

THIRD REPORT  
COMMITTEE ON AGRICULTURE  
(2014-2015)

(SIXTEENTH LOK SABHA)

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

DEMANDS FOR GRANTS  
(2014-2015)

*Presented to Lok Sabha on 18.12.2014*  
*Laid on the Table of Rajya Sabha on 18.12.2014*



LOK SABHA SECRETARIAT  
NEW DELHI  
*December, 2014/Agrahayana, 1936 (Saka)*

COA No. 307

*Price : ₹ 91.00*

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Fifteenth Edition) and printed by Anupam Art Printers, New Delhi.

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COMPOSITION OF THE COMMITTEE ON AGRICULTURE  
(2014-2015)

Shri Hukm Deo Narayan Yadav — *Chairperson*

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*Lok Sabha*

2. Shri Sanganna Amarappa
3. Prof. Ravindra Vishwanath Gaikwad
4. Shri Nalin Kumar Kateel
5. Md. Badaruddoza Khan
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*Rajya Sabha*

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SECRETARIAT

- |                               |   |                         |
|-------------------------------|---|-------------------------|
| 1. Shri Abhijit Kumar         | — | <i>Joint Secretary</i>  |
| 2. Smt. Abha Singh Yaduvanshi | — | <i>Director</i>         |
| 3. Shri C. Vanlalruata        | — | <i>Deputy Secretary</i> |

## INTRODUCTION

1, the Chairperson, Committee on Agriculture, having been authorized by the Committee to submit the Report on their behalf, present this Third Report on the Demands for Grants (2014-2015) of the Ministry of Agriculture (Department of Agriculture & Co-operation).

2 The Committee under Rule 331E(1)(a) of the Rules of Procedure considered the Demands for Grants (2014-15) of the Department of Agriculture and Co-operation, which were laid on the table of the House on 23 July, 2014. The Committee took evidence of the representatives of the Department of Agriculture & Co-operation at their Sitting held on 19 September, 2014. The Report was considered and adopted by the Committee at their Sitting held on 10 December, 2014.

3. For facility of reference and convenience, the Recommendations/ Observations of the Committee have been printed in bold letters in Part-II of the Report.

4. The Committee wish to express their thanks to the officers of the Department of Agriculture & Co-operation for appearing before the Committee and furnishing the information that they desired in connection with the examination of Demands for Grants of the Department.

5. The Committee would also like to place on record their deep sense of appreciation for the invaluable assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

NEW DELHI;  
17 December, 2014  
26 Agrahayana, 1936 (Saka)

HUKM DEO NARAYAN YADAV,  
Chairperson,  
Committee on Agriculture.



## ABBREVIATIONS

AEZs	Agriculture Export Zones
AFCL	Agricultural Finance Corporation Limited
AIC	Agriculture Insurance Company
APEDA	Agricultural and Processed Food Products Export Development Authority
ATMA	Agriculture Technology Management Agency
AWS	Automatic Weather Stations
BE	Budget Estimates
BFAC	Block Farmers Advisory Committee
B&M	Budget and Cash Management
CCA/CA	Chief Controller of Accounts/Controller of Accounts
CCEA	Cabinet Committee on Economic Affairs
CCEs	Crop Cutting Experiments
CCIS	Comprehensive Crop Insurance Scheme
CFQC&TI	Central Fertilizer Quality Control & Training Institute
CPIS	Coconut Palm Insurance Scheme
CSR	Corporate Social Responsibility
CSS	Centrally Sponsored Scheme
DAC	Department of Agriculture and Cooperation
DAHD&F	Department of Animal Husbandry, Dairying and Fisheries
DAP	Di-ammonium Phosphate
DARE	Department of Agricultural Research and Education
DFAC	District Farmers Advisory Committee
DOF&PD	Department of Food and Public Distribution
DORD	Department of Rural Development
FACs	Farmer Advisory Committees
FAI	Fertilizer Association of India
FAO	Food Agriculture Organization
FCO	Fertilizer Control Order
FPOs	Farmer Producer Organisations
FQCLs	Fertilizer Quality Control Laboratories

GBS	Gross Budgetary Support
GDP	Gross Domestic Product
GOI	Government of India
ICAR	Indian Council of Agricultural Research
IFFCO	Indian Farmers Fertiliser Cooperative Limited
IMC	Inter-Ministerial Committee
IMD	Indian Meteorological Department
INM	Integrated Nutrient Management
IPM	Integrated Pest Management
ISAC	Integrated Scheme on Agriculture Cooperation
ISACE&S	Integrated Scheme on Agriculture Census, Economics & Statistics
ISAM	Integrated Scheme on Agricultural Marketing
ISACS	Integrated Scheme on Agriculture Census and Statistics
JRFs	Junior Research Fellowships
KVKs	Krishi Vigyan Kendras
MIDH	Mission for Integrated Development of Horticulture
MNAIS	Modified National Agriculture Insurance Scheme
MOEF	Ministry of Environment & Forest
MOF	Ministry of Finance
MOP	Muriate of Potash
MRPs	Mixed Recall Periods
MSP	Minimum Support Price
MSTLs	Mobile Soil Testing Laboratories
M&T	Metric Tonnes
NABARD	National Bank for Agricultural and Rural Development
NAIS	National Agricultural Insurance Scheme
NBS	Nutrient Based Subsidy
NCAP	National Centre for Agricultural Economics and Policy Research
NCF	National Commission for Farmer
NCIP	National Crop Insurance Programme
NCOF	National Centre of Organic Farming
NDC	National Development Council
NFSM	National Food Security Mission
(viii)	

NFSMEC	National Food Security Mission Executive Committee
NGOs	Non-Governmental Organisations
NHM	National Horticulture Mission
NMAET	National Mission for Agricultural Extension & Technology
NMOOP	National Mission on Oilseeds and Oil Palm
NMSA	National Mission for Sustainable Agriculture
NPF	National Policy for Farmers
NPK	Nitrogen Phosphate Potash
NPOF	National Project on Organic Farming
NPMSH&F	National Project on Management of Soil Health & Fertility
NRM	Natural Resource Management
PAOs	Principal Accounts Office
P&K	Potassium and Phosphorus
PPP	Public Private Partnership
PRIs	Panchayati Raj Institutions
PROM	Phosphorous Rich Organic Manure
PSB	Phosphate Solubilising Bacteria
RCTs	Resource Conservation Technologies
RE	Revised Estimates
RFS	Rainfed Farming System
RIDF	Rural Infrastructure Development Fund
RKVY	Rashtriya Krishi Vikas Yojana
SAUs	State Agricultural Universities
SES	Secretariat Economic Services
SFAC	Small Farmers' Agri-Business Consortium
SHC	Soil Health Cards
SHM	Soil Health Management
SIDBI	Small Industries Development Bank of India
STLs	Soil Testing Laboratories/Seed Testing Laboratories
TMOP	Technology Mission on Oilseeds and Pulses
UCs	Utilisation Certificates
WBCIS	Weather Based Crop Insurance



## **REPORT**

### **PART I**

#### **CHAPTER I**

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

The Forty-sixth Report of Committee on Agriculture on Demands for Grants (2013-14) of the Ministry of Agriculture (Department of Agriculture and Cooperation) was presented to the Lok Sabha on 23 April, 2013 and laid on the Table of Rajya Sabha on 25 April, 2013.

1.2 In terms of Direction 73 A of Directions by the Speaker, Lok Sabha the Minister of State for Agriculture made a Statement in the Lok Sabha on 05 August, 2014 giving the status of implementation of various Recommendations made by the Committee in their Forty-sixth Report.

1.3 On the basis of Action Taken Notes received from the Department in respect of the above Report on 16 July, 2013, the Committee presented their Fifty-second Report to the Lok Sabha and laid it on the Table of Rajya Sabha on 09 December, 2013. Out of the 26 Recommendations of the Committee, 18 have been accepted by the Government. Replies to two Recommendations viz. Para Nos. 4.56 and 4.57 were of interim nature. The Committee commented upon the Action Taken Notes furnished by the Government in respect of Recommendations at Para Nos. 3.26, 3.28, 4.52, 4.58, 4.60, 4.62 and 4.63 in the Original Report.

## CHAPTER II

### BUDGETARY ANALYSIS

#### (i) Overview

Agriculture provides livelihood to a majority of population and thus remains the linchpin of Indian economy. Though agriculture sector's contribution to national GDP has declined to 13.9% in 2013-14 due to relatively higher growth experienced in industries and services sectors, agriculture remains the principal source of livelihood for more than 54.6% of country's population. Indian economy is growing and to sustain this growth agriculture sector has to perform well. How to produce more of agriculture produce with limited natural resources in a sustainable manner for ensuring food and nutritional security and increasing income of farmers, are major challenges before the Nation.

2.2 As per the land use statistics 2011-12, the total geographical area of the country is 328.7 million hectares, of which 140.8 million hectares is the net sown area. The gross cropped area is 195.2 million hectares with a cropping intensity of 138.7%. The net irrigated area is 65.3 million hectares.

2.3 The agriculture and allied sectors contributed approximately 13.9% of India's GDP (at constant 2004-05 prices) during 2013-14. Gross Domestic Product (GDP) of agriculture and allied sectors and its share in total GDP of the country during the last 4 years, including the current year, at 2004-05 prices is as follows:—

Items	(Rs. in crore)				
	Year				
	2009-10	2010-11	2011-12	2012-13	2013-14
GDP of Agriculture and Allied Sectors	6,60,987	7,17,814	7,53,832	7,64,510	8,00,548
Per cent to total GDP	14.6	14.6	14.4	13.9	13.9

2.4 There has been a continuous decline in the share of agriculture and allied sectors in the GDP from 14.6 percent in 2009-10 to 13.9 percent in 2013-14 at 2004-05 prices. Falling share of agriculture and allied sectors in GDP is an expected outcome in a fast growing and structurally changing economy.

2.5 Growth (over the previous year) in the total GDP and that in the GDP of agriculture and allied sectors at 2004-05 prices is given below:—

(In per cent)

Period	Total GDP	Agriculture & Allied Sector GDP
2007-08	9.3	5.8
2008-09	6.7	0.1
2009-10	8.6	0.8
2010-11	8.9	8.6
2011-12	6.7	5.0
2012-13 (RE)	4.5	1.4
2013-14 (PE)	4.7	4.7

**(ii) Overview of Demands**

2.6 Demand No. 1 pertaining to the Department of Agriculture & Co-operation for the year 2014-15 was laid in the Lok Sabha on 23 July, 2014. It provides for implementation of various Central Sector, Centrally Sponsored and State Plan Schemes, for Plan and Non-Plan activities.

2.7 The macro-level break-up of Demand No. 1 is given below:—

(Rs. in crore)

Section	Plan	Non-Plan	Total
<b>REVENUE</b>			
Voted	22260.55	342.51	22603.06
Charged	-	-	-
<b>CAPITAL</b>			
Voted	48.45	0.74	49.19
Charged	-	-	-
<b>GRAND TOTAL</b>	<b>22309.00</b>	<b>343.25</b>	<b>22652.25</b>

2.8 The total allocation for Department of Agriculture & Co-operation is Rs. 22652.25 crore for the Fiscal 2014-15. Out of this Rs. 22260.55 crore and Rs. 342.51 crore are on Plan and Non-Plan sides

respectively under the Revenue Section. Similarly, Rs. 48.45 crore and Rs. 0.74 crore are on the Plan and Non-Plan sides respectively under the Capital Section.

