, then we have to prioritize what is important. So, very often what happens is that some of the schemes of the National Horticulture Mission like godowns or things like that which can be postponed get postponed. So, obviously it has adverse impact. There is no point in saying that it has no adverse impact. But then once we are told because of resource constraint you will get slightly less than the best we can do is to see what can be postponed. So, it does affect.

Secondly since we have only two years left for the Plan, it is important that outlays promised by the Planning Commission are projected in the Budget. It is because quite often the Gross Budgetary Support and the ambitions of the Plan that mismatch should not affect agriculture, because, this is in my view, a sector which continuously needs to invest more money in the public domain. This is not really a sector in which a lot of private investment happens. Small farmers do make capital investment in agriculture but huge private investments in agriculture are not something that has happened. So, to wish that we will get a higher growth rate by an increased

private sector investment in agriculture would not be an appropriate assumption.”

2.15 The Plan Outlay of DAC (2009-10) has been enhanced by 11.88% in comparison to BE 2008-09. The share of DAC in total Central Plan Outlay is 1.61 per cent in 2009-10. Inclusive of Rashtriya Krishi Vikas Yojana and Control of Shifting Cultivation which are State Plan Schemes, the outlay of the DAC in 2009-10 is Rs. 11307.07 crore.

2.16 The approved Eleventh Plan allocation of Department of Agriculture & Co-operation has been enhanced substantially to Rs. 66577 crore which constitutes 404% increase over Tenth Plan approved outlay of Rs. 13200.

2.17 In reply to a query, the Department have informed that whole Eleventh Plan is back-loaded i.e. higher investments are planned during last two-three years of Eleventh Plan, till the phase of fiscal consolidation mandated by Fiscal Responsibility and Budget Management Act is over in 2009-10. As of present, additional expenditure requirement on account of global economic slow-down, has delayed fiscal consolidation and its effect on allocations of DAC and other Department/Ministries during 2010-11 and 2011-12, onwards is still to be assessed. More than 58% of total allocation of DAC for Eleventh Plan would have to be allocated during the next two years. Back-loading of investments would have the effect of delaying growth of agriculture sector. However, impact of back-loading will be minimised / made up if entire remaining allocation is provided in remaining two years of Eleventh Plan.

## **VI New/Revamped Schemes**

2.18 Regarding the process of approval of new schemes and revamping of old schemes, the Department informed the Committee in a written communication that

in case of new programmes/schemes, the first step is to submit the proposal to Planning Commission for consideration of “in principle approval” for inclusion in Plan based on availability of financial resources and other techno-economic considerations. Once in-principle approval is received, EFC/SFC note is prepared after consultation with stakeholders, professionals and Financial Adviser. Draft EFC/SFC Memo along with comments of Integrated Finance Division (IFD) is then circulated to Department of Expenditure, Planning Commission and other concerned Ministries for comments. Thereafter, EFC/SFC memo along with comments of relevant Ministries and Planning Commission is placed before EFC/SFC for consideration and approval. Similar procedure of consultations is followed for obtaining approval of CCEA.

2.19 In case of revamping or recasting of old schemes, procedure is same except for initial stage of obtaining “in principle approval” of Planning Commission. “In principle approval” of Planning Commission before launch of a new scheme is required for inclusion of scheme in Plan of DAC. However, as per latest instructions, if a scheme has been approved in 11th Plan document and funding for the same is available, further “in principle approval” of Planning Commission is not required. There is no instance of any scheme being dropped after in principle approval of Planning Commission in 11<sup>th</sup> Plan. 10<sup>th</sup> Plan scheme of Enhancing Sustainability of Dry Land Farming was mooted in 2004 and “in principle approval” of Planning Commission was received on 1.9.05, but, the Scheme has been merged with Rainfed Area Development Programme (which is in process of being approved).

2.20 At SFC stage, feasibility and viability of scheme is established within DAC after due consultation with IFD, Department of Expenditure and Planning Commission. At EFC stage, consultation is undertaken with Department of

Expenditure, Planning Commission and other Ministries to take their concerns on board, regarding proposed scheme and to ensure its feasibility and viability.

2.21 About the New Scheme proposed during the Eleventh Plan, the Committee have been informed that the Rainfed Areas Development Programme (RADP) was to commence in 2007-08 and 'in-principle' approval of Planning Commission was received on 20.3.2008. Based on comments of Stakeholder Ministries/ Departments, EFC Note has been finalized and was sent to the Ministry of Finance for EFC concurrence. In the light of decision made by the Cabinet while approving proposal of Integrated Watershed management Programme of MoRD, for mission-mode implementation of watershed projects, Ministry of Finance has suggested specific improvements in RADP, which are being worked out.

2.22 The status of revamping of Schemes during Eleventh Plan is as follows:

- (i) Modified National Agricultural Insurance Scheme (MNAIS) - The proposal was mooted in 2006. The Planning Commission however was of the view that the Scheme should be funded under Non Plan. Therefore, the scheme has been delayed. Now a detailed proposal for MNAIS has been prepared and submitted to Committee on Non-Plan Expenditure (CNE). The meeting is expected to be convened shortly;
- (ii) Technology Mission for North East:- Planning Commission approved on 16.2.2009. EFC pending due to issue of requirement of additional funds;
- (iii) National Horticulture Mission:- EFC held on 4.8.2009 and Minutes are awaited from DOE;
- (iv) National Horticulture Board:- For approval in 11<sup>th</sup> Plan, EFC has been circulated on 14.8.2009. EFC is pending; *and*
- (v) Support to State Extension Programmes for Extension Reforms:-The Planning Commission approved revamping of Scheme on 4.8.2008. EFC was held on 4.8.09 and approved minutes awaited from DOE.

2.23 When asked about the desirability of obtaining approvals/clearances of Schemes well in advance, the Department have submitted that it may not be possible in all cases to get approvals/clearances well in advance, due to procedural and other constraints. However, the Department have suggested that time taken by

each department/agency could be compressed to expedite clearance of proposals through rigorous adherence to time limits, if instead of circulating documents to Planning Commission and other concerned Ministries for comments, a meeting of various agencies is convened to clear the proposals, within a specified time limit.

## **VII     Annual Plan 2009-10**

2.24    As against a proposed outlay of Rs.15,585.23 crore for the Annual Plan 2009-10, the Planning Commission have approved an outlay of Rs.11307.07 crore for the Annual Plan 2009-10 for DAC. Out of the approved outlay 10% has been earmarked for the North-Eastern States as per standing guidelines. The Central Plan Outlay of the Government of India for 2009-10 is a massive Rs. 447921 crore. The allocations to DAC amounts to about 2.5% the Plan Outlay.

## **VIII Flow of Funds**

2.25 The funds for the first four months of the current Fiscal were met through a Vote on Account and provisions for the remaining eight months have been made through regular Demands for Grants. When asked about this system of flow of funds, the Department have stated that the Ministry of Finance had, in connection with the Vote on Account for the financial year 2009-10, issued instructions that in the first four months of the financial year (from April to July), the expenditure on each scheme should not exceed one third of the allotment. The Ministry of Finance had stipulated that during the aforesaid period, no expenditure should be incurred on new schemes.

2.26 When asked as to what extent the Department was affected by such restrictions on spending and the resultant problems, the Secretary (DAC) informed during the Oral Evidence as under :

“The simple point is, we have to live with the Vote on Account. We have no choice. What we did was, we went to the Finance Ministry and said that we need some additional money to be released for certain schemes which are important from the point of view of kharif, particular the seeds programme and the Food Security Mission Programme. We were willing to get a lower release mechanism in some other schemes. Within that, we were able to manage. Given the fact that we could not have spent more than what was voted for, we prioritised in terms of agricultural inputs that we were supposed to provide. So, by and large, we were able to manage but we also got some relaxations required from the Ministry of Finance because of the importance of agricultural season. We were able to manage. We would not say that we did not have difficulty but we managed with whatever we have.

Given the fact that we had only four months of Vote on Account which means roughly one-third of our budget, we did not proportionally release one-third of every line of the budget. Somewhere, we released the entire and somewhere we released less but we kept within the overall one-third. Some of the schemes will get a little bit delayed. We cannot rule that out. But given the fact that this was the only way we could have prioritised.”

## **IX Mid Term Appraisal**



2.27 The Department have informed that the Mid Term Appraisal of the Eleventh Five Year Plan for the Department of Agriculture and Cooperation is being conducted by Mid Term Review Committee of the Planning Commission. The first meeting of MTR Committee was held on 23.09.2009. The representative of Planning Commission submitted the following during Oral Evidence in this regard:

“The kind of intention that I mentioned in the Zero Based Budgeting exercise is almost a similar kind of exercise will be undertaken in the mid-term review, looking into the performance of the various schemes including State Plan schemes, Central sector schemes, Centrally- sponsored schemes, looking into the schemes which are yet to begin and schemes which can be scrapped off and more importantly schemes which can be up scaled. There are two terms of references. I will just read them out. Terms of reference number one reads as follows: “ To interact with the Departments concerned, the States, the NGOs and other stakeholders relating to agriculture and allied sectors for mid-term review and based on such interactions, review the performance of policies, plans programmes of the Ministry of Agriculture during the Eleventh Plan and suggest modifications, upscaling, discontinuation of the on-going programmes and policies and introduction of the new initiatives along with the financial implications thereof. The basic intent is to review the performance of the Plan for the last two and a half years and take stock.

The submission is that the Committee has been constituted. We have interacted with States on regional basis. Interactions with three regions are over and the fourth one is due in Kolkata. By end of October our interaction with the States should be over. By November the internal exercise of the Planning Commission will bring out a draft and then by December we will have to have that draft approved by the full Planning Commission. That is the time schedule which the Mid-term Committee has in mind.”

## Plan Allocations

2.28 Agriculture, which accounts for over 58 per cent employment in the Country and in spite of declining trends over the years, still contributes more than 17 per cent of the Gross Domestic Product while continuing to be the life-line of the Country's economy, growth and development. Though the average growth rate of agriculture sector was over 4.9 per cent during the years 2005-06 to 2007-08, it declined substantially to 1.6 per cent in 2008-09. With deficient monsoons and drought in most of the parts of the country this year, the Committee apprehend that the situation may worsen further in the ongoing year. They, therefore, expect the Government would in consonance with the prevailing situation make enhanced provisions in the Demands for Grants (2009-10) of the Department of Agriculture and Cooperation at the RE stage to tide over the situation. They are, however, highly disappointed to note that a sum of Rs.11,307.07 crore only has been allocated to the Department as BE on the Plan Side. Thus, there is hardly an increase of 15 per cent over the last year's Revised Estimates on the Plan Side (Rs.9800 crore). The size of approved outlay for the Department at Rs. 66,577 crore for the Eleventh Plan *vis-à-vis the actual allocation of Rs. 26,972.74 crore (which is about 45% of outlay) so far during the Three years 2007-08 to 2009-10 speaks volumes of the insensitivity and less than serious attitude of the Government* towards this most crucial sector of Indian economy. Viewed in the context of the mandated tasks of the Department, the development of the agriculture sector at the national level coupled with the responsibility of synergizing agricultural development in States as well, the task of the Department becomes all the more complex and loaded. The Committee have been time and again recommending to the Government for enhancement of the allocations to the

Agriculture Sector but it seems these are falling on deaf ears of the Planners and all others responsible for development of this prime sector of the economy. In the last fiscal also, the Budget Estimate of Rs. 10,105.67 crore was pruned down to Rs. 9800.00 crore and as admitted by the representative of the Department before the Committee, it definitely affected the implementation of the Schemes of the Department. As admitted by the Government, apart from need based capital investments made by the farmers, there is no private investment in the agriculture sector. Therefore, it becomes all the more necessary that the Government need to enhance the quantum of public investment in the agriculture sector so as to ensure self-reliance, food and nutritional security, equitable distribution of income and wealth and poverty alleviation and improvement of the quality of life of the people. The Committee, therefore, desire the Government to not only increase the allocations in the remaining period of the Eleventh Plan in the Public domain but also devise ways and means to attract private investment in the Agriculture sector. The Government should also ensure that the expenditure incurred keeps pace with the amounts allocated so as not to invite reduction of BE amounts at RE stage subsequently so as to attain the above stated goals. They further desire to be apprised of the steps taken in this respect.

#### **Backloading of Plan Funds**

2.29 The Committee observe that for the Eleventh Five Year Plan, the Department had proposed an outlay of Rs. 51,052.12 crore against which an amount of Rs. 66,577 crore was approved. The increase is a whopping 30 per cent more than what was asked for. They further observe that the Eleventh Plan Allocation constitutes a 404% increase over Tenth Plan approved outlay of Rs. 13,200 crore. They, however, are highly perturbed to note that that upto September, 2009, that is exactly on completion of half of the Eleventh Five Year Plan, they have been able to spend only Rs. 21,874.10 crore which is less than 33 per cent of the total allocation. The Committee were informed that in the Eleventh Five Year Plan there has been back loading of funds and higher investments are planned during last two-three years of the Plan which however, is not palatable to them keeping in mind the trend of expenditure so far. According to the Department, this is being done to complete the phase of fiscal consolidation as mandated by the Fiscal Responsibility and Budget Management Act which would be over in 2009-10. It is disconcerting to note further that by their own admission, the additional expenditure requirement on account of global economic slow-down as at present, has delayed fiscal consolidation and its effect on allocations of DAC and other Department/Ministries during 2010-11 and 2011-12, onwards is still to be assessed. Given this scenario and with hardly one-third of the allocations spent in the first half of the Plan, the Committee cannot but conclude that the this back loading of funds would undoubtedly have the effect of delaying the growth in Agricultural Sector. They are of the considered opinion that a more equitable allocation of funds in the preceding years of the Plan by the Government could have avoided this serious *impasse* that we are now facing. Now that it is a *fait-acompli*, they desire the Government to work out a

judicious plan for allocation and spending in the remaining part of the Eleventh Plan so that not only the Schemes and programmes are not staggered but also reckless and knee jerk spending on ill-conceived and half-baked Schemes and programmes is avoided.