2.9 The comparison of Revised Estimates for the year 2013-14 and Budget Estimates for 2014-15 is given in the table below:—

(Rs. in crore)

	RE 2013-14		BE 2014-15	
	Plan	Non-Plan	Plan	Non-Plan
REVENUE	18948.65	306.18	22260.50	342.51
CAPITAL	51.35	0.64	48.45	0.74
Total	19000.00	306.82	22309.00	343.25
GRAND TOTAL	19306.82		22652.25	

The Revenue Section (Plan Side) BE for 2014-15 at Rs. 22260.55 crore shows an increase of Rs. 3311.90 crore from RE 2013-14 of Rs. 18948.65 crore. Similarly on Non-Plan Side, in comparison to BE 2014-15 of Rs. 342.51 crore, the 2013-14 RE allocation was only Rs. 306.18 crore. The BE for 2014-15 in the Capital Section Plan Side is Rs. 48.45 crore which is lower in comparison to RE 2013-14 of Rs. 51.35 crore. On the Non-Plan Side BE for 2014-15 at Rs. 74 lakh is higher in comparison to RE at Rs. 64 lakh for 2013-14.

### (iii) Budgeted Outlay

2.10 Department of Agriculture & Cooperation's share in the Budgeted Outlay as compared to some other Departments of the Government of India during 2012-13 to 2014-15 of Twelfth Plan.

#### Department of Agriculture & Cooperation share in the Budgeted Outlay as Compared to some other Departments of the Government of India during 2009-10 to 2014-15

(Rs. in crore)

Ministry/Deptt.	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
1	2	3	4	5	6	7
DAC	7200.00	8280.00	9262.00	10991.00	11655.00	5846.00
%Share of Deptt. w.r.t Total Central Plan	1.61	1.58	1.56	1.69	1.71	1.21

1	2	3	4	5	6	7
AHD&F	1100.00	1300.00	1600.00	1910.00	2025.00	1133.00
% Share of Deptt. w.r.t Total Central Plan	0.25	0.25	0.27	0.29	0.30	0.23
DARE	1760.00	2300.00	2800.00	3220.00	3415.00	3715.00
% Share of Deptt. w.r.t Total Central Plan	0.39	0.44	0.47	0.49	0.50	0.77
AGRI.	10060.00	11880.00	13662.00	16121.00	17095.00	10694.00
% Share of Deptt. w.r.t Total Central Plan	2.25	2.27	2.31	2.47	2.51	2.21
DORD	69170.00	76100.00	74100.00	73175.00	74429.00	7440.00
% Share of Deptt. w.r.t Total Central Plan	15.44	14.51	12.51	11.23	10.94	1.54
DOF&PD	203.95	208.00	198.00	304.00	417.00	490.00
% Share of Deptt. w.r.t Total Central Plan	0.05	0.04	0.03	0.05	0.06	0.10
GOI's Total Central Plan	447921.00	524484.00	592457.00	651509.00	680123.00	484532.00

From the above table, it is evident that the % share of the Department with respect to the total Central Plan has decreased during the last three years of the Twelfth Plan.

2.11 On being asked the reasons for this drastic reduction in the share of Department of Agriculture and Cooperation in the Central Plan. The Department in their written submission stated that the actual annual budgetary allocations of the Department have been increasing over the years. From 2014-15, a number of schemes of the Department have been restructured. Henceforth, all plan schemes under which central assistance is provided to the States are to be categorized as central assistance to State plans. Therefore, a number of schemes of the Department, like RKVY, etc., have been categorized under State Plans. As such, the State Plan component has shown an increase and

the central plan component has shown a corresponding decrease. However, in absolute terms, the BE allocations for the Department have shown only an increasing trend.

#### (iv) Plan Allocation

2.12 For the Twelfth Five Year Plan, the approved Outlay of the Department of Agriculture and Cooperation (DAC) and Cooperation is Rs. 1344746.00 crore. The proposed Outlay by Department of Agriculture and Cooperation alongwith allocation and expenditure for the Twelfth Plan period till date is as under:—

(Rs. in crore)

Approved XII Plan	2012-13				2013-14				2014-15	
	Proposal	BE	RE	Actual Expen- diture	Proposal	BE	RE	Actual Expen- diture	Proposal	BE
134746.00	49674.34	20208.00	17867.32	17730.72	26164.21	21609.00	19000.00	18721.70	29211.99	22309.00
		(41%)				(83%)				(76%)

2.13 During the first three fiscals of the XIIth Plan against the proposed outlay of Rs. 49674.34 crore, Rs. 26164.21 crore and Rs. 29211.99 crore respectively, the Budgetary allocation was to the tune of Rs. 20208.00 crore, Rs. 22309.00 crore respectively which in percentage terms is 41%, 83% and 76% allocation of the proposal. On being asked the reasons for setting aside the Plan Outlay, the Department in their written submission submitted that the actual budgetary outlays for each year are decided by the Planning Commission in consultation with Ministry of Finance which decides the Gross Budgetary Support (GBS) for any particular year. Based on the limits laid down by the GBS, annual allocations for the Departments are decided by the Planning Commission. As a result, the actual outlays as finalized for any Annual Plan for a particular year by the Planning Commission fall short of the overall Plan outlays as decided at the time of the finalization of the Five Year Plans.

2.14 The Committee also observed that the BE figure for the first three years of the Twelfth Five Year Plan are to the tune of Rs. 64126.00 crore which amounts to only 47.60% of the approved Plan Outlay. In response to a query as to whether the Department would be able to absorb 53% of the balance approved outlay in the remaining two fiscals, the Committee were informed that as the Twelfth Plan Outlay were finalized on the basis of realistic assessment of the fund requirements, the Department is reasonably confident that it would be

able to absorb the remaining outlay of the 12th Plan in 2015-16 and 2016-17.

2.15 It was further observed that during the first two years of the current plan the BE figures of Rs. 20208.00 crore and Rs. 21609.00 crore were revised at RE stage to Rs. 17867.32 and Rs. 19000.00 crore respectively. When queried by the Committee on the reasons for reduction of budgeted funds at revised estimate stage, it was informed that the budgetary outlays and reduced RE (over original BE) are decided by Ministry of Finance based not only on the utilization of the funds by the Department but also on other macro-economic factors that confront the nation.

2.16 In response to a query regarding under-utilization of the allocated funds during the first two years of the Twelfth Plan, the Committee were informed that utilization *vis-a-vis* RE is almost 99.24% during 2012-13 and 98.54% during 2013-14 even though it is 88% and 87% respectively of the BE. As such, there has been almost full utilization of the budgetary allocations as revised by Ministry of Finance.

The lower utilization in 2012-13 and 2013-14 has been due to budgetary cuts at the revised estimate stage imposed by Ministry of Finance.

2.17 The Committee desired to be apprised of the mechanism in Department of Agriculture and Cooperation to monitor and ensure full utilization of budgetary allocation. In response, Department of Agriculture and Cooperation stated that different schemes of the Department have in-built institutional mechanisms to monitor proper and adequate utilization of funds.

2.18 On the measures being adopted to utilize the allocated funds for the current financial year, it was submitted that the Department is interacting actively with various stake-holders like state governments, implementing agencies to ensure that the funds allocated for 2014-15 are utilized fully. This includes regular inspection visits by senior officers besides having weekly review meetings to monitor the progress of expenditure.

2.19 In response to a specific query regarding compliance with the modified Budget and Cash Management (B&M) Scheme of the Ministry of Finance launched in 2006-07 intended to reducing expenditure asymmetry, the Department in their written reply categorically stated that they are in full compliance with the various provisions of the Scheme.

They also furnished statement of utilization of funds during the last two years, i.e. 2012-13 to 2013-14 on quarterly basis.

(Rs. in crore)

Quarter	2012-13			2013-14		
	Actual	% age w.r.t.		Actual	% age w.r.t.	
		BE	RE		BE	RE
Ist	5254.08	26.00	28.54	3440.74	15.92	18.11
IIInd	4677.10	23.14	23.59	6479.94	29.99	34.10
IIIrd	3435.84	17.00	21.53	5615.13	25.99	29.55
IVth	4363.70	21.59	26.18	3185.88	14.74	16.77
Total	17730.72	87.74	99.24	18721.69	86.64	98.54

The above table reveals that percentage of actual utilization in all quarters during the period under consideration has hovered between 87.74% and 86.64% with respect to the budget estimates and 99.24% and 98.54% with respect to the revised estimates.

2.20 While tendering evidence before the Committee, the representative of the Department added further in this regard:—

“Sir, as all of you know that a provision is made under the Five Year Plan. So far the Planning Commission has been deciding as to what amount of money should be given to a Ministry or to a State during five years. The Planning Commission chalks out the strategy to spend the money and as per the strategy it takes almost a couple of years to prepare new schemes. The Planning Commission contacts each state and have a discussion with the experts and have deliberations with the experts and have deliberations with the Ministries as well as the Departments and then place their opinion before the Ministry of Finance and thus the Ministry of Finance fixes financial allocations therein. As per the decision taken by the Finance Ministry, five year programme is determined. At present the situation is a bit different, whether the Planning Commission shall exist or not. It is a different issue which is being considered by the Government. It has been a practice so far that Planning Commission determines five year targets or makes financial allocation. We prepare our programmes for the Ministries or Departments and accordingly demand financial allocations from the Ministry of Finance. But whatever we want and whatsoever our targets are actually the targets of the Planning Commission.

Sometimes these targets are according to our needs and sometimes the condition of the Country is not taken care of. As far as year to year financial allocation is concerned the Finance Ministry oversees. The financial conditions in the Country and accordingly the provision is made whatever budget we propose for a year, is released by the Planning Commission and the Ministry of Finance after curtailment. It is called budget estimate which is passed by the Parliamentary Committee after inspection and examination. During the year we make efforts to spend the budget as early as possible and demand the Government to make further allocation of funds if the Government is in a position to. But generally the situation remains otherwise. We spend the funds and demand further allocation but the financial condition in the Country is progressing and growth rate is increasing. But it is not in that ratio. Budget is less and spending is much more. We get financial allocation as per cut in the budget and we spend the funds accordingly.

.....During the last five years whatever we have spent from the revised estimates, it is always more than 98.5 per cent. Whatever we get from the Government, we try to spend it rationally. For example, sometimes complete provision for certain things is very difficult”.

2.21 During the course of his oral deposition before the Committee, when asked about the efforts of the Government to involve farmers in formulation/budgetary of a scheme's, the Secretary responded as under:—

‘Farmer Advisory Committee (FAC) has been formulated under “Support to State Extension Programmes for Extension Reforms” (ATMA) Scheme at Block level (BFAC), District level (DFAC) and State level (SFAC), wherein the farmer's representatives are involved in planning and providing genuine field level facts to the Government for formulating the Schemes as per the need of the farmers’.

#### **(v) Investment in Agriculture**

2.22 The Government stated that as a result of initiatives taken by Government, share of public investment in Gross Capital Formation in agriculture and allied sectors has been going up in recent years. During 2004-05 to 2007-08, total investment in agriculture increased in the range of 8% to 14.2% per annum. Public sector investment increased faster, in range of 17.6% to 22.5%. This trend continued in subsequent years. The Plan Outlay on various schemes of Department of Agriculture

& Cooperation (DAC) has increased substantially from Rs. 9865.68 crore in 2008-09 (RE) to Rs. 21609.00 crore in 2013-14 (BE). Increase is mainly due to substantially higher allocation under Rashtriya Krishi Vikas Yojana (RKVY), which was launched in 2007-08 with aim to boost agricultural growth rate and to incentivize States to increase public investment in agriculture and allied sector.