### New/Revamped Schemes

2.30 The Committee note that the extant procedure being followed for launching of new schemes or revamping of schemes is highly time consuming and cumbersome. For instance, the Rain Fed Area Development Scheme which was to commence in 2007-08 is still pending for want of approval. The Modified National Agricultural Insurance Scheme mooted in 2006 is still at proposal stage, while the Technology Mission for North East States is pending at EFC stage. The Support to State Extension Programmes for Extension Reforms approved for revamping by Planning Commission on 4 August, 2008 had its EFC exactly a year later on 04.08.2009 and is pending for finalization for want of approved minutes from DOE and the approvals from National Horticulture Mission and the National Horticulture Board are also pending at various stages. This, in their view is a very worrisome situation. They, therefore, feel that the Department's suggestion that the time taken by each Department/Agency to expedite clearance of proposals through rigorous adherence to time limits could be compressed requires urgent consideration. Instead of circulating documents of Planning Commission to other Ministries/Departments for comments, the suggestion that a meeting of various agencies need to be convened to clear the proposals within a time limit, is worth a try. They, therefore, desire the Department to prepare a comprehensive proposal on these lines and after getting it approved at

appropriate levels/fora, get it implemented at the earliest so that delays of years together in obtaining requisite clearances/approvals are eliminated from the system for all times to come. They desire to be apprised of the steps taken and the positive outcome thereof in this regard.

#### **Mid-term Appraisal of Eleventh Plan**

2.31 The Committee also note that the Mid-term Appraisal of the Eleventh Five Year Plan for the Department is being conducted by the Mid-term Review Committee of the Planning Commission. The first meeting of the Review Committee was held on 1 September, 2009. The Committee hope that as assured to the Committee by the representative of the Planning Commission during the Oral Evidence held on 22 October, 2009, the Mid Term Review will be carried out expeditiously and would be over by December, 2009 so that the results of the same are conveyed to the Department at the earliest and remedial measures are initiated by them accordingly. They wish to be apprised of the outcome of the Mid-term Review, the remedial measures suggested/taken by the Department at the earliest.

#### **Declining Growth Rate**

2.32 The Committee observe that the Growth rate in Agriculture Sector has shown a declining trend over the last three years from 4.0 and 4.9 per cent growth witnessed in 2006-07 and 2007-08 respectively to 1.6 per cent (as per the revised estimates of CSO) in 2008-09. This is attributable amongst other reasons to an estimated decline in production of wheat, coarse cereals, pulses

and oilseeds. It is a recognized fact that agricultural growth most of the times is characterized by sharp fluctuations and remains vulnerable to the vagaries of nature and some of the other problems besetting Indian agriculture include widening economic disparities between irrigated and rainfed areas; uneven and slow development of technology coupled with inefficient use of available technology and inputs; lack of adequate incentives and appropriate institutions; and rapid and widespread decline in ground water table with *particular* adverse impact on small and marginal farmers etc. Apart from these, the Committee feel that the increase *in* non-agricultural demand for land and water as a result of the higher overall GDP growth and urbanisation, etc. have proved to be detrimental to the production of cereals, pulses and oilseeds resulting in shortages thereby raising the prices of these commodities in the markets to substantially higher levels in the current year. They, therefore, desire the Government to take immediate steps to arrest the decline in growth rate as also to enable agriculture to be viable and profitable avocation to the farming community at large. The Committee may be apprised of the steps taken in this direction.

### **Zero Based Budgeting**

**2.33** *The Committee observe that* the Zero Based Budgeting is carried out in the beginning of the Plan. Zero Based Budgeting of the Department in the context of XI Plan was conducted by the Planning Commission on 16 May and 16 November 2007 about 5 to 10 months after the Eleventh Plan commenced. The specific purpose of this exercise was to weed out the schemes or programmes which have become redundant, to up-scale the programmes

which needed more investment and to try to merge the schemes and programmes which are having overlapping or a similar kind of *objectives*. Further, the Committee observe that as a result of the ZBB exercise conducted by Planning Commission, the Department accepted several suggestions arising therefrom including merger of Rainfed, Watershed and Dryland Development schemes with the proposed Rainfed Area Development Programme. The ZBB exercise recommended the evaluation of various schemes by Third Party which have also been initiated as a result thereof. The Committee recommend that evaluation studies be carried out by third parties wherever not done in a time bound manner and the suggested remedial action be taken at the earliest to shore up the implementation of the Schemes.



## **CHAPTER – III**

### **EVAULATION OF SCHEMES**

#### **(A) AGRICULTURE EXTENSION AND TRAINING**

##### **Support to State Extension Programmes for Extension Reforms**

3.1 The scheme, Support to State Extension Programmes for Extension Reforms, launched during 2005–06, aims at making the extension system farmer-driven and farmer-accountable by way of new institutional arrangements for technology dissemination in the form of an Agricultural Technology Management Agency (ATMA) at the district level to operationalise extension reforms. ATMA has active participation of farmers/farmer groups, NGOs, KVKs, PRIs and other stakeholders operating at the district level and below. The release of funds under the ATMA scheme is based on State Extension Work Plans (SEWPs) prepared by the State Governments. At present, the scheme is under implementation in 583 districts in 29 States/UTs in the Country.

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

(Rs. in crore)

2007-08			2008-09			2009-10
BE	RE	Actual	BE	RE	Actual	BE
230	153.52	155.81	298.00	198.00	193.02	298.00

The BE for the Scheme is seen to be consistently reduced at the RE stage during the last two Fiscals.

3.3 Explaining the curtailment of funds at the RE stage, the Department have stated that non availability of committed specialist and functionary support with States to carry out extension activities has resulted in slow pace of expenditure and delayed settlement of earlier grants/UCs under the scheme. This has been the main reason for reduction of BE at RE stage during last three years.

3.4 To overcome the problem, the Department have prepared a revised scheme which also provides for strengthening of scheme through a more rational administrative structure with specialist and functionary support at different levels- State, districts, block and village which is yet to be finalized.

3.5 This being an election year when the fund release is not as smooth as normal years and since the revised Scheme prepared to overcome the shortcomings and problems of previous years was yet to be finalized, the Committee were curious to know how the Department expected to utilize this huge amount in this environment of total uncertainty. In response, the Department informed that Budget Estimates proposed at Rs.298 crore was kept, for year 2009-10, in anticipation of approval of the scheme with revised cost norms for Eleventh Five Year Plan. The revised scheme, at a budget outlay of Rs.682.07 crore for 2009-10, with Government of India share of Rs. 566.90 crore & State share of Rs.115.17 crore, has been finalized and duly approved by EFC in meeting held on 4.8.09. The Draft CCEA Note has also been prepared and is being circulated to concerned Ministries/Departments and will be pursued to seek Government's approval.

Financial Year 2009-10 has been a year of droughts and floods, in different parts of the country and States have been advised to take up 'information dissemination process' in a more focused manner to mitigate the situation, in addition to taking up approved activities, under the scheme. However, realizing that

States may not be able to fully utilize allocated amount in absence of committed manpower support, to take up extension activities, an amount of Rs.100 crore has already been proposed for reduction at R.E. stage. About the position of vacancies State-wise at District and Block levels in agriculture extension, the Department could furnish the vacancy position based on State Extension Work Plans of 2005-06. The total number of vacancies reflected in 2005-06 workout to 32250.

3.6 In the context of this Scheme, the Summary Record of the ZBB meeting on 16 May, 2007 contains the following observations :

‘This scheme is of critical importance since success of all other schemes depends upon its success. Strategic Research and Extension Plans (SREPs) developed by ATMA, should converge the efforts of line departments for synergetic impact. ATMA, being a technology management structure should fully integrate the activities of KVKs also.

More emphasis should be given on capacity building, demonstration and convergence among the efforts of ICAR (KVK), DAC (ATMA), States (SAU & District Machinery), Rural Knowledge Centre and use of ICT in a big way so as to bridge yield & technology gaps.

DAC would urgently prepare a comprehensive & holistic action plan for this, including on-line information system for farmers on all subjects of their relevance.’

3.7 The Committee, therefore, desired to know about the progress of farmers training under Extension Reform (ATMA) Scheme. The following data has been furnished by the Department in this regard.

**No. of Farmers Trained (2005-06 to 2009-10)**

SI No.	States	2005-06	2006-07	2007-08	2008-09	2009-10	Total
1	Andhra Pradesh	5286	23486	64445	217028	0	310245
2	Bihar	2475	8375	37167	143295	19073	210385
3	Chhattisgarh	178	4528	2229	1672	5507	14114
4	Goa	600	1050	720	6000	0	8370
5	Gujarat	0	1953	5250	3313	3966	14482
6	Haryana	2825	772	2825	7777	1680	15879
7	H.P	2100	4610	3635	11161	0	21506
8	Jharkhand	4960	8510	1840	2250	2400	19960
9	Karnataka	505	215	3635	16200	4961	25516
10	Madhya Pradesh	1866	7052	32395	75753	5515	122581
11	Maharashtra	204	650	55976	36990	33039	126859

12	Orissa	2450	7765	600300	382151	14515	1007181
13	Punjab	3338	19740	27326	42232	19931	112567
14	Rajasthan	1820	7382	72435	25803	4145	111585
15	Tamil Nadu	0	2870	9010	7627	5150	24657
16	Uttaranchal	125	2334	14589	21915	318	39281
17	Uttar Pradesh	0	16370	102512	127863	67412	314157
18	West Bengal	0	380	22600	65899	0	88879
19	Assam	0	720	720	0	0	1440
20	Arunachal Pradesh	315	2850	0	0	0	3165
21	Manipur	700	1150	862	850	0	3562
22	Mizoram	0	4737	366	5600	0	10703
23	Nagaland	0	1942	12920	10708	1224	26794
24	A&N Islands	0	0	1360	660	95	2115
25	Sikkim	0	1625	99	2800	0	4524
26	Jammu & Kashmir	0	8987	25	0	0	9012
27	Kerala	0	0	736	13938	12581	27255
28	Puducherry	0	0	0	1000	0	1000
29	Tripura	0	0	0	6200	0	6200
Grand Total		29747	140053	1075977	1236685	201512	2683974

The data does not include the Farmers trained by KVKs

During this period, 88.04 lakh farmers have been benefitted through programmatic activities viz. Exposure Visits (5.43 lakhs); Trainings (26.84 lakhs); Demonstrations (10.54 lakhs) & Kisan Melas (45.38 lakhs).

From the above, it is seen that in 2005-06, in the inception year of the Scheme no farmer was trained in 13 States. In 2006-07 no farmer was trained in 4 States. In 2007-08 no farmer was trained in 3 States. Similarly in 2008-09 no farmer was trained in 3 States. And in 2009-10 when we are already half-way through the Plan training is yet to be imparted to farmers in 12 States.

## **(B) AGRICULTURE CENSUS**

### **Agriculture Census**

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

3.9 The allocation and expenditure under the Scheme, Agriculture Census during

the Eleventh Plan as of now is :

	(Rs. In Crore)		
	2007-08	2008-09	2009-10
BE	14.50	20.00	20.00
RE	18.50	20.00	-
Actual	15.31	16.41	-

It may be seen that there are underspendings in both the previous fiscals. Against an RE of Rs. 18.50 crore in 2007-08, the Actuals have been Rs. 15.31 crore only. Similarly in 2008-09, against the RE of Rs. 20.00 crore the Actuals have been Rs. 16.41 crore only.

3.10 It had been reported in the media that about 8 million farmers had quit agriculture between 1991 and 2001 in the Country. On being queried as to whether the data collected by the Department indicated such a trend and had this aspect been analysed with a view to formulate remedial measures, the Department informed the Committee that such data is currently not available.

3.11 The Summary Record of the ZBB exercise of the Department held on 16 May, 2007 with the Planning Commission mentions the following in the context of Agriculture Census :

“It was noted that 2000-01 Census is still to be collated and published. Accordingly, Department of Agriculture and Cooperation (DAC) would furnish a note on how to publish 2005-06 Censuses in 2007-08 itself. In fact a system needs to be devised for conducting Census and publishing results in the same year, preferably online.”

3.12 The Outcome Budget 2009-10 of DAC mentions, the following in the Chapter on Review of Past Performance about Agriculture Census, 2005-06 in the context of target and achievements during 2008-09 :

“Work already started and likely to be completed by March, 2010.”

### **(C) FERTILIZER**

#### **(i) Availability of Fertilizers**

3.13 To ensure adequate availability of fertilizers to farmers, DAC makes a demand assessment well in advance through half-yearly input zonal conferences in consultation with State Governments, the Department of Fertilizers (DoF) and the fertilizer industry. Thereafter, under the Essential Commodities Act (ECA) Supply Plan and the Fertilizers Movement Control Order, movement orders for both indigenous and imported urea are issued by DoF to ensure timely availability to farmers. Department of Fertilizers also facilitates availability of decontrolled phosphatic (P) and potassic (K) fertilizers to the States/UTs.

3.14 On the issue of non-availability of fertilizers to the farmers at the ground level, the Secretary of the Department submitted the following during the Oral Evidence on the issue :

“I did admit that there is a distribution problem, which we have seen ourselves, because our officers have gone and checked there. We are continuously monitoring the overall availability to a State as required by them. Last week we did a video conference with the major States, which are strong in the *rabi* crop. None of the Agriculture Secretaries talked about the shortage. If you look at the macro picture, they are aware that fertilizer is available. The problem seem to be that some of the distributors, at the last delivery point, seem to be playing some of mischief. This has to be checked by the district administration. We cannot monitor that. There are limitations to what we can do from here.”

#### **(ii) National Project on Management of Soil Health & Fertility**

3.15 A new Scheme, namely, National Project on Management of Soil Health and Fertility (NPMSF) has been introduced during 2008-09 (XI Plan Period) with an outlay of Rs. 429.85 crore. The Centrally Sponsored Scheme of Balanced and Integrated Use of Fertilizers and Central Sector Scheme “Strengthening of CFCQC & TI and its Regional Labs.” have been subsumed in the new scheme.

3.16 The objectives of the Scheme are:

(A) Strengthening of Soil Testing Laboratories (STLs)

- (i) Setting up 500 new Soil Testing Laboratories during 11<sup>th</sup> Five Year Plan period and 250 Mobile Soil Testing Laboratories (MSTLs) for micro nutrients analysis.
- (ii) Strengthening of 315 existing State STLs for micronutrient analysis.
- (iii) Capacity Building through training of STL staff/extension officers/farmers and field demonstration/workshop etc.
- (iv) Creation of Data Bank for Balanced Use of Fertilizers, which is site specific.
- (v) Adoption of village by STLs (10 Villages each) through Frontline Field Demonstrations.
- (vi) Preparation of Digital District Soil Maps (using Global Positioning System) and Soil Fertility Monitoring System by ICAR/State Agriculture Universities (SAUs).

(B) Promoting Use of Integrated Nutrient Management

- (i) Promotion of Organic Manuring – (0.5 million ha. during XIth Plan).
- (ii) Promotion of Soil Amendments (lime/basic slag) in Acidic Soils (0.5 million ha. during XIth Plan).
- (iii) Promotion and Distribution of Micronutrients (0.5 million ha. during XIth Plan).

(C) Strengthening of Fertilizer Quality Control Laboratories.

- (i) Strengthening/upgradation of the existing Fertilizer Quality Control Laboratories –target during XIth Plan Period 63 Nos.
- (ii) Setting up of new Fertilizer Quality Control Laboratories by State Governments – target during XIth Plan Period 20 Nos.
- (iii) Setting up of Fertilizer Testing Laboratories by Private/Co-operative Sector under PPP Mode For Advisory Purpose – target during XIth Plan Period 50 Nos.

3.17 The Department had sought a sum of Rs. 228.42 crore for the Scheme for 2009-10 while the allocation is Rs. 47.00 crore only. The Department have informed

the Committee that the present allocation is adequate. On being asked as to what was the reason for asking for Rs. 228.42 crore in the first instance when they can do with even one fifth of the said amount the Department have stated that the the Guidelines for the scheme, namely, “National Project on Management of Soil Health & Fertility”(NPMSF), were finalized and circulated to States in November, 2008, for implementation. As such Budget Estimate of Rs. 47 crore was reduced to Rs. 19.98 crore at RE stage. During 2008-09, an amount of Rs. 16.63 crore was released to States for new Soil Testing Laboratories (STLs), Fertilizer Quality Control Laboratories (FQCLs) and strengthening of existing STLs / FQCLs.

As per approval accorded for the new scheme in June, 2008, an outlay of Rs. 429.85 crore was envisaged during the 11<sup>th</sup> Five Year Plan with a provision of Rs. 157.40 crore in 2008-09 and Rs. 91 crore in 2009-10.

3.18 It was anticipated that proposals, from more States with higher physical targets will be received in 2009-10. Accordingly, an outlay of Rs. 228.42 crore was projected for 2009-10, being the sum of envisaged outlays for 2008-09 and 2009-10 (i.e. Rs. 157.40 crore + Rs. 91.00 crore) reduced to Rs. 19.98 crore at RE stage during 2008-09. However, keeping in view overall plan allocation of Department of Agriculture & Cooperation and requirements of other schemes, an amount of Rs. 47.00 crore was provided for NPMSF during 2008-09. This allocation was considered adequate, considering proposals received from State Governments and deficiencies observed in some proposals. It is relevant to mention that some States also accessed funds under Rashtriya Krishi Vikas Yojna (RKVY) for soil testing activities. During 2007-08 and 2008-09, State Governments accessed Rs. 22.91 crore and Rs. 98.69 crore respectively for soil testing activities under RKVY.



**(D) PLANT PROTECTION**

**Strengthening & Modernisation of Pest Management Approach in India**

3.19 The BE Allocation for 'Strengthening & Modernisation of Pest Management Approach in India' for the year 2009-10 has been shown as Rs. 16.50 crore in the Outcome Budget 2009-10.

3.20 The BE and RE for 2008-09 were Rs. 20.00 crore and Rs. 20.87 crore respectively. When asked why the BE for ongoing Fiscal was reduced, the Department informed the Committee that the BE (2009-10) for Scheme Strengthening of Modernisation of Pest Management Approach in India has not been reduced and is actually Rs. 20 crore which is at the same level as B.E. for 2008-09.

3.21 The Committee observed from the relevant data furnished to them in the Annual Plan 2009-10 that an amount of Rs. 20.00 crore has been shown as BE for Strengthening and Modernisation of Pest Management in the Country including National Institute of Plant Health Management.

3.22 In the Outcome Budget, the BE for National Institute of Plant Health Management has been separately shown as Rs. 3.50 crore. In the Demands for Grants of the Department also BE for Strengthening and Modernisation of Pest Management has been separately shown in both the Revenue (including Grants in Aid) and Capital Sections, while the BE for National Institute of Plant Health Management has been separately shown in the Revenue Section.

#### **(E) CROPS**

##### **National Food Security Mission**

3.23 National Food Security Mission (NFSM) is a new Centrally Sponsored Scheme launched in the second half of the year 2007. Whereas funding support in the form of 100% financial grant is given by the Central Government, it is the State Governments that have to implement the scheme. NFSM is targeting high potential districts to bridge the yield gaps so as to achieve additional production of 20 million tonnes of food grains (10 million tonnes of rice, 8 million tonnes of wheat and 2 million tonnes of pulses) by the end of 2012. The scheme has played a significant role in record production of food grains during the years 2007-08 and 2008-09. A sum of Rs. 4883.00 crore has been allocated for the Scheme in Eleventh Plan.

3.24 The allocation and expenditure of funds for NFSM since inception is as given hereunder:

(Rs. in crore)			
Year	BE	RE	Actuals
2007-08	-	400.00	398.73
2008-09	1100.00	1022.97	883.26
2009-10	1350.00	-	-

The component-wise funds allocated and releases made during 2007-08 and 2008-09 are as given below :

(Rupees in crore)

Sl. No.	Components	2007-08		2008-09	
		Funds Allocated	Funds Released	Funds Allocated	Funds Released
1.	National Food Security Mission-Rice (NFSM-Rice)	59.51	58.95	386.23	338.63
2.	National Food Security Mission-Wheat (NFSM-Wheat)	213.14	208.21	344.49	232.24
3.	National Food Security Mission-Pulses (NFSM-Pulses)	108.52	105.59	404.04	287.26
4.	Publicity	25.98	25.98	26.73	23.24
5.	Others	0.000	0.000	6.64	1.89
	<b>TOTAL</b>	<b>407.14</b>	<b>398.73</b>	<b>1168.12</b>	<b>883.26</b>

3.25 The production of foodgrains during 2008–09 is estimated at 233.88 million tonnes (4<sup>th</sup> Advance Estimates) compared to 230.78 million tonnes achieved in 2007–08. The production of rice is estimated at 99.15 million tonnes (4<sup>th</sup> Advance Estimates), which is higher than the production of 96.69 million tonnes in the previous year. The production of wheat is anticipated at 80.58 million tonnes (4<sup>th</sup> Advance Estimates) against 78.57 million tonnes achieved in 2007–08. The production of coarse cereals is estimated at 39.48 million tonnes (4<sup>th</sup> Advance Estimates) compared to the previous year's production of 40.76 million tonnes. However, the estimated production of rice, wheat, coarse cereals and total foodgrains during 2008–09 is higher than the production of these crops in 2006–07.

3.26 The production figures for 2008-09 (4<sup>th</sup> Advance Estimate) and for 2009-10 (1<sup>st</sup> Advance Estimate covering only Kharif crops) is as under :

Crops	2008-09 (4th Adv. Estimates)			(Million Tonnes) 2009-10 (1 <sup>st</sup> Advance Estimates)
	Kharif	Rabi	Total	Kharif
<b>Rice</b>	84.58	14.57	<b>99.15</b>	<b>69.45</b>
<b>Wheat</b>	-	<b>80.58</b>	<b>80.58</b>	-
Jowar	3.10	4.21	7.31	2.55
Bajra	8.83	-	8.83	5.83
Maize	13.90	5.39	19.29	12.61
Ragi	2.06	-	2.06	1.48
Small Millets	0.45	-	0.45	0.29
Barley	-	1.54	1.54	-
Coarse Cereals	28.34	11.14	39.48	22.76
<b>Cereals</b>	<b>112.92</b>	<b>106.29</b>	<b>219.21</b>	<b>92.21</b>
Tur	2.31	-	2.31	2.47
Gram	-	7.05	7.05	-
Urad	0.83	0.28	1.11	0.88
Moong	0.77	0.24	1.01	0.52
Other Kharif Pulses	0.87	-	0.87	0.55
Other Rabi Pulses	-	2.31	2.31	-
<b>Total Pulses</b>	<b>4.78</b>	<b>9.88</b>	<b>14.66</b>	<b>4.42</b>
<b>Total Foodgrains</b>	<b>117.70</b>	<b>116.18</b>	<b>233.88</b>	<b>96.63</b>
Groundnut	5.64	1.70	7.34	4.53
Rapeseed & Mustard	-	7.37	7.37	-
Soyabean	9.90	-	9.90	8.93
<b>Total Nine Oilseeds</b>	<b>17.88</b>	<b>10.28</b>	<b>28.16</b>	<b>15.23</b>
Cotton #	23.16	-	23.16	22.66
Jute # #	9.63	-	9.63	9.70
Sugarcane	273.93	-	273.93	249.48

# Million bales of 170 kgs. each

# # Million bales of 180 kgs. each

3.27 It may be noted from the information furnished to the Committee by the Department that there were substantial slippages in the achievements of physical targets in all the three components of NFSM viz. Rice, Wheat and Pulses during 2007-08 as well as 2008-09. When queried in the matter the Department initially submitted that there has been no abysmal shortfalls in terms of achievement of

physical targets as perceived by the Committee; on the other hand, there has been considerable improvement in performance of various components during last two years. It was reiterated that the initial slow progress was due to lack of preparedness of the States to take up implementation to full extent. However, momentum picked up during 2008-09 and overall achievements of important components such as seeds, micronutrients, gypsum/lime machinery, IPM were nearly double/more than double during 2008-09 compared to 2007-08. The representatives of the Department, however, furnished a revised written reply to the Committee during the Oral Evidence on the subject on 22 October, 2009 which stated that NFSM is operating in 312 districts of 14 States. To overcome relatively low capacity of the targeted districts, dedicated Project Management Teams have been placed to ensure that the planned agricultural services under the scheme reach the farmers in time. Most of the decision making has been decentralized at the district level for this purpose. A robust monitoring scheme has been planned at district, State and National level to keep the progress of NFSM activities on track. It would not be fair to say that there are abysmal shortfalls in achieving all physical targets. Overall the performance may be reflecting, on an average, achievement of physical targets of about 70% but as compared to 2007-08 there is significant improvement in the uptake of various programmes as is shown in the table below.:

SI No	Programme	NFSM Wheat - % of Ach		NFSM Rice % of Ach		NFSM Pulses % of Ach	
		07-08	08-09	07-08	08-09	07-08	08-09
1	Seed Distribution	53	90	17	43	69	>100
2	Micronutrients	32	56	55	84	21	54
3	Gypsum/liming of soils	03	43	30	70	65	42
4	Machinery	60	80	22	>100	24	80
5	Plant Protection/IPM	-	-	83	100	60	72

3.28 As is evident from the table the main programmes on which the performance is required to improve are soil nutrients/ameliorants (micronutrients, gypsum and liming) and seed distribution. It is expected that the performance will improve still further with the mid-term corrections made to the Operational Guidelines as per the feedback received from the field functionaries. Such modifications aim at increasing the reach of the interventions as also facilitating the process of implementation.