2.23 When asked about the various steps taken by the Government to encourage private investment in agriculture sector as well as the core areas/activities in the agriculture sector in which private investment is envisaged, the Department in their written reply stated that the overall gross-capital formation in agriculture as a percentage of over all GDP is 21.2% in 2012-13. The share of private sector in this is 85%. It may be noted that agriculture is essentially a State subject. The Central Government, on it's part has been announcing various policy initiatives from time-to-time to increase investment in agriculture. These include priority sector lending to the Agriculture Sector, promotion of Agriculture Cooperatives, subsidies under various schemes for procurement of farm machinery, Horticulture, Micro-irrigation, soil health, bio-fertilizers, seed testing etc. There is also a scheme for venture capital support for agriculture which has led to an increase in private sector investment in agriculture.

## CHAPTER III

### EVALUATION OF SCHEMES

#### (i) Outstanding Utilization Certificates

The Department of Agriculture and Cooperation in one of their document furnished to the Committee in the context of examination of Demands for Grants have submitted the following statement highlighting status of pending utilization certificates:—

	UCs Pending as on 1.4.2012	UCs Pending as on 1.4.2013	Amount liquidated upto 31.3.2014	Amount of UCs pending as on 1.4.2014
No. of UCs	1306	740	437	303
Amount (Rs./crore)	5575.67	1746.85	1112.84	634.01

It was further submitted that Department of Agriculture and Cooperation is making concerted efforts for liquidating outstanding Utilization Certificates due from State Government/Implementing Agencies. No release is made to State Government/Implementing Agencies, who have not furnished UCs. 740 UCs amounting to Rs. 1746.85 crore were pending as on 1.4.2013, which have since been reduced to 303 UCs for Rs. 634.01 crore as on 1.4.2014.

3.2 In response to a query regarding reasons for this pendency and steps taken by all concerned for resolving this pendency, Department of Agriculture and Cooperation in their written submission without categorically spelling out the reasons furnished the following figures:—

Details of UCs	Number	Amount
1	2	3
UCs outstanding for the Grants released upto 31.03.2011	186	251.89 crore
UCs outstanding for the Grants released upto 31.03.2012	1045	4703.05 crore
UCs outstanding in DAC as on 31.08.2014 for the Grants released upto 31.03.2012	1231	4954.94 crore

1	2	3
UCs outstanding as on 31.08.2014 for the Grants released upto 31.03.2013	1228	5790.72 crore
Total UCs outstanding in DAC as on 31.08.2014 for the grants released upto 31.03.2013	2459	10745.66 crore

It was further stated that Principal Accounts Office, M/o Agriculture is very rigorously monitoring to liquidate the Outstanding Utilisation Certificates on monthly basis and has directed PAOs not to make any payment without submission of the UCs by the Divisions. The special UCs Audit of various States are being conducted which has yielded tremendous results in previous year. Though Special Audit Team has been under Supervision of CCA/CA and the audit of the major defaulting units and 17 major states have been audited. The audit party is visiting the defaulting agencies office and getting the UCs settled and inspecting their records etc., there itself. During the audit the expenditure related records, the target and outcome of the schemes for which the grant was released is also being examined to ensure that the grants have been utilised properly for which they were released.

3.3 State-wise and Division-wise list of Outstanding Utilization Certificates is furnished below:—

**State-wise Outstanding Utilisation Certificates in respect of Grant No. 1 as on 16.09.2014 for the grant released upto 31.03.2013**

State	No. of Ucs	Amount in Rs.
1	2	3
Delhi	255	8839315742
Andhra Pradesh	84	4804035930
Arunachal Pradesh	2	59298000
Assam	37	596905812
Bihar	38	1665738156
Chhattisgarh	24	1377938700
Daman and Diu	2	1200000

1	2	3
Goa	4	7500000
Gujarat	61	3615908307
Haryana	65	2463660318
Himachal Pradesh	17	184783000
Jammu and Kashmir	16	139116078
Jharkhand	25	767429875
Karnataka	69	3476506620
Kerala	80	1962404270
Lakshadweep	1	200000
Madhya Pradesh	55	3063815886
Maharashtra	65	5351542974
Manipur	13	255160500
Meghalaya	4	51547000
Mizoram	8	180051000
Nagaland	8	170813000
Odisha	47	1607036378
Puducherry	3	9318000
Punjab	25	647594185
Rajasthan	43	2329305500
Sikkim	15	178329000
Tamil Nadu	37	1948391050
Tripura	10	128233000
Uttar Pradesh	66	2130732003
Uttarakhand	17	84804173
West Bengal	35	1450754561
Total Outstanding Ucs (Upto March-2012)	1231	49549369018
2012-13	1228	57907198113
Total Outstanding Ucs (Upto March-2013)	2459	107456567131.00

**Division-wise Outstanding Utilisation Certificates in respect of  
Grant No. 1 as on 16.09.2014 for the grant released  
upto 31.03.2013**

Division	No. of UCs	Amount in Rs.
CET DIVISION	29	312460000
COOPERATION DIVISION	6	625000000
CROP DIVISION	228	11771636418
EA DIVISION	104	579590000
EXTENSION DIVISION	137	4587487050
HORTICULTURE DIVISION	460	27085974968
INM DIVISION	45	673214300
IT DIVISION	9	94812700
M&T DIVISION	1	6416000
MANURES & FERTILIZER DIVISION	8	112973000
MARKETING DIVISION	12	498000000
PLANT PROTECTION DIVISION	11	176849000
R.K.V.Y. DIVISION	1	713700000
SEED DIVISION	159	2252780197
TMOP DIVISION	5	50976000
TRADE DIVISION	16	7499385
Total Outstanding UCs (Upto March-2012)	1231	49549369018
2012-13	1228	57907198113
Total Outstanding UCs (upto March-2013)	2459	107456567131.00

**(ii) Launching of New Schemes**

3.4 The Committee have been informed that the Government has restructured the schemes being implemented by the Department from the year 2014-15 in line with the decision of the Government to rationalize the number of schemes being implemented. Along with

this, there has been a change in the mechanism of fund flow to these schemes. Henceforth, all plan schemes under which central assistance is provided to States are to be classified and budgeted as central assistance to State plans. The details of the new restructured centrally sponsored and central sector schemes that have been approved for implementation in the 12th Plan areas under:—

#### **Centrally Sponsored Schemes**

- (1) National Food Security Mission (NFSM)
- (2) Mission for Integrated Development of Horticulture (MIDH)
- (3) National Mission for Sustainable Agriculture (NMSA)
- (4) National Mission on Agricultural Extension and Technology (NMAET)
- (5) National Mission Oilseeds and Oil Palm (NMOOP)
- (6) Rashtriya Krishi Vikas Yojana (RKVY)

#### **Central Sector Schemes**

- (1) National Crop Insurance Programme (NCIP)
- (2) Integrated Scheme on Agricultural Marketing (ISAM)
- (3) Integrated Scheme on Agriculture Cooperation (ISAC)
- (4) Integrated Scheme on Agriculture Census and Statistics (ISACS)
- (5) Secretariat Economic Services (SES)

3.5 Apart from this, the following three new schemes have been announced in Budget 2014-15:—

- (i) Soil Health Card with an outlay of Rs. 100.00 crores
- (ii) Price Stabilization Fund for Cereals and Vegetables with an outlay of Rs. 500 crore
- (iii) National Agri-Tech Infrastructure with a outlay of Rs. 100.00 crore.

3.6 On being enquired on the likely time period by which these three new schemes would be operationalised, Department of Agriculture and Cooperation in their written replies informed that they are in process of finalizing the modalities for implementing these schemes. The schemes could not be taken up for approval earlier as these were announced only in the Budget 2014-15. In so far as the process of

approval is concerned, the same has been laid down in various Guidelines issued in this regard by the Ministry of Finance.

No other scheme of the Department is pending approval, as on date.

### **(iii) National Policy for Farmers (NPF), 2007**

3.7 The National Policy for Farmers (NPF), 2007 aims at improving economic viability of farming and increasing net income of farmers. Policy provisions in NPF, 2007 include, *inter-alia*, asset reforms in respect of land, water, livestock, fisheries and bio-resources; supply of good quality seeds and disease-free planting material; issue of soil health passbooks to the farmers and integrated pest management system; region and crop specific implements and machinery; support services for women; timely, adequate and easy reach of institutional credit at reasonable interest rates and farmer-friendly insurance instruments; support services and inputs like application of frontier technologies; agricultural bio-security system; use of Information and Communication Technology and setting up of farm schools to revitalize agricultural extension; coverage of farmers under a comprehensive national social security scheme; effective implementation of Minimum Support Price (MSP) across the country and establishing community foodgrain banks; development of agricultural market infrastructure and terminal markets for agriculture; curriculum reforms in agricultural universities; special categories of farming like organic farming and contract farming; rural non-farm employment initiative for farm households; and integrated approach for rural energy, etc. Many of the Schemes/Programmes being implemented by Central and State Governments are as per the provisions of NPF, 2007.

3.8 An Inter-Ministerial Committee was set up under the Chairmanship of the Principal Adviser in the Department of Agriculture and Cooperation for preparation of a Plan of Action for Operationalisation of the NPF, 2007. The Committee comprised officers of Central Ministries/Departments concerned as members. Based on its meetings held from time to time between December, 2007 and May, 2008, visits to three States for discussion with the stakeholders and response/comments received from various quarters to the draft plan circulated in advance, a Final Plan of Action for Operationalisation of the NPF, 2007 was finalized and circulated among all concerned in 2008 which include Central Ministries/Departments and the State Governments/U.T. Administrations. After carefully analyzing the differential between the action points as contained in the NPF, 2007

and action already taken, the Committee identified 201 further steps where necessary action was to be taken. Out of these 201 points, 64 relate exclusively to the Department of Agriculture and Cooperation, another 64 relate exclusively to other Central Departments/Ministries and 73 points are common to the DAC and other Departments. Another Inter-Ministerial Committee (IMC) was set up under the Chairmanship of Joint Secretary (Policy), Department of Agriculture & Cooperation to monitor the progress of implementation of these 201 action points. The IMC has held five meetings on 14.10.2009, 03.06.2010, 29.06.2012, 13.09.2013 and 9.1.2014. After the last meeting of IMC which was held on 9.1.2014, out of 201 action points only 24 action points remain for further action. A regular monitoring mechanism has also been put in place to oversee the progress of implementation of the NPF, 2007.

3.9 On being asked to clarify the points requiring further action and the timeline for completing the same, the Government stated that many Ministries/Departments are involved in the implementation of the recommendations, Department. This Department has been regularly requesting all concerned Ministries/Departments for early implementation of the pending action points. The concerned Ministries/Departments are taking action on these pending points.

A statement showing details of pending action points was also enclosed which reads as:—

**Plan of Action for Operationalization of NCF, 2007 –  
Details of Pending Action Points**

Sl.No.	CSN No.	Action Points	Deptt./Div. Concerned
1	2	3	4
01.	05	MoF may instruct NABARD, SIDBI and Banks to promote skill development and self-employment through productive assets for farmer families under on-going programmes of NABARD, SIDBI and Banks	Department of Financial Services, NABARD DAC–Credit/Coop. Division
02.	13	MoEF may prepare an appropriate support mechanism to promote agro-forestry	M/o Environment & Forest, DAC–NRM/RFS Division
03.	23	The policy provides for implementation of laws relating to, <i>inter-alia</i> , tenancy and land leasing. States may examine ways and means to develop land lease markets under their respective laws. States may be advised accordingly.	Department of Land Resources

1	2	3	4
04.	36	Appropriate measures should be taken for improving surface water irrigation efficiency to 40% by 2010 and 50% by 2025 and ground water irrigation efficiency to 70% as recommended by National Commission for Integrated Water Resource Development.	M/o Water Resources
05.	38	A Model Flood Code for chronically flood affected areas be prepared and circulated to States incorporating measures like ensuring availability of quality seeds and other inputs to be provided to the farmers after flood, planning for crops/varieties resistant to water logging/flood and other measures to mitigate losses to the farmers on account of floods.	M/o Environment & Forest ICAR, DAC-DM Div.
06.	40	For preparation of above Model Codes, DAC may take the lead with the assistance of ICAR institutions like NCAP.	M/o Environment & Forest, ICAR, DAC-RFS/NRM Div.
07.	49	A Comprehensive Model Fisheries Act may be formulated and circulated to the States for achieving fuller utilization of resources in the high seas as well as on land, handling of Inter-State matters relating to brackish water or fresh water culture fisheries, prohibition of capture of breeder and immature fish, restriction on jute netting, timber seasoning and polluting of water bodies, restriction on electric fishing and restrictions on maximum time of fishing, maximum volume of catch from common property water bodies and frame work for conversion of less productive agricultural land like waterlogged/saline lands to aqua culture bodies etc.	DOAH&F
08.	56	One Model Genome Club in each State should be set up to start with, with the support from RKVY.	ICAR, DAC-RKVY Div.
09.	86	Sub-District level meteorological forecasting should be developed by IMD so that it can be more useful for farmers.	M/o Earth Sciences, DG, IMD
10.	88	Model guidelines on farmer-seed company partnership keeping in view model rule for contract farming should be prepared and circulated for consideration of State Governments.	DAC-Seeds Div.

1	2	3	4
11.	91	The strategy for Eleventh Plan emphasizes the need to ensure adequate and timely supply of quality seeds. The seed production and distribution system must be revamped by strengthening public sector seed agencies and by involving private trade in seed multiplication and distribution system. States must simultaneously strengthen their systems to check quality of seeds by expanding testing facilities for seeds. Appropriate guidelines may be issued to the States.	DAC–Seeds Div.
12.	103	Monitoring of planned movement of fertilizers through fertilizer based Monitoring System up to the Block level should be ensured.	D/o Fertilizer, DAC Marketing/INM
13.	109	Steps should be taken to improve the infrastructure for vaccine production.	DOAH&F
14.	123	NABARD may consider direct lending to PRIs, NGOs and selected private sector units and popularize model schemes like agri-clinics, enterprises and contract farming. RIDF can be used for this purpose. NABARD should promote sector-wise pro-active plans to improve productivity in agriculture and rural development activities.	D/o Financial Services, M/o Panchayati Raj, NABARD, DAC–Credit/Cooperation
15.	141	Priority should be on implementing MSP for 25 crops effectively in all States, particularly where the decentralized procurement system is continuing. Disbursement of subsidies in time and other issues discouraging decentralized procurement may be addressed effectively. Guidelines should be issued to the States to submit audited accounts in time in order to ensure that the benefits of MSP operations reach the intended beneficiaries without any delay.	D/o Food and Publ. Distr., DAC–Credit/Cooperation/E&S
16.	148	Agri-clinic services have been provided in some AEZs. APEDA may consider encouraging agri-clinics and agri-business centres in other AEZs by utilizing ongoing schemes of DAC. Development infrastructure of AEZs on a PPP model may be explored by APEDA.	APEDA, DAC–NHM

1	2	3	4
17.	149	Expanding and strengthening of AEZs may be taken up by APEDA and DoC	M/o commerce & Ind., APEDA
18.	162	MoEF may take action for restoring traditional grazing rights in certain forest areas.	DOAH&F, M/o Environment & Forest
19.	166	Sustainability of fodder resources through rotational grazing, scientific lopping and Pollarding, and promoting forest conservation and development for ensuring organic farming in the forest areas may be taken up through extension activities.	DOAH&F, M/o Environment & Forest, Extension/Marketing/DAC-INM
20.	171	Steps may be taken for promoting forest conservation and development for ensuring organic farming in the forest areas, through awareness campaigns and monetary incentives for the forest conserving communities.	DOAH&F, M/o Environment & Forest, DAC-Extension
21.	183	For proper utilization of State farms for development/ preserving breeds of locally available livestock and crops, necessary assistance to States should be provided.	DOAH&F, DAC-Seeds
22.	189	As the Cabinet Committees have to be constituted by the Cabinet Secretariat, DoFPD may initiate necessary proposals for the constitution of the Cabinet Committee on Food Security.	D/o Food and Publ. Distr.
23.	192	Suitable mechanism should be evolved in consultation with the Ministry of Statistics and Programme Implementation to assess the income growth rates of farmers from time to time.	E&S
24.	194(e)	Involvement of PRIs in popularizing the insurance scheme among the farmers by various Banks and Insurance companies. (Under para 5.9 of NPF, 2007)	D/o Financial Services, M/o Panchayati Raj, Credit/Cooperation
25.	196	There is need for coordinated action between all agencies at State level. Under RKVY there is a State level project sanctioning Committee headed by Chief Secretary. This Committee at State level with representatives of DAC may also be mandated to	DAC-Policy Div.

1	2	3	4
		review implementation of National Policy for Farmers, 2007 at State level by ensuring effective convergence of on-going schemes like RKVY/NFSM etc. Representatives of other important Ministries may be specially invited to the meetings of these Committees while reviewing implementation of the National Policy for Farmers, 2007.	
26.	197	Efforts to be made to have a single window facility, in association with the Panchayats, for providing or facilitating provision of quality and timely service to farmers.	M/o Panchayati Raj, PP Div./M&T/ Extension/Marketing/ DAC-INM/Credit/ Cooperation/Crops/ Seed

3.10 When asked to clarify as to why even after almost seven years of the formulation of NPF, the follow-up action has not been completed, Department of Agriculture and Cooperation in their written replies stated that a total of 201 points for which action was to be taken by the Department and other Ministries/Department were identified. Out of these 201 points, action has been taken in 175 points. Only 26 action points remain pending after the 5th IMC Meeting held on 9.1.2014, which are also at various stages of implementation by the concerned Ministries/Departments. Substantial progress has also been achieved in the implementation of the remaining 26 points.

Further, many of the provisions of National Policy for Farmers are being implemented/operationalized through a number of ongoing programmes/schemes being implemented by various Central Ministries and Departments and the State Governments. Apart from these schemes and programmes, concerted actions are taken through Central Assistance to the States for various activities connected to agriculture and allied sectors and allied sectors and through special/relief/rehabilitation packages, whenever occasion arises.

**(iv) Integrated Scheme on Agriculture Census, Economics & Statistics (ISACE&S)**

**Agriculture Census**

3.11 Agriculture Census is a Central Sector Plan Scheme under which 100% financial assistance is given to the States/UTs for payment of salaries, office expenses, travel expenses, honorarium, tabulation

cost, printing of schedules and instructions etc. It is the main source of information on basic characteristics of operational holdings such as land use, cropping pattern, irrigation status, tenancy particulars and terms of leasing. The Agriculture Census in India is conducted at a Five-Year interval and it forms part of World Agriculture Census programme of Food and Agriculture Organization (FAO).

3.12 Agriculture Census forms part of a broader system of collection of agricultural statistics, which is a large-scale statistical operation for collecting and deriving quantitative information about important facets of agriculture in the country. Agriculture Census in India is conducted at an interval of five years for which operational holding, being the ultimate unit for taking agriculture-related decisions is taken as statistical unit at micro-level for data collection. Periodic Agriculture Censuses are main source of information on number and area of operational holdings, basic characteristics of holdings such as land use, cropping patterns, irrigation status, tenancy, terms of leasing and dispersal of holdings which is tabulated in different farm-sizes and social groups. Agriculture Census also provides data on input use pattern for different size classes of farmers. This information constitutes an important input for development planning, socio-economic policy formulation and the establishment of national priorities. Agriculture Census is implemented in 3 distinct phases which are statistically linked together, but focus on different aspects of agricultural statistics. In Phase-I, list of holdings with area, gender, type of holdings and social-group of holders is prepared. In Phase-II, detailed data on agricultural characteristics of holdings is collected from selected villages and estimates are generated at various administrative levels. In Phase-III, data on input use patterns are collected from selected holdings and values of different parameters are estimated at District/State level.

#### **Steps taken for improvement of implementation of the Scheme**

- Regular Monitoring of the field work and data processing of Agriculture Census Scheme in different States/UTs.
- Providing training to the officers of States/UTs for capacity development.
- Providing necessary hardware and software to the implementing agencies for improving data processing infrastructure in States.
- Organization of regional meetings for scrutiny of data/ finalization of results for Agriculture Census Scheme.

### System of monitoring

- Through monthly, quarterly and annual reports on physical and financial progress
- Through review meetings on regional and zonal basis
- Through field visits and interaction with the implementing agencies
- Through video conferences

Agriculture Census in India is conducted following broad guidelines of decennial World Census of Agriculture evolved by Food and Agriculture Organization (FAO) of United Nations. The first Agriculture Census in India was conducted in 1970-71. So far, eight Agriculture Censuses with reference years 1970-71, 1976-77, 1980-81, 1985-86, 1990-91, 1995-96, 2000-01 and 2005-06 have been conducted. The current Agriculture Census 2010-11 is 9th in the series. The reference period in Agriculture Census is the agriculture year starting from July to June. The report on “Number and Area of Operational Holdings” for the current Agriculture Census 2010-11 (Phase-I), has been published and is available on the website of the Department at <http://agcensus.nic.in> for public use. Provisional results for Phase-II of Agriculture Census 2010-11 have also been released in public domain. Data and Reports of previous Agriculture Censuses conducted in the country have also been placed on the website. Schedules and Manual of Instructions of Agriculture Census 2010-11 and Input Survey 2011-12 have also been put-up on the website. Data collection/processing of data for Phase-III of Agriculture Census 2010-11 is in progress.

3.13 Details of number and area of operational holdings in the Country, based on the results of the latest Agriculture Census 2010-11 are enumerated below:—

Sl.No	Size Group	Number of holdings (in millions)	Area operated (in million ha.)
1.	Marginal (Below 1.00 ha.)	92.8	35.9
2.	Small (1.00-2.00 ha.)	24.8	35.2
3.	Semi-Medium (2.00-4.00 ha.)	13.9	37.7
4.	Medium (4.00-10.00 ha.)	5.9	33.8
5.	Large (Above 10.00 ha.)	1.0	16.9
All holdings		138.3	159.6

The above table highlights that marginal farmers have the largest number of holdings *i.e.* 92.8 million, followed by small farmers with 24.8 million, semi-medium farmers with 13.9 million, medium farmers

with 5.9 million and large farmers with 1 million. However, in terms of area operation the small-medium farmers at the top with 37.7 million hectares, followed by marginal farmers with 35.9 million hectares, small farmers with 35.2 million hectares, medium farmers with 33.8 million hectares and large farmers with 16.9 million hectares.

3.14 During the year 2012-13 against an allocation of Rs. 17.00 crore, the actual expenditure was Rs. 15.41 crore. Similarly, during the year 2013-14 against an allocation of Rs. 39.60 crore, the expenditure was Rs. 39.41 crore.