3.29 As mentioned above, it is States that are responsible for implementation of the scheme. Some States like Punjab, Haryana, Andhra Pradesh and Maharashtra are doing very well in achieving physical targets of most of the programmes of the scheme, but some States like Bihar, West Bengal, Gujarat and Madhya Pradesh are not able to complete their targets for various reasons. With regular monitoring and follow up of the field inspections, situation would improve in the lagging States as well.

3.30 However, the information on NFSM contained in their Outcome Budget indicated substantial shortfalls in several components of NFSM – Rice, NFSM – Wheat and NFSM – Pulses. The Department stated that the Outcome Budget is submitted in the month of May, 2009 but by the time the Outcome Budget Report is finalized, States cannot finalise their expenditure figures of 2008-09, since information has to come from concerned districts. Hence, there is difference in figures of Outcome Budget and figures of replies.

3.31 Following are the figures pertaining to achievement of physical targets during 2008-09 as furnished by the Department to the Committee in material other than the Outcome Budget :

Programme/ Project	Unit	NFSM - Rice		NFSM - Wheat		NFSM- Pulses	
		Target	Achievement	Target	Achievement	Target	Achievement
Distribution of Hybrid Seeds	Qtls.	52372	10020				
Distribution of HYVs	Qtls.	1484775	658347	2191199	1980070		
Micronutrients	Ha.	592229	486360	833067	468809	794955	430356
Liming/ Gypsum	Ha.	507953	345443	380960	165128	874476	370081
Zero Till Seed Drills	Nos.	291	4	4186	3336	494	416
Seed Drills	Nos.	81	34	3695	3091		
Rotavators	Nos.	1411	907	8551	7056		
Pumpsets	Nos.	27329	17174				
Farmers Training	Nos.	5144	4429				
Minikits	Nos.	412080	201610				
Multicrop plantors				652	105		
Purchase of Breeder Seeds	Qtls.					8501	2249
Production of Foundation and Certified Seeds	Qtls.					410875	201349
IPM	Ha.					807301	583486

**(F) TECHNOLOGY MISSION ON OILSEEDS AND PULSES**

### **Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize**

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

The allocation and expenditure of funds for ISOPOM in the Eleventh Plan till date is as follows :

(Rs. In Crore)			
	2007-08	2008-09	2009-10
BE	300.00	320.00	320.00
RE	320.75	400.00	
Actual	343.46	399.78	

3.33 Though the allocation for the Scheme has been consistently upscaled at the RE Stage for the last two years and the expenditure is also justifying the enhancement, the BE for 2009-10 has been again been pegged lower than the actual expenditure figure for 2008-09. About the reasons for this, it has been stated by the Department that while making allocations for BE in consultation with Planning Commission, the factors taken into consideration are not only actual expenditure in the previous year, but also demands of implementing States for resources and overall resource constraints. Though a higher allocation has consistently been sought for the scheme, actual provision is lower on account of resource constraints.'

3.34 Production of oilseeds, net availability of edible oils from all domestic sources, import of edible oils and total availability/consumption of edible oils from domestic & import sources during last 3 years is as given below;

(Quantity in lakh tones)				
Year	Production of oilseeds	Net availability of edible oils from all domestic	Import of edible oils (Oil year Nov-Oct)	Total availability/consumption of edible oils from domestic & import sources



		sources		
2006-07	242.89	73.70	47.15	120.85
2007-08	297.55	86.54	56.08	142.62
2008-09 (Estimated)	281.57*	85.58	80.03@	Not yet estimated

\* 4<sup>th</sup> Advance estimates released by Ministry of Agriculture, Government of India.

@ As informed by the Department of Food & Public Distribution. Source: Solvent Extractors Association of India.

3.35 The area, production and yield of oilseeds during the last three years are shown below:-

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

Year	Kharif			Rabi			Total		
	Area	Prod.	Yield	Area	Prod.	Yield	Area	Prod.	Yield
2006-07	16.77	14.01	836	9.74	10.28	1,055	26.51	24.28	916
2007-08	17.94	20.71	1154	8.74	9.04	1,034	26.69	29.75	1,115
2008-09 *	18.53	18.16	980	9.15	9.95	1,088	27.69	28.12	1,016

\* 3rd Advance Estimates

3.36 The details of area, production and yield of pulses during the last three years are shown below:-

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

Year	Kharif			Rabi			Total		
	Area	Prod.	Yield	Area	Prod.	Yield	Area	Prod.	Yield
2006-07	10.67	4.79	449	12.52	9.40	751	23.19	14.20	612
2007-08	11.48	6.40	557	12.14	8.35	709	23.63	14.76	688
2008-09*	10.38	5.02	484	12.61	9.15	726	22.99	14.18	617

\* 3rd Advance Estimates

3.37 The Summary Record of meeting on ZBB held between the Department and Planning Commission on 16 May 2007 mentions the following in the context of ISOPOM :

‘This Scheme again needs in-depth independent evaluation during this year itself since the past efforts have not produced the desired outcome and productivity/production has stagnated since long.’

3.38 The Department have got an Impact Evaluation Study from an independent agency who submitted the report on ISOPOM to the Department in 2008. The report has been accepted by the Department and they have also taken action on main suggestions contained, therein.

3.39 During the course of their examination the Committee were given to understand that the Planning Commission is conducting an evaluation of the Programme. About its status the Committee were informed that the Programme evaluation Organisation (PEO) of Planning Commission has undertaken, an evaluation study of ISOPOM as directed by the Development Evaluation Advisory Committee of the Planning Commission. PEO has entrusted the study to a private consultant in July, 2009 and the study is at an initial stage and is expected to be completed by 2010.

## **(G) RAINFED FARMING SYSTEMS**

### **Rainfed Area Development Programme**

3.40 In the Budget speech of the Union Finance Minister for the year 2007-08 a new scheme namely the Rainfed Area Development Programme (RADP) was announced. The Planning Commission communicated an *in-principle* approval to the implementation of a Centrally Sponsored Scheme of Rainfed Area Development Programme (RADP) at a cost of Rs. 3500 crore during the Eleventh Five Year Plan including a component of Rs. 170 crore for the National Rainfed Area Authority (NRAA) on 20 March 2008. Based on the revised outlay of Rs. 3330 crore as communicated by the Planning Commission and the comments received from various Ministries/Departments/Divisions of the DAC, the EFC Note was revised and sent to the Ministry of Finance and the Planning Commission.

3.41 The Scheme is expected to cover 3 million hectare in the Eleventh Five Year Plan with a projected outlay of Rs. 3500 crore. Regarding the status of implementation of RADP, the Department have informed that in the light of approval of the Cabinet , in their meeting held on 26 February, 2009, the implementation of Centrally Sponsored Scheme of Integrated Watershed Management Programme (IWMP) by the Ministry of Rural Development through integration and modification of existing scheme viz. Drought Prone Area Programme (DPAP), Desert Development Programme (DDP) and Integrated Waste-lands Development Programme (IWDP), the Ministry of Finance has suggested recasting of the RADP on 16 March, 2009.

3.42 As per observations of Ministry of Finance, the proposal is being restructured on a farmer centric approach to maximize farm returns, build upon developed/developing natural resources created/ being created through various other development programmes and by adoption of systematic and location specific farming system approach. All efforts are being made to operationalize scheme at earliest possible time.

3.43 The Department have further informed that it has been decided that the components covered in the Integrated Watershed Management Programme (IWMP) will be excluded and the revised RADP will include a lot of activity on agriculture & horticulture.

## **(H) HORTICULTURE**

### **National Mission on Bamboo Trade and Technology Development**

3.44 The National Mission on Bamboo Trade and Technology Development is a Centrally Sponsored Scheme being implemented by DAC w.e.f. 2006-07 in

27 States at a cost of Rs. 568.23 crore with 100 per cent central assistance. The mission aims at the holistic development of the bamboo sector in India.

3.45 For the financial year 2008–09, an amount of Rs. 84.66 crore has been released to different State implementing agencies and R&D institutes. During the last two years (2007–08 and 2008–09), 63,373 hectare was covered under bamboo plantation in forest and non-forest areas while the existing stock in 18,910 hectare has been improved. About 19,282 farmers and 2416 field functionaries had been imparted training for raising bamboo nursery plantations. In addition, 13 state-level and 227 district-level workshops have been organised and 476 bamboo nurseries set up.

3.46 The allocation and expenditure of funds for National Mission on Bamboo Technology & Trade Development for the last three years and BE for the current year:

(Rs. In crore)			
Years	BE	RE	Actual
2007-08	70.00	129.27	114.39
2008-09	70.00	110.00	84.66
2009-10	70.00		

3.47 During 2007-08, the BE of Rs.70.00 crore for the Scheme was increased to Rs.129.27 crore at RE stage and actual expenditure was Rs.114.39 crore. The underutilization according to the Department was due to unspent balances with the States mainly due to delay in setting up of Bamboo Development Agencies (BDA) by some states like Karnataka, Himachal Pradesh, Jharkhand etc. It is now reported that States have set-up requisite infrastructure, to implement the programme.

During Financial Year 2008-09 BE of Rs. 70 crore was enhanced to Rs.110.00 but the actual expenditure was Rs. 84.66 crore only. The allocation was not fully utilized since funds could not be released to several R&D institutes and

States that had not submitted requisite progress reports and utilization certificates, in time.

3.48 During the Oral Evidence held on 22 October, 2009, a representative of the Department of Agriculture & Cooperation submitted the following as explanation for inadequate utilization of funds :

“First of all, this is a scheme of comparatively recent origin. It was launched late in 2006-07. The first two years it did not pick up at all. One of the constraints we are facing in the implementation of this scheme is that most of it is being implemented through another Department, that is, the Forest Department. We find it much easier and simpler to work through the Agriculture Department in the States with whom we have historical contacts and tie ups. It is more a comfortable relationship. In the overall scheme of things in the Forest Department, this scheme is not as significant as it would be for us. That is one of the reasons. In the initial years of this scheme we tried to push through the scheme by releasing funds without really insisting upon, without very rigorously looking at utilisation certificates and receipts and outcomes. In the past year or so, we have been trying to look at where the money has gone and whether it actually is being implemented for the good of the people, where we found that the States are sitting on a huge stockpile of funds, which is still under utilised. Therefore, with effect from last year, in fact, there has been more rigorous scrutiny of the State’s proposals. Whereas we approve the Action Plan submitted by the States, we also look at the balances available with them while releasing the money. We find that a lot of States can do with the balances already available with them. “

3.49 The Scheme has been allocated a sum of Rs. 70.00 crore for the ongoing Fiscal as well. On being asked whether the Department could manage with this amount and the accrued unspent balances with the States so that the performance of the Scheme does not suffer, the Department in their written reply stated that during 2009-10, NSC approved AAP for Rs. 70.00 crore. However, proposals of six more States, R&D projects received from various Institutes/Universities and proposals related to handicrafts marketing and export are still under consideration. Funds are also required of ongoing R&D projects and payments pending from previous year. DAC will seek enhanced allocation of funds at RE stage as per requirement so that progress of scheme is not affected adversely. However, a

representative of the Department during the Oral Evidence on 22 October, 2009

stated :

“However, having said that, I must also say that six more States whose action plans have been just received by us, which are in the process of scrutiny, there will be funds that will be demanded by them and will be released by us out of this allocation. If we had got our act together, may be, four months ago we would have been able to spent more than Rs.70 crore. But at this late stage I do not think we probably need more than Rs.70 crore. If at all, it will be a minor adjustment over that. But, basically these are teething difficulties in the implementation of the scheme. Now that the States have put all their operational mechanism, they have to set up all their agencies. All that is now in place. So, hopefully with effect from next year it should be in the right track.”

## **(I) AGRICULTURE MARKETING**

### **Grameen Bhandaran Yojana (Rural Godowns)**

3.50 The financial progress of the Grameen Bhandaran Yojana component of the Agriculture Marketing during the Eleventh Plan is as follows :

(Rs. in Crore)			
Year	BE	RE	Actuals
2007-08	70.00	70.00	69.96
2008-09	70.00	80.00	80.00
2009-10	70.00	-	-

3.51 The deliverables under the component during these three years are creation of 15 lakh MT Storage Capacity in each of the two previous Fiscals viz. 2007-08 and 2008-09 and creation of 20 lakh MT Storage Capacity in the ongoing Fiscal. The achievements during the years 2007-08 and 2008-09 have been indicated as follows:

Year	Achievements
2007-08	2448 projects with capacity of 32.11 lakh tonnes sanctioned by NABARD/NCDC
2008-09	3577 projects with capacity of 24.08 lakh tonnes sanctioned by NABARD/NCDC

## **(J) CREDIT AND CROP INSURANCE**

### **(i) Rate of Interest on Crop Loans**

3.52 The Committee note that Agricultural Credit is disbursed through a multi-agency network comprising commercial banks (CBs), Regional Rural Banks (RRBs) and cooperative societies. With their vast network (covering almost all the villages in the country), wider coverage and outreach extending to the remotest parts of the country, the cooperative credit institutions—both in the short- and long-term structure—are the main institutional agency for dispensation of agricultural credit. There are 1,06,384 Primary Agricultural Credit Societies (PACS), 370 District Central Cooperative Banks (DCCBs) with 12,991 branches, and 30 State

Cooperative Banks (SCBs) with 962 branches, providing primarily short- and medium-term agricultural credit in the country. The cooperative structure for providing long-term credit consists of 19 State Cooperative Agriculture and Rural Development Banks (SCARDBs) with 2430 operational units comprising 626 branches and 506 Primary Agricultural and Rural Development Banks with 1283 branches.