3.15 Details of targets *vis-a-vis* achievement for this scheme during the first two years of the Twelfth Plan are as follows:—

Sl. No.	Name of scheme/program	Objective/Outcome	Quantifiable Deliverables/Physical Outputs	2012-13		2013-14	
				Target (5-A)	Achievement (5-B)	Target (6-A)	Target (6-A)
1	2	3	4	5	6	7	8
1.	Agriculture Census						
(i)	Agriculture Census	i. Collection and derivation of quantitative information about structural aspects of agricultural holdings in the country	Compilation/processing of data and preparation/publication of results of Agriculture Census	1. Placement of data of Input Survey 2006-07 on the website of the Department.	1. Data of Input Survey 2006-07 was hosted in the website of the department in July, 2012.	1. Finalization of results (provisional) of Phase-I of Agriculture census 2010-11.	1. The result of Phase-I of Agriculture Census 2010-11 was finalized.
				2. To publish the All India Report on Agriculture Census 2005-06.	2. All India Report on Agriculture Census 2005-06 was placed in website in Feb., 2012	2. Hosting final data of Phase-I of Agriculture census 2010-11 in the website of the department	2. The final data of Phase-I was placed in the website of Department.
				3. To publish the All India Report on Input Survey 2006-07.	3. All India Report on Agriculture Census 2006-07 was hosted in website in March, 2013	3. Completion of field work for Phase-II of Agriculture Census 2010-11.	3. The Field work for Phase-II of Agriculture Census 2010-11 was completed in all States except Bihar. In Bihar, the work completed partially.

1	2	3	4	5	6	7	8
				4. Submission of provisional Table-1 by States/UTs to Government of India	4. Table-1 (provisional) of Agriculture Census 2010-11 was published in record time and placed in the website of the Department.	4. Completion of data entry for Phase-II of Agriculture Census 2010-11.	4. The data entry for Phase-II of Agriculture Census 2010-11 was completed and data tables generated for all the States/UTs (For Bihar, tables prepared with the available data.)
				5. Completion of field work of Phase-I and Phase-II of Agriculture Census 2010-11 for various States/UTs in the Country	5. The field work of Phase-I of Agriculture Census 2010-11 was completed and that for Phase-II was in progress.	5. Completion of field work for Phase-III of Agriculture Census 2010-11	5. The field work of Phase-III of Agriculture Census 2010-11 was completed in most of the States/UTs.
				6. Completion of data entry of Phase-I and Phase-II of Agriculture Census 2010-11.	6. Data entry of Phase-I of Agriculture Census 2010-11 has been completed and that for Phase-II of the Census was initiated.	6. Starting of data entry for Phase-III of Agriculture Census 2010-11	6. Data entry for Phase-III of Agriculture Census 2010-11 started for various States/UTs in the country.
				7. Completion of Various preparatory activities of input survey, 2011-12.	7. Various preparatory activities of Input survey, 2011-12 was completed.		
				8. Conduct of Field work of Input Survey, 2011-12.	8. Field work of Input survey, 2011-12 was started.		

3.16 In response to a query about the likely time period by which Phase-III of Agriculture Census 2010-11 is expected to be completed, the Committee were informed that field work for Phase-III of the

current Agriculture Census 2010-11 (Input Survey 2011-12) is going on. For the States, where data collection has been completed, the compilation of data and its processing is going on. After completion of data collection, data processing and scrutiny of results for various States/UTs, data will be released in public domain. Reports based Agriculture Census 2010-11(including Input Survey 2011-12) will be prepared after finalization of results. All the activities of Phase-III of the Census are expected to be completed by December 2015.

3.17 The Department further stated that provision for collection of data on soil testing has been newly introduced in Agriculture Census 2010-11(Input Survey 2011-12).

3.18 When queried whether any data had been collected regarding 8 million farmers having quit agriculture between 1991-2001, it was submitted that data relating to number of farmers quitting Agriculture is not being collected through Agriculture Census. However, according to Agriculture Census conducted during 1990-91, 1995-96 and 2000-01, the number of operational holdings in the country has increased from 106.64 million in 1990-91 to 115.58 million in 1995-96 which further increased to 119.93 million in 2000-01.

#### **(v) National Food Security Mission (NFSM)**

3.19 National Development Council (NDC) adopted a resolution to launch a Food Security Mission in the country to enhance the production of rice, wheat and pulses by 10, 8 and 2 million tonnes, respectively by the end of XI Plan. Accordingly, a Centrally Sponsored Scheme on 'National Food Security Mission' was launched from Rabi 2007-08 with three major components, viz., NFSM-Rice, NFSM-Wheat and NFSM-Pulses. The mission achieved its targets during XI plan.

The focused and target oriented implementation of the Mission has helped to widen the food basket of the country. The average annual production of about 202.5 million tonnes of foodgrains during the 10th Plan rose to the level of about 237.5 million tonnes during the 11th Plan and 257.13 million tonnes in 2012-13. NFSM has contributed significantly to this increase in production. The scheme with approved outlay of Rs. 12350.00 crore is continued in the XII plan with addition of Coarse Cereals and Commercial crops. The objective Mission is to enhance production of foodgrain by additional 25 million tonnes – 10 million tonnes of rice, 8 million tonnes of wheat, 4 million tonnes of pulses and 3 million tonnes of coarse cereals by the end of the Twelfth Plan. NFSM would aim to sustainably produce the required quantity of foodgrains by targeting identified low productivity districts, restoring soil fertility & productivity at individual farm level and enhancing farm level economy to restore confidence amongst farmers.

3.20 The following main strategies are being followed under the Scheme:—

- (i) Focus on low productivity and high potential districts including cultivation of foodgrain crops in rain fed areas.
- (ii) Implementation of cropping system centric interventions in a Mission mode approach through active engagement of all the stakeholders at various levels.
- (iii) Agro-climatic zone-wise planning and cluster approach for crop productivity enhancement
- (iv) Focus on pulse production through utilization of rice fallow, rice bunds and intercropping of pulses with coarse cereals, oilseeds and commercial crops (sugarcane, cotton, jute).
- (v) Promotion and extension of improved technologies *i.e.*, seed, Integrated Nutrient Management (INM) including Micronutrients, Soil Amendments, Integrated Pest Management (IPM), input use efficiency and resource conservation technologies along with capacity building of the farmers/ extension functionaries.
- (vi) Close monitoring of flow of funds to ensure timely reach of interventions to the target beneficiaries.
- (vii) Integration of various proposed interventions and targets with the district plan of each identified district.
- (viii) Constant monitoring and concurrent evaluation by the implementing agencies for assessing the impact of the interventions for a result oriented approach.

3.21 During the Eleventh Plan NFSM—Rice was implemented in 144 districts of 16 States, NFSM-Wheat in 142 districts of 9 States and NFSM-Pulses in 468 districts of 16 States. From the year 2012-13, six (6) NE States, viz., Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Sikkim have been included under NFSM-Rice and two Hill States, viz., Himachal Pradesh and Uttarakhand under NFSM-Rice and Wheat and J&K under NFSM-Wheat. Thus, the NFSM was implemented during 2012-13 and 2013-14 in 27 States of the country. From 2014-15 the districts were revisited and NFSM is implemented in 619 districts of 28 States.

3.22 Several new features have been incorporated in the revised NFSM, which are as follows:—

- (i) **Specialised projects for high productivity areas** such as reclamation of problematic soils, development of water-logged areas and mitigation of adverse effect of climate

change would be funded under the Mission for sustainability of the high productivity areas.

- (ii) **Projects to combat the effect of climate change** in high productivity areas would qualify for the financial support, including demonstration of heat tolerant varieties, promotion of micro-irrigation system (drip and sprinkler) for protective irrigation etc.
- (iii) **Support to institutes/organizations including NGOs in remote areas:** States may identify such areas requiring special efforts for raising productivity of foodgrain crops. Suitable institutes/organizations including NGOs may be entrusted to undertake clusters demonstrations in these areas. Suitable institutes/organizations including NGOs will be identified at district level for this purpose based on the criteria suggested below:—
  - (a) At least 3 years experience of successful execution of agriculture/rural development projects in remote/backward areas.
  - (b) Should have accounts audited for all programmes implemented during past three years.
- (iv) **Value Chain integration of small producers:** Forming and strengthening of Farmer Producer Organizations (FPOs) is likely to mitigate at least some of the risks and constraints faced by the farmers. The formation of FPOs may offer a collective strength for seed production and seed procurement, access to credit and improved technologies, reduce transaction costs, facilitate value addition, tap high value markets and enter into partnerships with private entities on more equitable terms. States would be provided funds on the basis of action plans for FPO promotion, to be undertaken through SFAC or similar organizations, along with their annual action plans.
- (v) **Assistance to Custom Hiring Centres:** Provision has been made to subsidise cost of hiring machines for farming operations at individual farmer/community level. The machines can be hired from existing Custom Hiring Centres and/or Custom Hiring Centres to be established under the National Mission on Agricultural Mechanization.
- (vi) **Marketing support for pulses and millets:** For promoting the production of pulses and millets, it is proposed that marketing support would be provided to growers in form of

insurance cover, Dal mill and millet processing unit to individual/communities, incentives to processing agencies etc. Assistance will be limited to 50% of the cost of the items. Funds will be allocated to SFAC and similar organizations at Centre/State levels against specific proposals approved by NFSMEC.

3.23 Under NFSM, the entire expenditure is borne by the Government of India as it is a Centrally Sponsored Scheme (CSS). Till 2013-14 Funds for implementation the NFSM programmes were directly released to the identified State Level Implementing Agencies with the approval of National Food Security Mission Executive Committee (NFSMEC). However, from 2014-15 funds are released to the State Governments. State Governments will further release funds to designated State Level Agencies. State Level Agency would make funds available to the District Level Agency in accordance with approved programme of the district.

3.24 The allocation and utilization of funds for the years 2012-13 and 2013-14 is as follows:—

(Rs. in crore)

Name of the Scheme/ Project/ Programme	2012-13				2013-14			
	BE	RE	Actual Exp.	Shortfall/ Excess if any with reasons	BE	RE	Actual Exp.	Shortfall/ Excess if any with reasons
MM II of TMC	15.00	12.60	10.87	1.73	15.00	12.27	9.89	2.38
JTM	10.00	5.68	5.17	0.51	10.00	4.85	4.14	0.71
NFSM	1850.00	1763.57	1725.65	37.92	2250.00	1962.60	2027.08	(-)64.48

3.25 Department of Agriculture and Cooperation submitted that the reasons for underutilization of funds during 2012-13 and 2013-14 was due to unspent balance lying with the States/implementing agency. Similarly, the Department in response to a query on the reasons for subsuming of cotton, Jute and Sugarcane Development Programmes with NFSM stated that it was done on the recommendation of Planning Commission, in order to converge Central schemes, the Technology Mission on Cotton, Jute Technology Mission and Development programme of sugarcane have been subsumed with NFSM after approval of CCEA mainly for intercropping with pulses and other foodgrains.

3.26 The Committee were further informed that commercial crops Commercial crops have been included in National Food Security Mission (NFSM) primarily for promoting cropping systems and inter-cropping with pulses and other foodcrops. Therefore, inclusion of commercial crops will not have any negative impact on implementation of NFSM. Inclusion of cash crops in NFSM has been made primarily for promoting inter-cropping and cropping systems. Thus, inclusion of cash crops in NFSM will not have any negative impact on implementation of NFSM. Rather, in case of inter-cropping with pulses, there is potential to increase both area and production of pulses in the country. It was further stated that as separate funds are earmarked for commercial crops and foodcrops. Therefore, NFSM funds meant for foodgrain crops will not be affected. When queried as to whether the Department was considering including more commercial crops under NFSM in the future, the Department replied in the negative.

3.27 Department of Agriculture and Cooperation also submitted that Impact Evaluation Study of NFSM for XI Plan by Agricultural Finance Corporation Limited (AFCL) is in progress and the report is expected shortly.

#### **(vi) National Crop Insurance Programme (NCIP)**

3.28 Keeping in view the risks involved in Agriculture and to insure the farming community against various risks, the Ministry of Agriculture introduced a crop insurance scheme in 1985 and thereafter brought improvements in the erstwhile scheme(s) from time to time based on the experience gained and views of the stakeholders, States, farming community etc. The scheme of Weather Based Crop Insurance (WBCIS), Modified National Agriculture Insurance Scheme (MNAIS) & Coconut Palm Insurance Scheme (CPIS) are being implemented on pilot basis from Kharif 2007, Rabi 2010-11 and year 2009-10 respectively and have already completed their respective pilot period. A Central Sector Scheme of NCIP has been formulated by merging the erstwhile three schemes of 11th Plan, namely Pilot MNAIS, Pilot WBCIS and Pilot CPIS from Rabi 2013-14. The Scheme has the following components:

- (i) **NCIP component-I: Modified National Agricultural Insurance Scheme (MNAIS):** It is improved version of NAIS and has been launched from Rabi 2010-11 in 50 districts. In this scheme, the actuarial premiums are charged which are subsidized for farmers. The claim liability is on the insurance company.

- (ii) **NCIP component-II: Weather-based Crop Insurance (WBCIS):**  
Protects losses caused by adverse weather conditions. It was launched from Kharif 2007 in 20 States. In this scheme, the actuarial premiums are charged which are subsidized for farmers. The claim liability is on the insurance company.
- (iii) **NCIP component-III: Coconut Palm Insurance Scheme (CPIS):**  
It has been launched in seven Coconut palms growing States from 2009-10 compensating the damages to coconut palm. In this scheme, the actuarial premiums are charged which are subsidized for farmers. The claim liability is on the insurance company.

3.29 The coverage of NCIP in terms of farmers and area insured has been projected to be achieved to the level of 50% each from the existing level of about 25% and 20% respectively by the terminal year 2016-17 of the 12th Plan. The coverage under CPIS is projected at 25% of the coconut growers/planters during 2013-14 with increase of 5% each year during remaining years of 12th Five Year Plan.

3.30 Details of utilization of funds under National Crop Insurance Programme (NCIP) in the Twelfth Plan period are as follows:—

(Rs. in crore)

2012-13			2013-14		
BE	RE	Actual Expenditure	BE	RE	Actual Expenditure (Provisional)
1166.00	1575.00	1574.18	2176.00	2571.00	2575.65

The table shows that during the years 2012-13 and 2013-14, BE funds have been enhanced at RE stage. The BE of Rs. 2176.00 crore for the Fiscal 2013-14 is a quantum enhancement from BE of Rs. 1166.00 crore for the Fiscal 2012-13. The BE for the current years is Rs. 2848.00 crore. The actual expenditure during the years 2012-13 and 2013-14 have been almost at par with the enhanced RE allocations.

3.31 When queried about the reasons for quantum enhancement at RE stages during the last two fiscals and whether these revisions were reflective of the fact that crop insurance schemes are running effectively, the Department in their written replies stated that with the aim to provide financial compensation to farmers against losses in their crops due to non-preventable causes including natural calamities

like flood, drought etc. and adverse weather conditions, Department of Agriculture & Cooperation (DAC) of Ministry of Agriculture was implementing one crop insurance scheme i.e. National Agricultural Insurance Scheme (NAIS). Besides three schemes on pilot basis were also being implemented viz. Pilot Modified NAIS (MNAIS), Pilot Weather Based Crop Insurance Scheme (WBCIS) and Pilot Coconut Palm Insurance Scheme (CPIS) till Kharif 2013. As per the provisions of NAIS, Government of India provided funds as subsidy for contribution towards premium and claims etc. Under pilot schemes, as mentioned above, Government provided only upfront premium subsidy whereas claim liability rested with the insurance companies. These schemes were demand driven and therefore, requirement of funds directly depended on climatic conditions such as monsoon, drought, floods, cyclones etc.

It is also mentioned that more and more farmers are coming under crop insurance fold season by season and therefore, requirement of funds is increasing every year due to increase in number of farmers and areas/crops covered. Besides, there were huge claims under NAIS especially from Andhra Pradesh, Gujarat, Tamil Nadu and Maharashtra States for Kharif 2012 season due to severe deficiency of monsoon rains followed by unseasonal rains, which caused damage to crops thus requiring additional funds at RE stage. Further, from Rabi 2013-14, MNAIS and WBCIS are being implemented on full-fledged basis throughout the country which required additional funds due to increase in coverage in terms of farmers and areas/crops. Consultations are in progress with State Governments to assess the usefulness of the various Insurance Schemes to decide which schemes to adopt in future.

3.32 While tendering evidence before the Committee in response to a query on how Department of Agriculture and Cooperation arrived at allocation for agriculture insurance schemes, the Secretary responded as under:—

“Sir, you had raised the issue of agriculture insurance. This time we have been allocated a budget of Rs. 20-22 thousand crores. To some extent, it is for us to decide to make provision for certain schemes. We deliberately make less provision for insurance scheme. It depend on rain or weather of that year as to how much claim would be given. It is difficult to make pre-estimate. If we make less expenditure than the estimate, then the budget would go in vain. In such scenario the Committee would say that the budget has gone waste. We make effort that provision should be less, it should be realistic. Due to bad weather we had to spend more funds. We request the Ministry of Finance to increase the provision. It is another thing that sometimes we succeed and sometimes not”.

3.33 The Committee were also informed that as all Schemes under National Crop Insurance Programme (NCIP) are demand driven, hence no targets are fixed.

3.34 On being asked about the pros and cons of MNAIS, WBCIS and CPIS, the Department submitted as follows:—

(i) **NAIS:** After some experiments on crop insurance according to suitability of area, crop and requirement of farmers, a scheme called Comprehensive Crop Insurance Scheme (CCIS) was launched in 1985 for this purpose. This scheme continued till Kharif 1999 and since Rabi 1999-2000, a full-fledged scheme called National Agricultural Insurance Scheme (NAIS) replaced CCIS with the aim to increase coverage of crops and farmers with following improvements:—

- Yield guarantee scheme operating on “Area approach” basis.
- Premium rates @ 3.5% of sum insured for bajra and oilseeds and 2.5% for other Kharif crops; 1.5% for wheat, and 2% for other Rabi crops.
- Actuarial rates for commercial/horticultural crops.
- 50% subsidy in premium to small & marginal farmers which later reduced to 10%.
- Sum Insured = Threshold yield x MSP X Indemnity Level.
- Claims worked out as per the following formula:  
(Shortfall in yield/Threshold Yield) X Sum Insured  
Where Shortfall = Threshold Yield – Actual Yield,  
Threshold yield = past 3 years average yield for wheat & paddy and 5 years average for other crops.
- Claim liability over and above 100% of premium collected for Food Crops & Oilseeds are borne by Government.
- Bank Service charges, publicity expenses and 20% of administrative and operative expenses are paid to Agriculture Insurance Company (AIC) i.e. Implementing Agency for NAIS.
- Government liability is equally shared by Central & State Governments.  
Compulsory for loanee farmers and optional for non-loanee farmers.

Basis risk is high due to large area of insurance unit. The requirement of funds under NAIS for settlement of claims cannot be projected/estimated accurately in advance because of the vagaries of nature. As such, Government's budgetary liability under NAIS remains open-ended which creates difficulty in the mobilization of funds for timely settlement of claims.

(ii) **MNAIS:** A Pilot MNAIS was implemented in 50 districts from Rabi 2010-11 season with following improvements/changes in NAIS:—

- Reduction in unit area of Insurance for major crops to village/village panchayat.
- Actuarial premium rates and claims liability is on Insurance Company.
- Private insurance companies have been allowed to bring in competition in premium charged and the services to the farmers.
- Higher subsidy in premium ranging upto 75% to all categories of farmers.
- More proficient basis for calculation of threshold yield (average yield of last 7 years excluding upto two years of declared natural calamity).
- Higher minimum indemnity level of 70% instead of 60% in NAIS.
- Indemnity amount for prevented sowing/planting risks and for post harvest losses due to cyclones.
- On account payment upto 25% of likely claims as advance for providing immediate relief to farmers during adverse season.
- An individual assessment of claims in case of specified localized calamity viz. hailstorm, landslide.
- Uniform seasonality norms for both loanee & non loanee farmers.

(iii) **WBCIS:** Weather Based Crop Insurance Scheme (WBCIS) was launched from Kharif 2007 to have higher penetration of crop insurance on pilot basis in 20 States. WBCIS also overcomes the shortcoming regarding delay in settlement of claims etc. under NAIS. It provides insurance protection to

the farmers against adverse weather incidence, such as deficit and excess rainfall, high or low temperature, humidity etc. which are deemed to impact adversely the crop production. The pilot WBCIS was based on actuarial rates of premium but to make the scheme attractive, premium was actually charged at par with NAIS till Kharif 2013.

- (iv) **NCIP:** Three pilot schemes of MNAIS, WBCIS and Coconut Palm Insurance Scheme (CPIS) were evaluated during 2012-13. Based on the recommendations of evaluation studies, experience gained through implementation of Crop Insurance schemes and views of the stakeholders, States and appraisal agencies, Government has approved a re-structured Central Sector crop insurance scheme namely, “National Crop Insurance Programme (NCIP)” by merging MNAIS, WBCIS & CPIS (as its components) and rolling back NAIS with effect from Rabi 2013-14. Under NCIP, Government is required to provide up-front premium subsidy only and all liability of claims is on the insurer.

- There is a substantial increase in the number of Crop Cutting Experiments (CCEs) under MNAIS of NCIP due to reduction in insurance unit area and therefore, the problems associated with quality & timely conduct of the experiments which in-turn affecting timely settlement of the admissible claims are being faced.
- Premium rates are comparatively higher.
- Poor density of Automatic Weather Stations (AWS).
- The difficulty in designing proxy weather risk index products.

3.35 The Department further submitted that coverage of farmers under NCIP by terminal year of 12th Plan (*i.e.* 2016-17) has been projected to be achieved to 50% with help of the improvements/changes made in NCIP component schemes of MNAIS, WBCIS & CPIS, amongst which some salient features are listed below:—

- (i) Implementation is made compulsory for loanee farmers.
- (ii) Two indemnity levels of 80% & 90% are available instead of three *i.e.* 70%, 80% & 90% under Pilot MNAIS.
- (iii) Under WBCIS, provision for add-on/index plus products for horticultural crops for compensating losses due to localized perils of hailstorm, cloudburst etc. on individual basis.

- (iv) For successful implementation of WBCIS, 5000 AWS are to be set-up in the country through the model of Private Public Participation.
- (v) Pilots for use of modern technology like Remote Sensing Technology (RST)/Satellite imageries to supplement the yield assessment through CCEs.
- (vi) Insurance eligibility condition of having at least 10 healthy palms by farmer has been reduced to 5 palms under CPIS.
- (vii) Increased Sum Insured under CPIS.
- (viii) Loss intimation time has been increased from 7 days to 15 days under CPIS.