Agency-wise and purpose-wise allocation of ground level credit flow target for Agriculture Sector for financial year 2009-10 is as follows:

(Rs. in crore)

<b>Agency</b>	<b>Crop loan</b>	<b>Term loan</b>	<b>Total</b>
Commercial Banks	135,000	115,000	250,000
Regional Rural Banks	25,000	5,000	30,000
Cooperative Banks	40,000	5,000	45,000
<b>Total</b>	<b>200,000</b>	<b>125,000</b>	<b>325,000</b>

They have also been informed that the Government have initiated several measures to galvanise the institutional credit system to make it more responsive to the needs of farmers.

3.53 The Government had decided that from Kharif 2006–07, farmers would receive crop loans of up to Rs. 3 lakh (principal amount) at 7 per cent rate interest and the Central and State Governments would provide the necessary interest subvention to NABARD and banks for this purpose.

3.54 The Finance Minister in his Budget Speech, 2009-10 stated:

“Agriculture has been the mainstay of our economy with 60 per cent of our population deriving their sustenance from it. In the recent past, the sector has recorded a growth of about 4 per cent per annum with substantial increase in plan allocations and capital formation in the sector. Agriculture credit flow was Rs. 2,87,000 crore in 2008-09. The target for agriculture credit flow for the year 2009-10 is being set at Rs.3,25,000 crore. To achieve this, I propose to continue the interest subvention scheme for short term crop loans to farmers for loans upto



Rs. 3 lakh per farmer at the interest rate of 7 per cent per annum. I am also happy to announce that, for this year, the Government shall pay an additional subvention of 1 per cent as an incentive to those farmers who repay their short term crop loans on schedule. Thus, the interest rate for these farmers will come down to 6 per cent per annum. For this, I am making an additional Budget provision of Rs. 411 crore over Interim BE.”

3.55 The Committee in their 41<sup>st</sup> Report (14 Lok Sabha) on Pricing Policy of Agricultural Produce had recommended that keeping in view the growing needs of agriculture sector the loan amount be enhanced to Rs. 5 lakh and the interest rate be reduced from 7% to 4%. The recommendation was reiterated in their 3<sup>rd</sup> Report (15<sup>th</sup> Lok Sabha) on the Action Taken by the Government on their 41<sup>st</sup> Report (14 Lok Sabha).

**(ii) Debt Relief for Farmers**

**Agricultural Debt Waiver and Debt Relief Scheme 2008**

3.56 In the Union Budget 2008-09, the Government announced a scheme of agricultural debt waiver and debt relief for farmers with the total value of overdue loans being waived estimated at Rs. 50,000 crore and a one-time settlement (OTS) relief on the overdue loans at Rs. 10,000 crore for implementation by all scheduled commercial banks, besides RRBs and cooperative credit institutions.

3.57 The Finance Minister stated the following in the context of the Agricultural Debt Waiver and Debt Relief Scheme , 2008, in his Budget Speech, 2009-10:

“The one-time bank loan waiver of nearly Rs.71,000 crore to cover an estimated 40 million farmers was one of the major highlights of the last Budget. Under the Agricultural Debt Waiver and Debt Relief Scheme (2008), farmers having more than two hectares of land were given time upto 30<sup>th</sup> June, 2009 to pay 75% of their overdues. Due to the late arrival of monsoon, I propose to extend this period by six months upto 31<sup>st</sup> December, 2009”

..... “It is learnt that in some regions of Maharashtra, large number of farmers had taken loans from private money lenders and the loan waiver scheme did not cover them. The matter requires

special attention. To examine the matter in greater detail and suggest the future course of action, I propose to set up a Task force.”

3.58 Department of Agriculture & Cooperation, Government of India constituted Task Force to look into issue of large number of farmers, who took loans from private moneylenders, and not covered under the loan waiver scheme, vide Order dated 6<sup>th</sup> October, 2009. Opinion of Ministry of Finance was obtained for constitution of Task Force, which opined that problem of farmers who took loan from private moneylenders and did not benefit from Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS) 2008, may exist in other parts of Country as well, and therefore, the Task Force should examine the issue for entire Country, rather than only Maharashtra. No assessment of quantum of debt from private moneylenders has been made by Ministry of Agriculture. However, one term of reference of the ‘Task Force on Private Moneylenders’, is to suggest measures for providing relief to farmers indebted to private money lenders.

3.59 In view of the foregoing, the Committee desired to know if the Department could undertake a study for assessing the benefits of Agricultural Debt Waiver & Debt Relief Scheme, 2008. In response the Department informed that the Scheme was notified and implemented by Ministry of Finance (Department of Financial Services). Ministry of Finance (Department of Financial Services) is being requested to take appropriate action on the observation made by the Committee.

3.60 To a specific query about the possibility of allowing private informal credit in agriculture sector and a policy to regulate this activity the Department stated that majority of States in the Country have a legislation in form of Money Lenders’ Act which allow and regulate private informal credit in agriculture sector. Additional

information on this point is being collected from Department of Financial Services, Ministry of Finance which shall be sent as soon as it is available.

**(iii) Modified National Agriculture Insurance Scheme**

3.61 The NAIS, in its present form is being implemented by 25 States and 2 Union Territories. Under NAIS, during the last nineteen crop seasons (i.e. from Rabi 1999-2000 to Rabi 2008-09), 1346 lakh farmers have been covered over an area of 2108.23 lakh hectares insuring a sum amounting to Rs. 148134 crore. Claims to the tune of about Rs. 14816 crore have become payable against the premium income of about Rs. 4425 crore benefiting about 350 lakh farmers.

3.62 Over a period certain limitations/shortcomings relating to unit area of insurance, calculation of guaranteed income, low indemnity level, delay in settlement of insurance claims etc. were observed in the implementation of National Agricultural Insurance Scheme (NAIS). Keeping in view the limitations in the existing scheme, it was decided to make it more farmers friendly. A Joint Group in the Department made in-depth study of the related issues and submitted its report. The important recommendations made by the Group are in respect of reducing the unit area of insurance to Gram Panchayat for major crops, improving the basis of calculation of threshold yield, higher indemnity level of 80% and 90%, coverage of pre-sowing/ planting risks and post-harvest losses, to provide personal accident insurance cover and Package Insurance Policy etc. The report was circulated among the States/UTs and various other quarters for their comments/views. Most of the States/UTs have agreed to the suggestions given by the Joint Group.

3.63 The Committee have been informed that based on the comments/views of the appraising agencies including Planning Commission, note for EFC was further revised and submitted to Integrated Finance Division for convening the EFC

meeting. The EFC meeting to discuss the Modified NAIS was scheduled to be held on 20<sup>th</sup> December, 2006, but was postponed at the insistence of the Planning Commission. The Planning Commission had taken the stand that the proposed Modified NAIS should be implemented on non-Plan side as pure subsidy (i.e. premium subsidy) and it can not be treated as Plan expenditure. But the issue of Plan or Non-Plan, was to be decided by the Planning Commission and Ministry of Finance. Though, the Ministry of Finance had clarified that the proposed scheme should be considered a Plan scheme, the Planning Commission continued to express its reservations and desired to shift the scheme to Non-Plan side.

3.64 Thereafter a meeting of AM, FM and Deputy Chairman, Planning Commission was convened on 29.10.2008. In the meeting it was inter alia decided that the MNAIS will be implemented on Non-Plan side. Accordingly, a proposal for the consideration of Committee on Non-Plan Expenditure (CNE) has been prepared and submitted for the consideration of CNE in March, 2009. Department of Expenditure has been reminded to convene the meeting of CNE at the earliest.

3.65 In view of the continuing delay in finalization of MNAIS the Committee desired to know when was the issue of approval of the Modified National Agricultural Insurance Scheme (MNAIS) taken up last with the Planning Commission and at what level. In reply the Department stated that the issue of Modified National Agricultural Insurance Scheme (MNAIS) was last discussed with Planning Commission and Ministry of Finance on 29 September, 2009 in a meeting of Agriculture Minister, Finance Minister and Deputy Chairman, Planning Commission. Planning Commission was not in favour of implementing, a purely subsidy scheme, on Plan side and had reiterated their stand that Modified NAIS may be implemented as Non-Plan scheme.

3.66 In this meeting it was decided that MNAIS will be implemented as a Non-Plan Scheme. Accordingly, a Memorandum for consideration of Committee on Non-Plan Expenditure was prepared and sent to Ministry of Finance for further action. The Memorandum is under consideration of the Government.

**(K) RASHTRIYA KRISHI VIKAS YOJANA**

3.67 The Committee have been given to understand that pursuant to the resolution adopted on 29 May, 2007 by the National Development Council (NDC), to reorient the current agricultural development strategies to meet the needs of the farmers and for fresh efforts by the Central and State Governments to rejuvenate agriculture so as to achieve 4% annual growth during the 11<sup>th</sup> Five Year Plan, a new State Plan Scheme of Additional Central Assistance (ACA) for agriculture and allied sectors, viz. Rashtriya Krishi Vikas Yojna (RKVY) has been launched during 2007-08 with an envisaged outlay of Rs. 25,000 crore for the 11<sup>th</sup> Five Year Plan. The new scheme requires the States to prepare District and State Agriculture Plans for creation of such infrastructure, which are essential to catalyse the existing production scenario for achieving higher production.

3.68 ACA is made available to the States as 100% grant. The States have full autonomy in the process of selection, planning, approval and execution of schemes. Funds are allocated to the States in two streams viz. Stream-I and Stream-II and are routed through the State Agriculture Department, which is the nodal Department for the scheme. Under Stream-I, at least 75% of the RKVY funds are made available for specific projects as part of the State and District Plans. Under Stream-II, upto 25% of the total RKVY funds to a State are made available for strengthening existing State Sector schemes.

3.69 Under the Scheme, the following broad activities have been identified for focus attention - Integrated Development of Food Crops, including coarse cereals, minor millets and pulses; Agriculture Mechanization; Soil Health and Productivity; Development of Rainfed Farming Systems; Integrated Pest Management; Market Infrastructure; Horticulture; Animal Husbandry, Dairying and Fisheries; Concept to Completion Projects that have definite timelines; Support to Institutions that promote Agriculture and Horticulture, etc.; Organic and Bio-fertilizers; and Innovative Schemes. These activities are only indicative in nature.

3.70 The Cabinet Committee on Economic Affairs (CCEA) had approved an outlay of Rs. 25,000 crore under the RKVY Scheme for the Eleventh Plan. The actual allocation and disbursement of funds against this approved outlay furnished by the Department is given below :

(Rs. in crore)				
Sl.	Year	Approved Outlay	Actual allocation	Disbursement to States
1.	2007-08	1500	1263.00	1246.89
2.	2008-09	5875	2891.70	2866.80
3.	2009-10	5875	4100.00	2127.14 (as on 22.10.09)
4.	2010-11	5875	-	-
5.	2011-12	5875	-	-
	Total	25000	8254.70	6240.83

3.71 The Committee were also informed that actual expenditure reported by States/Union Territories in the year of 2007-08 was Rs. 1167.41 crore. Subsequent to the Oral Evidence on 22 October, 2009 the updated information furnished by the Department about allocation to States under RKVY as on 28 October, 2009 is at Annexure II. It shows the following allocation for the Scheme :

(Rs. in crore)	
2007-08	1500.00
2008-09	3165.67
2009-10	3808.82*

\*Unallocated.

## **(L) NATIONAL POLICY FOR FARMERS**

3.72 Government of India announced National Policy for Farmers (NPF) in 2007 based on recommendations of National Commission on Farmers (NCF and the Policy Document was laid in the Parliament in November 2007.

3.73 Subsequently, Inter-Ministerial Committee was constituted under Chairmanship of Principle Adviser, Department of Agriculture & Cooperation for preparation of Action Plan for operationalisation of NPF, 2007. The Committee comprised officers of all concerned Central Ministries/Departments – like DAC, Planning Commission, Finance, Animal Husbandry, Dairying and Fisheries, Agricultural Research & Education, Rural Development, Land Resources, Food & Public Distribution, Water Resources, Biotechnology, etc. – as Members. The

Committee held four meetings on 12.12.2007, 7.1.2008, 11.3.2008 and 16.5.2008 and also visited three States for holding discussions with stakeholders and based on these discussions, responses/suggestions received from various Ministries/Departments, a draft Plan of Action for Operationalisation of NPF, 2007 was prepared and circulated to various concerned Ministries/Departments as well to State Governments/UTs for comments/vetting. This draft plan was also hoisted on website of DAC, for wider dissemination and comments. The Committee held two more meetings on 18.6.2008 and 27.6.2008 to discuss and finalize its report/Plan of Action, and based on replies and comments received from various quarters, discussions held in various meetings, - Plan of Action for Operationalisation of NPF, 2007 was finalized. This document contains provisions of NPF in brief, schemes/programmes/action already implemented/initiated or under implementation and further action required to be taken by concerned Ministries/Departments.

3.74 The document, i.e., “Plan of Action for Operationalisation of National Policy for Farmers, 2007” has been circulated in October, 2008 to all State Governments as well as concerned central Ministries/Departments for necessary follow-up action. In order to monitor progress of Plan of Action as also follow-up work on other recommendations of NCF, an Inter-Ministerial Committee has been constituted on 3 June, 2009. DAC is regularly pursuing the matter with all concerned through periodical communications.