3.36 The Committee were also forwarded details of States seeking extension of NAIS alongwith the reasons for the same. These are enumerated below:—

Sl.No.	States	Purpose	Reasons
1.	Andhra Pradesh	Sought continuance of NAIS in Rabi 2013-14	
2.	Madhya Pradesh	Sought continuance of NAIS in Rabi 2013-14	
3.	Tamil Nadu	Sought lower farmer premium under MNAIS	Higher premium under MNAIS, WBCIS, NCIP, etc.
4.	Odisha	Sought lower farmer premium under MNAIS	
5.	Haryana	Sought continuance of NAIS in 12th Plan	
6.	Gujarat	Sought continuance of NAIS in Rabi 2013-14	
7.	Maharashtra	Sought continuance of NAIS in Rabi 2013-14	
8.	Chhattisgarh	Sought continuance of NAIS in Rabi 2013-14	
9.	Gujarat	Sought continuance of NAIS in 2014-15	
10.	Madhya Pradesh	Sought continuance of NAIS in Kharif 2014	
11.	Odisha	Replacement of NAIS with better scheme	

From the above, it can be ascertained that some States have requested for continuation of NAIS during 2013-14 and 2014-15. Chief Minister, Haryana has asked for continuation of the scheme for 12th Plan period. Government of Madhya Pradesh and Gujarat have asked for continuation of Scheme during 2014-15. Their main concerns are (a) higher premium burden on farmers, (b) difficulty in timely conducting of the increased number of Crop Cutting Experiments, (c) involvement of more companies under National Crop Insurance

Programme. Considering States' problems, extension for Rabi 2013-14 season was allowed with the condition that no extension shall be allowed thereafter. However, some State Governments represented against the higher premium burden on farmers under NCIP and its complex implementation procedure as compared to NAIS and therefore, had sought further continuation of NAIS. Due to insistence of some of the States to continue NAIS during 2014-15, the Ministry had to allow the option to them to opt either NAIS or MNAIS during 2014-15 also. It is also a fact that some State Governments have been implementing NCIP from Rabi 2013-14 and are also implementing the same during 2014-15.

3.37 On being enquired whether allowing some States to continue with NAIS/MNAIS would hamper the progress of NCIP, Department of Agriculture and Cooperation responded that uniform implementation of NCIP in all States would have been better for smoother development of crop insurance in the country. However, both NCIP and NAIS are presently in operation in the country and States/farmers have alternative choices. Further, Government is in the process of evolving an insurance product which would ensure farmers against yield loss and price fluctuations.

3.38 When asked to clarify the total amount in relation to the Rs. 3,42,665 lakh claims under NAIS as on 29 April, 2014, it was stated that as per provisions of the National Agricultural Insurance Scheme (NAIS), financial liabilities towards claims above 100% of premium in case of Food Crops & Oilseeds along with 10% premium subsidy to small and marginal farmers, Bank Service charges and 20% of A&O expenses is to be borne by the Government and are shared on 50:50 basis by the Central Government and the respective State Governments. All claims in case of annual horticultural/commercial crops and higher sum insured & indemnity than that of normal under food & oilseed crops are paid by the implementing agency. As on 29.04.2014, a total claim of Rs. 342665 lakh was reported under National Agricultural Insurance Scheme for Kharif 2013 season. However, due to exercising of area correction factor the claim got reduced to Rs. 299122.89 lakhs in which Central Government share is Rs. 123173.35 lakh. Rs. 1600.00 crore was released during the last financial year for settlement of claims reported for previous seasons.

3.39 On a specific query of the Committee regarding pendency of settlement of claims under agri-insurance schemes, the Department of Agriculture and Cooperation informed that under NAIS as on 22 September, 2014 claims amounting to Rs. 733.24 crore were approved, but not paid; under MNAIS claims amounting to Rs. 108.44 crore were

approved, but not paid and under WBCIS claims amounting to Rs. 766.96 crore were approved, but not paid. The State-wise and Insurance Company-wise details are at Annexures I to III.

**(vii) National Mission for Sustainable Agriculture (NMSA)-Soil Health Management (SHM)**

3.40 Soil Health management (SHM) is one of the most important interventions under NMSA. SHM aims at promoting Integrated Nutrient Management (INM) through judicious use of chemical fertilizers including secondary and micro nutrients in conjunction with organic manures and biofertilizers for improving soil health and its productivity; strengthening of soil and fertilizer testing facilities to provide soil test based recommendations to farmers for improving soil fertility; ensuring quality control requirements of fertilizers , biofertilizers and organic fertilizers under Fertilizer Control Order, 1985; upgradation of skill and knowledge of soil testing laboratory staff, extension staff and farmers through training and demonstrations; promoting organic farming practices etc.

Soil Health Management (SHM) include components on:—

- (i) Soil Health and
- (ii) Integrated Nutrient Management & Organic Farming.

3.41 According to the Department of Agriculture and Cooperation, the components under Soil Health include the components of erstwhile National Project on Management of Soil Health & Fertility implemented up to 31.03.2014. During 2012-13, against BE of Rs. 30.00 crore, RE was Rs. 13.20 crore and expenditure of Rs. 12.73 crore was incurred. Trainings were organized by Central Fertilizer Quality Control & Training Institute (CFQC&TI) for fertilizer dealers, foreign nationals, fertilizer inspectors and fertilizer laboratory staff. In order to complete the activities of setting up of laboratories, the 2nd installments of previous years were released during 2012-13. During 2013-14, against BE of Rs. 30.00 crore, RE was Rs. 24.50 crore and expenditure of Rs. 23.50 crore was incurred. Trainings were organized by Central Fertilizer Quality Control & Training Institute (CFQC&TI) for fertilizer dealers, foreign nationals, fertilizer inspectors and fertilizer laboratory staff. A total of 10 new static Soil Testing Laboratories (STLs), 5 new Mobile STLs, strengthening of 2 existing STLs, 1 new Fertilizer Quality Control Laboratory (FQCL) and strengthening of 1 FQCL were sanctioned apart from trainings and demonstrations on balanced use of fertilizers.

3.42 The Department stated that the components under organic farming include components of erstwhile National Project on Organic Farming (NPOF) implemented up to 31.03.2014. During 2012-13, against BE of Rs. 21.00 crore, RE was Rs. 12.72 crore and expenditure of Rs. 11.44 crore was incurred. Trainings were organized by National Centre of Organic Farming (NCOF) for certification course on organic farming, refresher courses for analysts, field functionaries, trainers. training, News Letters on organic farming and biofertilizers were brought out. During 2013-14, against BE of Rs. 15.00 crore, RE was Rs. 14.57 crore and expenditure of Rs. 13.62 crore was incurred. The Committee were further informed that the above schemes are to be implemented as Soil Health Management (SHM) intervention under National Mission for Sustainable Agriculture during 12th Plan (from 2014-15). The BE 2014-15 is Rs. 54.40 crore.

3.43 Consumption of chemical fertilizers during the last four years is shown below:—

(lakh tonnes)				
Year	Urea	Muriate of Potash (MOP)	Phosphate	Potash
2009-10	266.74	46.34	72.74	36.32
2010-11	281.12	39.31	80.50	35.14
2011-12	295.65	30.29	79.14	25.75
2012-13	300.02	22.11	66.53	20.62

From the above table, it can be observed that while consumption of urea increased from 266.74 lakh tonnes in 2009-10 to 300.02 lakh tonnes in 2012-13, the consumption of Muriate of Potash (MOP) declined from 46.34 lakh tonnes in 2009-10 to 22.11 lakh tonnes in 2012-13, consumption of phosphate declined from 72.74 lakh tonnes in 2009-10 to 66.53 lakh tonnes in 2012-13 and consumption of potash declined from 36.32 lakh million tonnes in 2009-10 to 20.62 lakh million tonnes in 2012-13.

3.44 When asked about their views on the increasing consumption of urea and decline in consumption of other chemical fertilizers and the steps being contemplated to achieve balanced use of these fertilizers, the Department stated that Urea is the only fertilizer under statutory price control, whereas P&K fertilizers (DAP, MOP, NPK) are covered under Nutrient Based Subsidy (NBS) scheme since 01.04.2010

(the scheme is administered by Department of Fertilisers), in which case MRPs of fertilizers are fixed by fertilizer companies based on the prices prevailing in international market. After introduction of NBS scheme, there has been huge increase in prices of P&K fertilizers due to increase in international prices of these products/raw materials but price of Urea has remained fixed at Rs. 5360/MT. The impact of sharp rise in MRPs of P&K fertilizers is that farmers have developed a tendency to use more urea irrespective of deficiency/sufficiency of nitrogen in the soil which has lead to distortion in the consumption pattern of different fertilizers. To bring parity in prices of Urea and P&K fertilizers and induce balanced fertilization, Urea may be brought under the purview of NBS scheme or the existing fertilizer subsidy structure may be dismantled and it may be changed over to direct cash transfer to farmers on unit area basis.

3.45 Due response to a specific query whether the Department have got carried out any evaluation/field trials in regard to balanced use of fertilizers *i.e.* chemicals and organic that would enhance productivity/continuity/sustainability of soils, the Department of Agriculture and Cooperation replied that they had earlier set up a task force to advise on formulation of appropriate policy to encourage the balanced use of fertilizer. The Task Force submitted its report in October, 2005. The Status of implementation of the decisions/outcomes are as under:—

- (1) To promote Integrated Nutrient Management (INM), National Project on Management of Soil Health & Fertility (NPMSH&F) has been taken up from 2008-09 is being implemented in Eleventh Plan. Now in Twelfth Plan this scheme has been subsumed under National Mission for Sustainable Agriculture. The scheme has component on setting up/ strengthening of soil testing laboratories, training & demonstration on balanced use of fertilizers, setting up/strengthening of Fertilizer Quality Control Laboratories.
- (2) For quality regulation of organic manures and biofertilizers, 3 organic fertilizers namely city compost, vermi compost, phosphatic rich organic manure (PROM) and 8 biofertilizers namely Rhizobium, Azotobacter, Azospirillum, Phosphate solubilizing bacteria, Potash Mobilizing Bacteria, Zinc Solubilising Bacteria, Mycorrhiza and Consortia of biofertilizers have been brought under Fertilizer Control Order (FCO). Also, general specifications of organic manure have been laid down under FCO.

- (3) To promote manufacturing of customized fertilizers, 29 customized fertilizers have been notified under Clause 20 B of FCO, which are crop specific, area specific and soil specific.
- (4) For setting up of Fruit/vegetable market waste compost production units and bio-fertilizers production units, back ended capital subsidy is being provided under National Project on Organic Farming, now subsumed under National Mission for Sustainable Agriculture (NMSA).
- (5) Under Fertilizer (Control) Order, 14 fortified fertilizer, fortified with micronutrients to achieve maximum fertilizer use efficiency have been notified.

3.46 Responding to a query on conducting of training programmes for farmers on balanced use of fertilizers, it was stated that balanced fertilization is normally defined as the timely application of all essential plant nutrients (primary, secondary and micronutrients) in readily available form, in optimum quantities and in the right proportion, through the correct method, suitable for specific soil/crop conditions. Components of balanced fertilization include judicious use of chemical fertilizers based on deficient soil nutrients.