3.75 Regarding the working of the Inter-Ministerial Committee, the representatives of Department stated during Oral Evidence on 22 October, 2009 as under :

“I would like to submit that the inter-ministerial group has met on 14 October. Before that, it has been holding consultations with different divisions in different Departments and Ministries. Actually it was started with plan of action which is available on the website. We split each of the action points contained in that policy into sub-action points. Then, we made a matrix for



carrying out the action points or initiatives in different Departments. Then we arrived at 201 further steps to be taken to completely implement the policy provisions. That is what we have been monitoring over the last few months. On 14<sup>th</sup> October, we monitored each of these 201 points which are contained in this booklet and we have now prepared a small matrix for the information of the hon. Committee. Out of these 201 points, 72 relate to exclusively DAC. Out of 72, action has been completed fully in 35, partially in 32 and no action in five. There are 64 points which relate to DAC and other Departments and Ministries. In this, out of the part which relates to DAC, 28 fully completed, 24 partially and in 12, no action was reported. In the case of action which pertains to other Ministries and Departments, out of 64, partial compliance was in 4 and no action in 60. 65 further steps which arise out of the plan of action pertain to other Ministries and Departments exclusively, out of which, we have had on one and no action on others. We are doing a matrix on doing these. There are remaining issues as per para 12.3 of the policy; the remaining issues will be escalated to the Agriculture Coordination Committee headed by the hon. Prime Minister. So, if anything still does not get sorted out in the next 2-3 months, we will take it further.”

### **Support to State Extension Programmes for Extension Service**

3.76 The Committee observe that the Support to State Extension Programmes for Extension Service, as rightly pointed out by the Planning Commission, is of critical importance since success of all other schemes depends upon its success. The Committee are, however, constrained to observe that the Department is not pursuing this Scheme as vigoursly as it should have been. The repeated and a very sizable reduction of BE 2007-08 from Rs. 230.00 crore to Rs. 153.52 crore at RE stage and that of BE 2008-09 from Rs. 298.00 crore to Rs. 198.00 crore at RE stage are pointers to the fact that the Department has not been able to persuade the States positively to benefit from this Scheme. The financial planning for the ongoing fiscal when the Department was fully aware that being an election year, funds release would not be smooth and the revamp of the Scheme was not yet finalised for 2009-10 also indicates the slack attitude. The BE of Rs. 298.00 crore was kept in anticipation of approval of the Scheme with revised cost norms. Subsequently, a budget outlay of Rs.682.07 crore with Government of India share of Rs. 566.90 crore had been finalised and duly approved by EFC on 4 August, 2009 but then realizing that States may not be able to fully utilize the allocated amount, in the absence of committed manpower support to take up extension activities, an amount of Rs.100.00 crore has already been proposed for reduction at RE stage. The Committee, therefore, desire the Department to get their act together and endeavour to implement the Scheme forthwith in a professional manner with more anticipation and a better evaluation of the existing constraints including the 32250 vacancies existing in the Agriculture Extension Services in the States. They, furthermore, desire that since the

intention of the Scheme is to make the extension service farmer driven and farmer accountable by way of new institutional ways of technology dissemination, the Government need to immediately co-opt suitable provisions in the Scheme to help the States in augmenting human resource in the Agriculture Extension Services in the absence of which all other efforts made for and in connection with implementation of this Scheme will be in vain.

The Committee having evaluated the performance of ATMA in the context of the number of farmers trained since its inception in 2005-06, find it inexplicable that no farmer could be trained under the Scheme in 13 States in 2005-06, in 4 States in 2006-07 and in 3 States each in 2007-08 and 2008-09 and the training is yet to be imparted to farmers in 12 States in the ongoing Fiscal even when we are half way through it. They are of the considered view that such serious shortcomings are basically because of poor planning and management of these institutions. They, therefore, desire that ATMA needs to be revisited by the Department for a total revamp, both in terms of organisation and functions, so that it is in sync with efforts of similar entities like KVKs, State Agricultural Universities, State machinery at District/Block levels, Rural Knowledge Centres, etc. The Committee would like to be informed of a well laid out roadmap for the above purpose from the Department within three months of presentation of this Report.

### **Agriculture Census**

3.77 The Committee note that the objectives of the Agriculture Census include (i) providing benchmark data needed for formulating new agricultural

development programmes and for evaluating their progress and (ii) laying a basis for developing an integrated programme for agricultural statistics. With the Department still busy with the work of 2005-06 Census, the Committee can very well imagine how and to what extent the above objectives of Agriculture Census are being met. It is disturbing to note further that even after being impressed upon by the Planning Commission about devising ways and means for publishing the 2005-06 Census in 2007-08 itself, the Committee find that the task has not been accomplished even in the year 2008-09 and it is now likely to be completed by the end of Fiscal 2009-10. Unfortunately, this staggering of timelines is taking place inspite of the fact that there is no dearth of funds for this Scheme. Against a BE of Rs.14.50 crore in 2007-08, the RE allocation was enhanced by about 27 per cent to Rs.18.50 crore. In the next year, the BE was Rs.20.00 crore and the same amount was retained at RE stage. However, in both the years, the Actuals were substantially less at Rs. 15.31 crore and Rs. 16.41 crore respectively.

It is needless to state that the Agriculture Census is the most important tool in the hands of the Government and planners for evaluation and taking stock of their ongoing efforts in the agriculture and allied sectors for initiating corrective measures in future. In this era of Information Technology, lagging years behind in collation and preparation of this important index is not at all justified. The Committee are, therefore, one with Planning Commission on this vital matter and recommend that Department should immediately take suitable steps to conduct Census and publish results in the same year, preferably online. In this context feasible and probable interfaces with National e-Goverance Plan may also be worked out and implemented with utmost promptitude. They also strongly feel that it will be useful to keep a

data base on the manpower in agriculture in the country as it can help in formulating strategies and structuring of programmes/schemes. They, therefore, recommend the Department to work out a system to gather information on the number of farmers (people actively pursuing agriculture) and analyse it to find out the number of people quitting agriculture, with the reasons if possible. It will also be useful to keep data regarding change in ownership of operational holdings in the Country. They desire to be informed of the status of the Census 2005-06 before the next Demands for Grants of the Department are considered by them.

### Availability of Fertilisers

3.78 The Committee observe that in order to ensure equitable availability of fertilisers to the farmers, the Department of Agriculture and Cooperation makes a demand assessment well in advance through half yearly input zonal conferences in consultation with State Governments, the Department of Fertilisers and the Fertiliser Industry. Thereafter, under the Essential Commodities Act, Supply Plan and the Fertilisers Movement Control Order, movement Orders for both indidgenous and imported urea are issued by the Department of Fertilisers to ensure timely availability to farmers. The Department of Fertilisers also facilitates availability of decontrolled phosphatic and potassic fertilisers to the States/UTs. They, however, further observe that inspite of this well laid out mechanism being in place, the availability of fertilisers to the farmers at the ground level has been beset with serious problems. Non-availability, delayed availability, over inflated prices, etc. are some of the problems being faced by the farmers with regard to procurement of fertilizers, season after season, with monotonous regularity.

The Secretary of the Department of Agriculture and Cooperation during the oral evidence, while admitting to the existence of a distribution problem tried to pass on the buck to the district administrations. It was also admitted that because of certain limitations, the Department could not monitor this aspect. The Committee are, however, not fully convinced by the logic extended and the helplessness expressed by the Secretary. The relationship of comfort that the Department, as per their own admission, are enjoying with the agriculture departments of the State Governments and the network of ATMA and other agencies of Department of Agriculture and Cooperation functioning in States should itself ensure that the concerns and instructions of the Department in all matters are treated with seriousness at all levels in the State Administrations. The Committee, therefore, expect the Department to play a more proactive role in the matter in future.

#### National Project on Management of Soil Health and Fertility

3.79 The Committee note that a new scheme viz. National Project on Management of Soil Health and Fertility (NPMSF) has been introduced in the last Fiscal with an outlay of Rs.429.85 crore by subsuming two existing schemes. The objectives of the Scheme include strengthening of soil testing laboratories, permitting use of integrated nutrient management and strengthening of fertiliser quality control laboratories. The Department had interestingly, sought a sum of Rs. 228.42 crore for the Scheme for 2009-10. However, the allocation is Rs. 47.00 crore only. Given this backdrop, surprisingly, the Department stated that the allocation is adequate. The reason attributed by the Department for a higher proposed amount of Rs. 248.42 crore was that they anticipated more proposals from more States with

higher physical targets to be received in 2009-10. The allocation of Rs.47.00 crore was considered adequate both in view of the actual proposals received from State Government and deficiencies observed in some of them. Apart from this, the Department also brought to the notice of the Committee that some of the States accessed funds under the Rashtriya Krishi Vikas Yojna (RKVY) for soil testing activities. The funds of RKVY utilised by the State Governments for soil testing activities during 2007-08 and 2008-09 have been of the order of Rs.22.91 crore and Rs.98.69 crore respectively. The Committee are not happy with the conceptualisation, implementation and the financial management of the Scheme 'National Project on Management of Soil Health and Fertility'. The fact that the Scheme failed to pick up is evident from the release in the first year (2008-09) of Rs. 16.63 crore to the States for soil testing activities. The State Governments have accessed a far greater share of funds viz. Rs.98.69 crore for similar activities under RKVY. In the ongoing Fiscal also because of the poor response from the State Governments and the resource constraints, the Department expects to manage the affairs of the Scheme even from a hugely reduced allocation of Rs. 47.00 crore as against Rs.228.42 crore sought by them. They, therefore recommend the Department to give a serious thought to implement it as a component of RKVY instead of a stand alone Scheme.

#### **Strengthening and Modernisation of Pest Management Control in India**

3.80 The Committee note an inexplicable mismatch of figures pertaining to the allocations made for this Scheme in the Demand for Grants and other documents pertaining to the Demand for Grants furnished to them by the Department. The BE for the current year has been shown as Rs. 16.50 crore in

the Outcome Budget, though, the BE for the Scheme in 2008-09 was Rs. 20.87 crore. The Department's contention that the BE 2009-10 had not been reduced and that Rs. 20.00 crore was at the same level as the BE for 2008-09 is not convincing. They further observe that the Annual Plan 2009-10 shows an amount of Rs. 20.00 crore as BE for this Scheme but includes an amount of Rs. 3.50 crore for National Institute of Plant Health Management while in the Outcome Budget the BE for National Institute of Plant Health Management has been separately shown as Rs. 3.50 crore and the detailed Demands for Grants of the Department shows the BE for Strengthening and Modernisation of Pest Control Management in India separately in both the Revenue (including Grants in Aid) and Capital Sections and the BE for National Institute of Plant Health Management has been separately shown in the Revenue Section. The Committee, therefore, desire a detailed clarification on this issue from the Department within fifteen days of presentation of this Report to the Parliament. They further caution the Department to take utmost care while presenting facts and figures in various documents to Parliament and its various bodies.

#### **National Food Security Mission.**

3.81 The National Food Security Mission (NFSM) is being implemented w.e.f. Rabi 2007-08 in pursuance of a National Development Council resolution to increase the production of Rice by 10 million tonnes, of Wheat by 8 million tonnes and of Pulses by 2 million tonnes by the end of the Eleventh Five Year Plan (2011-12). The Mission has 3 components viz. NFSM–Rice, NFSM – Wheat and NFSM – Pulses and is being implemented in 312 districts of 17 States. It is funded entirely by the Government of India with the farmers having to



contribute 50% of the cost of activities. A sum of Rs. 4883.00 crore has been allocated for the Scheme in the Eleventh Five Year Plan. During the first two years of the Eleventh Five Year Plan, a sum of Rs.1264.57 crore has been spent on the Scheme. The Budget Estimate for the ongoing Fiscal is pegged at Rs.1350.00 crore. The Committee observed during the course of their examination of this Scheme that there have been substantial slippages in the achievements of the physical targets in all the three components of NFSM viz. Rice, Wheat and Pulses during 2007-08 as well 2008-09. When these abysmal shortfalls were pointed out, the Department, denied them and tried to justify by extending the logic that overall the performance may be reflecting, on an average, achievement of physical targets of about 70 per cent but as compared to 2007-08 there is significant improvement in the uptake of various programmes. When disparities in the figures regarding achievements under various components of NFSM in the Outcome Budget were pointed out, the Department contended that by the time Outcome Budget is finalised States could not finalise their expenditure figures for 2008-09 hence there is difference in figures of Outcome Budget and the figures furnished to them in their replies. The Committee, therefore, collated the figures pertaining to the achievements of physical targets under various components of NFSM during 2008-09 from the material other than the Outcome Budget which are indicated in table in Para 3.31 of the Report. The serious shortfalls in virtually all the activities as reflected in the table mentioned above goes on to prove that the NFSM is not at all working satisfactorily. The Committee, therefore, desire that this Scheme which has all the potentials of changing production/productivity and performance in the agriculture sector be implemented judiciously and professionally. They further desire the Department to rework on the

shortcomings/constraints impeding its proper implementation at the ground level to eliminate them forthwith. They would like to be informed of the steps taken in this regard.

### **Integrated Oilseed, Oil Palm, Pulses and Maize Development Scheme**

3.82 The Committee note that the Department is implementing a Centrally Sponsored Integrated Oilseed, Oil Palm, Pulses and Maize Development Scheme (ISOPOM) with the objective of increasing area, production and yield of these crops from 2004-05. During the last two years, the BE for this Scheme has been Rs. 300.00 crore and Rs. 320.00 crore respectively. At RE stage these allocations have been enhanced to Rs. 320.75 crore and Rs. 400.00 crore respectively. The Actuals during these two years have been Rs. 343.46 crore and Rs. 399.78 crore. Thus, the Actual Expenditure has exceeded even the Revised Estimates in 2007-08 and has been upto the extent of enhanced RE during 2008-09. The Committee, however find that the stated objectives of the Scheme viz. increasing area, production and yield of these crops have not been that encouraging. The area under cultivation, the production and the yield in case of oil seeds has gone down from 29.75 million tonnes and 1115 Kg. per hectare to 28.12 million tonnes and 1016 Kg. per hectare from 2007-08 to 2008-09 respectively. In case of pulses, area under cultivation, the production as well as yield have gone down from 23.63 million hectare, 14.76 million tonnes and 688 kg. per hectare in 2007-08 to 22.99 million hectare, 14.18 million tonnes and 617 kg. per hectare in 2008-09. The Planning Commission have been insisting on an indepth and independent evaluation of the Scheme because it has not produced the desired results and productivity/production has stagnated since long. The Department had in fact

got an Impact Evaluation Study done from an independent agency whose report was submitted in 2008. The Report was accepted by the Department and action was taken on main suggestions contained therein. The Committee have been informed further that now the Planning Commission is conducting an evaluation of the Programme through a private consultant and the study was entrusted in July, 2009 and is expected to be completed by 2010. The Committee are of the firm opinion that instead of delaying remedial action in the context of this Scheme by evaluations and further evaluations, the Department should immediately work out a revamp of the Scheme with a view to enhance its effectiveness. While doing so the integration of the pulses component of ISOPOM with NFSM – Pulses component may also be given a serious thought. They desire that evaluation study by the private consultant initiated by the Planning Commission be completed in time and results thereof be informed to them.

#### **Rainfed Area Development Programme (RADP)**

3.83 The Committee note that the Department of Agriculture & Co-operation had proposed to initiate RADP during 2007-08. It was envisaged as a farmer Centric Scheme aimed at improving food, nutritional and income securities, providing support to farmers for risk management in agricultural operation by promoting other allied farming activities, creating sustained employment opportunities by way of improved on-farm agriculture technologies through adoption of an integrated and systematic approach. However, the programme could not take off. The Department have been asked to recast the programme by the Ministry of Finance on 16 March, 2009 in the light of the decision of the Cabinet to implement a Centrally Sponsored Scheme of Integrated Watershed Management Programme (IWMP) by the Ministry of Rural Development.

The Committee are of the firm opinion that considering the critical importance of rainfed farming in the Country, a scheme of the nature of RADP has been long over due and any further delay would add to the woes of the farmers in rainfed areas. They, therefore, recommend that the Department of Agriculture & Co-operation should expedite the revamping of RADP as a farmer centric scheme and get the necessary approvals for implementation at the earliest. They also recommend that the Planning Commission and the Ministry of Finance need to accord highest priority in clearing the proposal as soon as submitted by the Department to enable its implementation in this Plan itself.

#### **National Mission on Bamboo Trade and Technology Development**

3.84 The Committee observe that the conceptualization and formulation National Mission on Bamboo Trade and Technology Development a Centrally Sponsored Scheme (ISOPOM) is again indicative of the way schemes of immense national importance are being handled by the Department. During 2007-08, the BE of Rs. 70.00 crore was enhanced to Rs. 129.27 crore at RE and the actual expenditure was Rs. 114.39 crore only. During 2008-09 the BE of Rs. 70.00 crore was enhanced to Rs. 110.00 crore at RE stage while the actual expenditure was Rs. 84.66 crore only. The representative of the Department in a candid admission before the Committee during the oral evidence stated that one of the constraints they were facing with regard to implementation of this Scheme was that it was being implemented through Forest Departments of the State Governments with whom their relationship was not as comfortable as with the Agricultural Departments in the States. It was also admitted funds

were released in the initial years of this Scheme without really insisting upon, without really rigoursly looking at utilisation certificates and receipts and outcomes. This resulted as the Department have now belatedly realised that the States sit on a huge stockpile of funds still unutilized. In fact there are a lot of States who can implement the Scheme with the balances already available with them. The Committee strongly feel that in their anxiety to push through Scheme in the first two years of its implementation, the Department have not acted very commendably. The Committee, therefore, recommend that the Department should work out a very comprehensive system of scrutiny, release of funds, monitoring and feedback in the context of this Scheme so as to ensure that it is not mired in controversies and failures in the coming years.

Before concluding on this issue, the Committee would also like to comment on the relationship problems of the Department with the Forest Departments of the State Governments. Since, this would have been known to the Department right from the conceptualization stage, a little extra effort for developing right interfaces so as to synergise the efforts of the Department and the Forest Departments of the State Governments would have taken care of this problem right at the commencement of the Scheme. They feel it is not too late to do the needful at this stage as well so that the implementation of the Scheme does not get bogged down because of reason of different mindsets.

### **Grameen Bhandaran Yojana**

3.85 The Committee note that the Grameen Bhandaran Yojana caters to creation of storage capacity in the rural areas. During 2007-08, a sum of

Rs. 70.00 crore was allocated as BE for the Scheme and virtually the entire amount (Rs. 69.96 crore) was spent. In 2008-09 the BE of Rs. 70.00 crore was enhanced to Rs. 80.00 crore at RE stage and the entire amount was spent. A sum of Rs. 70.00 crore has been earmarked as BE for the ongoing Fiscal. What, however, is of concern to the Committee is the physical achievement part of the Scheme. The Government intended to create Storage Capacity of 15 Lakh MT under the Scheme during each of the last two years. However, on the achievements front it has been merely indicated by the Department that capacity of 32.11 lakh tonnes was sanctioned by NABARD/NCDC in the year 2007-08 and a further capacity of 24.08 lakh tonnes was sanctioned by the same agencies in the next year. Thus, there is inexplicably no mention of the actual Storage Capacity created. The Committee not only wish to be apprised about the actual Storage Capacity created during each of these years but also desire that henceforth the actual Storage Capacity created should be reflected by the Department in unambiguous terms in their records.

#### Rate of Interest on Crop Loans

3.86 The Committee note that from Kharif 2006-07 onwards the Government are providing short term crop loans upto Rs. 3.00 lakh at 7 per cent interest rate. The Committee also note that during this year an additional subvention of 1 per cent will be paid as an incentive to those farmers who repay their short term crop loans on schedule, thus, bringing down the effective rate of interest for such farmers to 6 per cent. The Committee wish to point out that during this year most parts of the country are reeling under the devastating effects of drought as also floods and in most of the areas Kharif crops have been badly affected. When viewed in this context, linking the additional

subvention of one per cent with timely repayment of loan is incomprehensible when the farmers to whom the benefit is proposed to be extended would not be able to take advantage of the same. The Committee, therefore, once again recommend that in view of the prevailing situation in the agriculture sector in the country, there is a pressing need to enhance the short term crop loan limit to Rs. 5 lakh and lowering of the rate of interest from 7 to 4 per cent. The Committee hope the Government to give due consideration to their recommendation not only in farmers interest but also in national interest.

### **Debt Relief for Farmers**

3.87 The Committee note that the one time bank loan waiver of nearly Rs. 71000 crore under the Agricultural Debt Waiver and Relief Scheme, 2008 to cover an estimated 40 million farmers has not had any mitigating effect on a large numbers of farmers who have taken loans from private money lenders. The Government have already set up a Task Force on 6 October, 2009 to look into the issue. One of the terms of reference of this 'Task Force on Private Money Lenders' is to suggest measures for providing relief to farmers indebted to private money lenders. The Committee also understand that as of now there is no assessment of the quantum of debt from private money lenders. In view of the common perception that the debt in respect of private moneylenders is a substantial liability and is a cause of concern for a large number of farmers, the Committee desire that the Task Force need to complete the mandated task with a missionary zeal so that further action to mitigate this big burden on the small, medium and marginal farmers is taken at the earliest.

The Committee further note that the Department of Financial Services, Ministry Finance being the implementing agency for the Scheme, are being requested to undertake a study for assessing the benefits of Agricultural Debt Waiver and Relief Scheme, 2008. The Committee strongly feel that a study in this regard by Department of Agriculture and Cooperation instead of study by the Department of Financial Services, by virtue of its reach and spread, would provide a more realistic assessment of the Scheme. The Committee are also disturbed from the response of the Department about the possibility of allowing private informal credit in agriculture sector and having a policy to regulate this activity. They are of the firm view that as the nodal Department for the agriculture sector in the Country, the Department should have their own point of view on these issues from a farmer centric angle. They, therefore, desire that while furnishing the additional information being collected from the Department of Financial Services, the Department should also communicate their own considered views on these issues at an early date.

#### **Modified National Agriculture Insurance Scheme**

3.88 The National Agriculture Insurance Scheme (NAIS), in its existing form, is beset with several limitations and shortcomings. It was, therefore, rightly decided by the Government that NAIS be recast. A Modified NAIS was accordingly mooted. The EFC meeting to discuss the Modified NAIS was scheduled to be held three years ago on 20 December, 2006 but was postponed at the insistence of the Planning Commission. The Commission's objection is that the Scheme should be implemented on Non-Plan side as pure subsidy i.e. subsidy on premium. As the classification of a Scheme into Plan or Non-Plan is decided jointly by the Planning Commission and Ministry of



Finance and the Ministry had already opined that the Scheme should be considered as a Plan Scheme, the *impasse* continued. Subsequently, in a meeting between the Minister of Agriculture, the Finance Minister and the Deputy Chairman, Planning Commission held on 29 October, 2008 it was decided that MNAIS be implemented on Non-Plan Side. Accordingly, a proposal for the consideration of the Committee on Non-Plan Expenditure (CNE) was prepared and submitted to CNE in March, 2009. While there has been no progress on that front, there has been another meeting of the Agriculture Minister, the Finance Minister and the Deputy Chairman, Planning Commission on 29 September, 2009 in the meantime where again it has been decided to implement MNAIS as a Non-Plan Scheme.

In the opinion of the Committee this is the most glaring example of delays due to red-tapism. The net result of which is that MNAIS still continues to be on paper and the existing NAIS continues to underperform inspite of its serious shortcomings causing untold sufferings to the farmers. The Committee strongly feel that though this delay of three years cannot be condoned, still the Government and the Planning Commission should atleast now make haste so that MNAIS is finalised and implemented without any delay in the currency of the current Plan itself. They desire to be apprised of the final outcome of the decision taken in this respect at the earliest.

### Rashtriya Krishi Vikas Yojana

3.89 The Committee note that the Rashtriya Krishi Vikas Yojana (RKVY) is an ambitious State Plan Programme of the Government of India aimed at rejuvenating agriculture and to achieve 4 per cent annual growth rate during

the Eleventh Plan through Additional Central Assistance for agriculture & allied sectors. The States have been provided flexibility and autonomy in the process of selection, planning, approval & examination of schemes. The Yojana has been launched from 2007-08 with an approved outlay of Rs. 25000 crore for the Eleventh Plan. The Committee further note that as against the approved outlay of Rs. 1500 crore and actual allocation of Rs. 1263.00 crore for 2007-08, the actual disbursement to States/UTs has been Rs. 1246.89 crore. In 2008-09 against the approved outlay of Rs. 5875.00 crore the actual allocation has been Rs. 2891.70 crore and the actual disbursement to States has been Rs. 2866.80 crore. In 2009-10 the approved outlay is Rs. 5875.00 crore and the actual allocations is Rs. 4100.00 crore. Rs. 2127.14 crore has been disbursed till now (21.10.2009). Thus, at half way mark of the Eleventh Plan against the approved Outlay of Rs. 13250.00 crore (for first three years) a sum of Rs. 8254.70 crore has actually been allocated for the Scheme. Out of this Rs. 6240.83 crore has been disbursed to the States as on 22 October, 2009. The Committee apprehend that going by the current trends, there will be a severe underutilisation of funds and the curtailment of finances will have a crippling effect on the implementation and performance of this important Scheme. The Committee, therefore, desire that instead of harping on the usual constraints of resources, the Government need to be more realistic and allocate necessary funds to RKVY, in tune with the requirements of the Scheme, without any further delay. The Committee would also like to comment on the manner in which the information pertaining to this Scheme has been furnished to them by the Department. There have been mismatches of figures in the information furnished to them at different points of time.

While taking exception to this, the Committee expect the Department to be careful in future while furnishing information to the Parliament and its entities.

### **National Policy for Farmers**

3.90 The Committee note that the Government of India announced a National Policy for Farmers (NPF) in 2007 based on the recommendations of the National Commission for Farmers (NCF) and the Policy Document was laid in the Parliament in November, 2007. The Committee note further that a Plan of Action for operationalisation of NPF, 2007 was prepared by an Inter-Ministerial Committee. This document was circulated to the State Governments and Central Ministries/Departments concerned for follow-up action. Another Inter-Ministerial Committee has been constituted on 3 June, 2009 to work on other recommendations of NCF. The Committee are of the opinion that the Reports of the National Commission for Farmers are comprehensive documents on Indian agriculture and contain recommendations that are very much actionable. They, therefore, recommend that all recommendations, regardless of their inclusion in the draft National Policy for Farmers, submitted by the National Commission for Farmers, deserve equal attention for operationalisation. The Inter-Ministerial Committee constituted on 3 June 2009 should attend to their task with this clear mandate in their mind. The follow-up action by all States Governments and Ministries/Departments of the Government of India should be relentlessly pursued and a timeframe should also be set for operationalisation of all recommendations of the NCF. The Committee desire that the time frame set for operationalisation of the recommendations of NCF alongwith the action taken by various State

**Governments and Ministries/Departments of the Government of India be  
intimated to them at periodic intervals.**

**NEW DELHI;  
16 December, 2009  
25 Agrahayana, 1931 (Saka)**

**BASUDEB ACHARIA  
*Chairman,*  
*Committee on Agriculture***

## **ANNEXURES**

### **ANNEXURE-I** **(Para No. 2.5)**

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

##### **DIVISIONS:**

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

**Statement showing allocation for the States/UTs under RKVY  
for the years 2007-08, 2008-09 and 2009-10 (as on 28.10.2009)**

Sl No.	State/UT	2007-08	2008-09	2009-10
1	Andhra Pradesh	93.13	316.57	410.00
2	Arunachal Pradesh	2.85	6.88	16.10
3	Assam	23.77	142.62	79.86
4	Bihar	64.02	148.54	110.79
5	Chhattisgarh	60.54	116.48	131.78
6	Goa	2.29	6.91	11.87
7	Gujarat	53.71	243.39	386.19
8	Haryana	23.12	74.00	112.77
9	Himachal Pradesh	17.39	15.11	33.02
10	Jammu & Kashmir	6.85	16.17	42.05
11	Jharkhand	61.66	58.62	70.13
12	Karnataka	171.97	316.57	410.00
13	Kerala	61.41	60.11	110.92
14	Madhya Pradesh	110.01	146.05	247.44
15	Maharashtra	142.20	269.63	407.24
16	Manipur	1.35	4.14	5.86
17	Meghalaya	7.00	13.53	24.68
18	Mizoram	1.05	4.29	4.15
19	Nagaland	9.45	13.89	20.38
20	Orissa	46.59	115.44	121.49
21	Punjab	39.85	87.52	43.23
22	Rajasthan	71.68	233.75	186.12
23	Sikkim	2.77	11.37	15.29
24	Tamil Nadu	188.21	140.38	127.90
25	Tripura	4.69	34.02	31.28
26	Uttar Pradesh	116.15	316.57	390.97
27	Uttarakhand	30.54	20.60	71.36
28	West Bengal	60.87	147.38	147.38
	<b>Total States</b>	<b>1475.12</b>	<b>3080.53</b>	<b>3770.25</b>
29	A&N Islands	9.52	6.43	12.21
30	Chandigarh	0.22	2.20	3.70
31	D&N Haveli	0.25	0.61	0.29
32	Daman & Diu		1.42	0.30
33	Delhi	0.56	1.83	2.36
34	Lakshadweep	0.92	12.08	10.12
35	Puducherry	3.13	6.67	0.69
	<b>Total UTs</b>	<b>14.58</b>	<b>31.24</b>	<b>29.67</b>
	<b>District Agricultural Plan</b>	<b>10.30</b>	<b>53.90</b>	<b>8.90</b>
	<b>NIRD, ISEC, IEG, IIM-CMA</b>			
	<b>Administrative Contingency</b>			
	<b>GRAND TOTAL</b>	<b>1500.00</b>	<b>3165.67</b>	<b>3808.82*</b>

\* Unallocated

## **APPENDICES**

### **APPENDIX-I**

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

#### **MINUTES OF THE EIGHTH SITTING OF THE COMMITTEE**

\*\*\*\*\*

The Committee sat on Thursday, the 15<sup>th</sup> October, 2009 from 1500 hours to 1710 hours in Room No. 62, Parliament House, New Delhi.

#### **PRESENT**

*Shri Basudeb Acharia – Chairman*

#### **MEMBERS**

##### **LOK SABHA**

2. Shri Narayan Singh Amlabe
3. Smt. Ashwamedh Devi
4. Shri Naranbhai Kachhadiya
5. Shri Premdas
6. Shri Nripendra Nath Roy
7. Shri Bhupendra Singh
8. Shri Hukmdeo Narayan Yadav

##### **RAJYA SABHA**

9. Shri Narendra Budania
10. Shri Sharad Anantrao Joshi
11. Shri Mohd. Ali Khan
12. Shri M. Rajasekara Murthy
13. Shri Bharatsinh Prabhatsinh Parmar

## **SECRETARIAT**

- |    |                      |   |                     |
|----|----------------------|---|---------------------|
| 1. | Shri P.V.L.N. Murthy | - | Director            |
| 2. | Shri P.C. Koul       | - | Additional Director |

## **REPRESENTATIVES OF DEPARTMENT OF AGRICULTURE AND CO-OPERATION**

- |     |                            |  |
|-----|----------------------------|--|
| 1.  | Shri T. Nanda Kumar        | Secretary                                |
| 2.  | Shri P.K. Basu             | Additional Secretary                     |
| 3.  | Shri N.K. Das              | Additional Secretary                     |
| 4.  | Shri A.S. Lamba            | Additional Secretary & Financial Adviser |
| 5.  | Shri G.C. Pati             | Additional Secretary                     |
| 6.  | Shri Ashish Bahuguna       | Additional Secretary                     |
| 7.  | Shri N.K. Singh            | Agriculture Commissioner                 |
| 8.  | Shri Rajiv Lochan          | Adviser                                  |
| 9.  | Shri Jiji Thompson         | Joint Secretary                          |
| 10. | Smt. Upma Chowdhry         | Joint Secretary                          |
| 11. | Shri Atanu Purkayastha     | Joint Secretary                          |
| 12. | Shri Mukesh Khullar        | Joint Secretary                          |
| 13. | Shri Rajendra Kumar Tiwari | Joint Secretary                          |
| 14. | Shri Sanjeev Gupta         | Joint Secretary                          |
| 15. | Shri Pankaj Kumar          | Joint Secretary                          |
| 16. | Shri E.K. Manjhi           | Joint Secretary                          |
| 17. | Smt. Uma Goel              | Joint Secretary                          |



## **PLANNING COMMISSION**

Shri V.V. Sadamate

Advisor

## **FIELD ORGANISATIONS**

1. Dr. Alok Sikka Expert (Watershed Development)
2. Shri K.G. Radhakrishnan Member-Secretary (CACP)

## **MINISTRY OF HEALTH & FAMILY WELFARE**

Dr. Dhir Singh

ADG  
(Prevention of Food Adulteration)

## **THE DEPARTMENT OF FERTILIZERS**

Shri Sudhir Bhargava

Joint Secretary

At the outset, the Chairman, welcomed the Members of the Committee and the representatives of the Department of Agriculture & Co-operation (DAC), Planning Commission, other Ministries / Departments and Field Organisations to the Sitting. The Chairman then asked the witnesses to introduce themselves.

2. After introduction, the Committee took up the examination of Demands for Grants (2009-10) of the Department of Agriculture and Co-operation. The Secretary gave a brief overview of the budgetary allocations for the year 2009-10 and highlighted the activities/achievements of the Department during the year.

3. The Chairman and Members of the Committee sought clarifications on several issues. The witnesses replied to the queries raised by the Members. The Committee decided to continue discussion on Demands for Grants (2009-10) of the Department on 22<sup>nd</sup> October, 2009.

4. A verbatim record of proceedings has been kept separately.

**The Committee then adjourned.**

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

**MINUTES OF THE NINTH SITTING OF THE COMMITTEE**

\*\*\*\*\*

The Committee sat on Thursday, the 22<sup>nd</sup> October, 2009 from 1135 hours to 1815 hours in Committee Room `D`, Parliament House Annexe, New Delhi.

**PRESENT**

Shri Basudeb Acharia – Chairman

**MEMBERS**

**LOK SABHA**

2. Shri Narayan Singh Amlabe
3. Smt. Ashwamedh Devi
4. Shri Naranbhai Kachhadiya
5. Shri Prabodh Panda
6. Shri Vitthalbhai Hansrajibhai Radadiya
7. Shri Nripendra Nath Roy
8. Shri Bhupendra Singh
9. Shri Uday Singh
10. Shri Jagdish Thakor
11. Shri Hukmdeo Narayan Yadav

**RAJYA SABHA**

12. Shri Narendra Budania
13. Shri A. Elavarasan
14. Shri Sharad Anantrao Joshi
15. Shri Vinay Katiyar
16. Shri Mohd. Ali Khan
17. Shri M. Rajasekara Murthy

**SECRETARIAT**

- |    |                      |   |                     |
|----|----------------------|---|---------------------|
| 1. | Shri P.V.L.N. Murthy | - | Director            |
| 2. | Shri P.C. Koul       | - | Additional Director |

## **REPRESENTATIVES OF DEPARTMENT OF AGRICULTURE AND CO-OPERATION**

1.	Shri T. Nanda Kumar	Secretary
2.	Shri P. K. Basu	Additional Secretary
3.	Shri N. K. Das	Additional Secretary
4.	Shri A. S. Lamba	Additional Secretary & Financial Adviser
5.	Shri G. C. Patil	Additional Secretary
6.	Shri Ashish Bahuguna	Additional Secretary
7.	Shri Rajiv Lochan	Adviser
8.	Shri Jiji Thompson	Joint Secretary
9.	Smt. Upma Chgowdhry	Joint Secretary
10.	Shri Atanu Purkayastha	Joint Secretary
11.	Shri Mukesh Khillar	Joint Secretary
12.	Shri Sanjeev Gupta	Joint Secretary
13.	Shri Pankaj Kumar	Joint Secretary
14.	Shri E. K. Manjhi	Joint Secretary
15.	Shri S. C. Garg	Joint Secretary
16.	Shri S. K. Pattanayak	Joint Secretary

## **FIELD ORGANISATIONS**

1.	Dr. N. B. Singh	Agriculture Commissioner
2.	Dr. Gorakh Singh	Horticulture Commissioner
3.	Shri T. P. Rajendra	ADG, ICAR
4.	Shri K. G. Radhakrishnan	Member Secretary (CACP)

## **REPRESENTATIVES OF MINISTRY OF HEALTH & FAMILY WELFARE**

Dr. Dhir Singh	ADG (Prevention of Food Adulteration)
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## **REPRESENTATIVES OF DEPARTMENT OF COMMERCE**

Shri Dinesh Sharma	Joint Secretary
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## **REPRESENTATIVES OF DEPARTMENT OF FERTILIZERS**

Shri Sudhir Bhargava

Joint Secretary

At the outset, the Chairman, welcomed the Members of the Committee and the representatives of the Department of Agriculture and Co-operation and others to the Sitting.

2. Thereafter, the Committee continued with the examination of Demands for Grants 2009-2010 of the Department of Agriculture and Co-operation taken up earlier on 15 October, 2009. The Secretary briefly highlighted the activities/achievements made by the Department during the year.

[At around 1315 hours the Committee adjourned for Lunch. The Sitting resumed at 1430 hours]

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

[The Committee adjourned for Tea at 1615 hours. The Sitting resumed again at 1630 hours]

4. The Chairman, thereafter thanked the witnesses for appearing before the Committee as well as for furnishing valuable information desired by them. He also directed them to furnish information on points on which the Department could not reply during the Sitting to the Committee Secretariat within a week.

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

**The Committee then adjourned.**

**APPENDIX-III**

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

**MINUTES OF THE THIRTEENTH SITTING OF THE COMMITTEE**

The Committee sat on Wednesday, the 16<sup>th</sup> December, 2009 from 1530 hours to 1600 hours in Committee Room 'C', Parliament House Annexe, New Delhi.

**PRESENT**

Shri Basudeb Acharia - Chairman

**MEMBERS**

**Lok Sabha**

2. Shri Narayan Singh Amlabe
3. Shri Thangso Baite
4. Smt. Shruti Choudhry
5. Shri Sk. Nurul Islam
6. Shri Naranbhai Kachhadia
7. Shri Prabodh Panda
8. Shri Hukmdeo Narayan Yadav

**Rajya Sabha**

9. Shri Sharad Anantrao Joshi
10. Shri Mohd. Ali Khan
11. Shri Khekiho Zhimomi

**SECRETARIAT**

1. Shri S. Bal Shekar - Joint Secretary
2. Shri P.V.L.N. Murthy - Director
3. Shri P.C. Koul - Additional Director

2. At the outset the Hon'ble Chairman welcomed the members to the sitting of the Committee. Thereafter, the Committee took up the following Draft Reports for consideration:-

- (i) Draft Report on Demands for Grants (2009-2010) relating to the Ministry of Agriculture (Department of Agriculture & Co-operation).

\* (ii) \*\*\*      \*\*\*      \*\*\*      \*\*\*      \*\*\*      \*\*\*      \*\*\*      \*\*\*      \*\*\*      \*\*\*

\* (iii) \*\*\*      \*\*\*      \*\*\*      \*\*\*      \*\*\*      \*\*\*      \*\*\*      \*\*\*      \*\*\*      \*\*\*

After some discussion, the Committee adopted the said draft Reports.

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

***The Committee then adjourned.***

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