Under National Project on Management of Soil Health & Fertility (NPMSH&F), now subsumed under Soil Health Management (SHM) component under NMSA, following training programmes are conducted for farmers:—

- (1) **Training for farmers :** Under the scheme, a sum of Rs. 10,000 is provided to State Governments for organizing two days training programme for farmers on balanced use of fertilizers with the following course contents:—
  - (i) Importance of soil testing in soil health management.
  - (ii) Importance of balanced fertilizer use in crop productivity and soil health management.
  - (iii) Sampling protocols and sending samples to testing laboratories.
  - (iv) Importance of organic manures and biofertilizers in balanced nutrition.
  - (v) Implementation of soil test results for soil fertility management as per the requirement of crop.

Since inception of NPMSH&F, 934 number of training for 18680 farmers has been sanctioned to various States.

(2) **Field Demonstrations:** Field Demonstrations on balanced use of fertilizers is conducted at the farmers' field. The entire package of practices except fertilization is taken up uniformly. Cultural practices such as ploughing, disking, levelling, etc. should be done before sowing/planting. The demonstration plot should of one acre (4000 sq. mt) each in one single patch. Two or more well divided plots of total one acre can also be selected. Such demonstration plot should be divided into 2 equal parts as follows:—

- (i) Control part — based on existing practices adopted by the farmer.
- (ii) Treated part — based on soil test based balanced fertilization including micronutrients and soil amendments, if required.

The Department of Agriculture and Cooperation during the course of oral evidence on Demands for Grants 2014-15 reiterated that since inception of NPMSH&F, 707 number of Field Demonstrations have been sanctioned to various States. Financial assistance for this component is Rs. 10,000/- per demonstration.

3.47 When asked to furnish a detailed note on depletion of soil fertility due to injudicious use of chemical fertilizers, Department of Agriculture and Cooperation responded as follows:—

“There is no scientific evidence of declining soil/crop productivity from judicious use of chemical fertilisers. However, indiscriminate and imbalanced use of fertilizers coupled with low addition of organic matter over years may result in multinutrient deficiencies. There is also the possibility of contamination of ground water due to excessive use of nitrogenous fertilisers, particularly in light textured soils, that has consequence on human health if used for drinking purpose. Government is recommending soil test based balanced and integrated nutrient management through conjunctive use of both inorganic and organic sources of plant nutrients to reduce the negative impact of chemical fertilizers. In addition, Indian Council of Agricultural Research (ICAR) is advocating split application and placement of fertilizers, use of slow releasing N-fertilizers and nitrification inhibitors, growing leguminous crops and use of Resource Conservation Technologies (RCTs). ICAR also imparts training, organizes frontline demonstrations to educate farmers on these aspects. Chemical fertilizers, mainly nitrogenous, phosphatic and potassic have played a significant role in increasing

agricultural productivity, helping in management of food and nutritional security concerns in the country. About 50 per cent increase in agricultural production in post Green Revolution era is attributed to the use of fertilizers alone. Although fertilizers are key inputs in enhancing crop production; fertilizer consumption and food grain production are co-related. Over the years marginal productivity of soil has been declining in relation to application of chemical fertilizers. The main factors contributing to decline in marginal productivity are comparatively higher application of straight fertilizers like Urea, Di-ammonium Phosphate (DAP) and Muriate of Potash (MoP) as against complex fertilizers (NPK) which are considered to be agronomically better and more balanced fertilizer products, absence of soil tests based application of nutrients including absence of application of secondary nutrients (such as Sulphur) and micro-nutrients (such as Zinc and Boron). Indian Institute of Soil Science, Bhopal has compiled soil test data of 500 districts on available N,P& K status from different locations in various States. Out of 500 districts, 465 districts (93%) were deficient in available nitrogen, 457 districts (91%) were deficient in available phosphorous and 259 districts (52%) were deficient in available Potassium. The sulphur deficiencies showing up in several parts of the country and are to the extent of 46%. The States most deficient in Sulphur are Himachal Pradesh, Kerala, Rajasthan, Andhra Pradesh and Jharkhand. The micro-nutrient deficiencies are to the tune of 49% Zinc, 33% Boron, 13% Molybdenum, 12% Iron, 5% Magnesium and 3% Copper at the country level. The Zinc deficiency is rampant in alluvial soils of Indo-Gangetic plains and black soils of Deccan Plateau. Boron deficiency is widespread in Odisha, West Bengal and Bihar. The iron deficiency has been noticed in rice on coarse textured soils of Punjab. Similarly, the deficiency of Magnesium is increasingly appearing on wheat grown after rice on coarse textured alkaline soils having low organic matter content. Copper deficiency is not a major problem for Indian soils and crops.”

3.48 Regarding the existence of any provision of subsidy for organic fertilizers, it was submitted that the following provisions are existing:—

- (i) Decomposed organic manures like vermicompost, city compost, Phospho rich organic manure, de-oiled caked etc., which are applied to soil to increase the availability of plant nutrient for enhancing the crop yield are termed as organic fertilisers. In addition to supplement the use of chemical fertiliser, organic fertilizer improves soil health by increasing

soil organic carbon and microbial bio-mass. It also improves soil structure and physical properties

- (ii) To ensure quality of the biofertilisers produced in the country the Government has notified biofertilisers like Rhizobium, Azotobacter, Azospirillum, PSB, Acetobacter, Potash Mobilizing Bacteria and Zinc Solubilizing Bacteria and organic fertilizers like vermicompost, city compost de-oiled cake, Phospho Rich Organic Manure (PROM ) etc. under the Fertilizer Quality Control Order (FCO), 1985. Under SHM component of NMSA, 100% financial assistance upto maximum ceiling of Rs. 85 .00 lakh is provided to State Governments for setting up bio/organic fertilizer quality control laboratories while financial assistance of Rs. 45.00 lakh is provided for strengthening of bio/organic fertilizer quality control laboratories. The notified laboratories are regularly conducting quality testing of bio-fertilizers/organic fertilizers under FCO (1985) to ensure supply of quality bio-fertilizer/organic fertilizers to the farmer community.
- (iii) Government is promoting production of bio/organic fertilizers in the country through various programmes under National Mission for Sustainable Agriculture (NMSA), Mission for Integrated Development of Horticulture (MIDH), Rashtriya Krishi Vikas Yojna (RKVY) and Network Project on Organic Farming under ICAR. Under Soil Health Management (SHM) component of NMSA, financial assistance upto 50% of cost subject to a limit of Rs. 5,000/- per hectare and Rs. 10,000/- per beneficiary is provided for promotion of organic inputs including bio/organic fertilizers. Also, financial assistance upto 33% of financial outlay, subject to a maximum ceiling of Rs.63.00 lakhs for establishment of agro/vegetable waste compost production units, and 25% of financial outlay subject to a maximum ceiling of Rs. 40.00 lakhs for biofertiliser production units, is provided as back-ended subsidy through NABARD. Assistance has been provided for 56 biofertiliser production units and 17 agro/vegetable waste compost production units under the scheme. Liquid biofertilizers have more shelf life than soild carrier based biofertilisers and easy to use and have significant effect on crops. Farmers prefer to use liquid biofertilizers over solid carrier based bio-fertilizers. Government is promoting liquid biofertilisers by giving financial assistance for setting-up state of the art liquid biofertiliser production unit.

**The State-wise total area of land brought under organic fertilizers in the country is given below:—**

Sl. No.	Name of the State	Actual production of biofertilizers in MT during years			
		2010-11	2011-12	2012-13	2013-14
1	2	3	4	5	6
1.	Andhra Pradesh	999.60	1126.35	1335.74	2137.14
2.	Arunachal Pradesh	0.00	0.00	0.00	59.00
3.	Assam	130.00	68.33	89.00	149.00
4.	Bihar	136.26	75.00	52.40	52.40
5.	Chhattisgarh	0.00	276.34	501.63	664.79
6.	Delhi	1205.00	1617.00	0.00	396.00
7.	Gujarat	6318.00	2037.35	978.48	2173.71
8.	Goa	443.40	0	370.00	66.26
9.	Haryana	6.53	914.41	5832.61	1029.79
10.	Himachal Pradesh	9.00	1.29	0.00	6.44
11.	Jharkhand	0.00	8.38	35.30	14.20
12.	Karnataka	6930.00	5760.32	7683.72	9146.34
13.	Kerala	3257.00	904.17	1045.64	1139.74
14.	Madhya Pradesh	2455.57	2309.06	1408.08	3124.54
15.	Maharashtra	2924.00	8743.69	5897.91	5719.74
16.	Manipur	0.00	0.00	0.00	0.00
17.	Mizoram	2.00	0.00	0.00	4.00
18.	Meghalaya	0.00	0.00	0.00	0.00
19.	Nagaland	21.50	13.00	7.45	7.45
20.	Odisha	357.66	590.12	407.10	1083.12
21.	Punjab	2.50	692.22	2311.33	1916.43
22.	Puducherry	783.00	509.45	621.00	52.36
23.	Rajasthan	819.75	199.78	982.00	1315.00
24.	Sikkim	0.00	0.00	9.50	10.10

1	2	3	4	5	6
25.	Tamil Nadu	8691.00	3373.81	11575.70	12964.78
26.	Tripura	850.00	1542.85	514.00	225.00
27.	Uttar Pradesh	1217.45	8695.08	1310.02	2578.94
28.	Uttarakhand	45.00	263.01	2758.21	4195.71
29.	West Bengal	393.39	603.20	1110.00	1638.69
Total		37997.61	40324.21	46836.82	51870.67

**STATE-WISE TOTAL PRODUCTION OF ORGANIC FERTILISERS IN THE COUNTRY**

(Lakh MT)

Sl.No.	Name of States	2010-11	2011-12	2012-13
1	2	3	4	5
1.	Andhra Pradesh	118.450	106.000	97.650
2.	Arunachal Pradesh	0.1261	0.0123	0.430
3.	Assam	5.8572	2.850	880.908
4.	Bihar	66.250	66.250	11.910
5.	Chhattisgarh	144.480	129.150	103.290
6.	Delhi	-	-	0.666
7.	Gujarat	40.000	363.500	366.70
8.	Goa	3.9045	4.304	4.710
9.	Haryana	18.400	18.400	18.400
10.	Himachal Pradesh	40.550	40.550	40.550
11.	Jammu and Kashmir	22.2071	22.207	22.2071
12.	Jharkhand	23.000	234.450	23.000
13.	Karnataka	1442.090	1108.620	1560.640
14.	Kerala	131.870	84.890	11.945
15.	Madhya Pradesh	136.000	136.000	136.000
16.	Maharashtra	95.470	0.820	95.470

1	2	3	4	5
17.	Manipur	0.500	0.500	0.500
18.	Mizoram	0.2150	0.080	0.081
19.	Meghalaya	0.950	10.574	14.900
20.	Nagaland	0.1615	0.1615	0.729
21.	Odisha	131.826	11.491	19.857
22.	Punjab	379.620	341.290	342.080
23.	Puducherry	-	-	-
24.	Rajasthan	294.521	294.521	380.820
25.	Sikkim	27.600	0.0058	0.150
26.	Tamil Nadu	56.390	8.370	56.390
27.	Tripura	0.000	0.000	0.000
28.	Uttar Pradesh	327.786	327.786	0.086
29.	Uttarakhand	0.385	10.640	0.385
30.	West Bengal	162.840	162.840	162.840
Total		3671.449	3486.263	4353.294

3.49 On the issue of certification of organic produce by the farmers, the Committee were informed that organic farming including certification is being provided under MIDH. For certification assistance is being extended for group certification, covering 50ha. in three installments @Rs. 1.50 lakh in 1st year, Rs. 1.50 lakh in 2nd year and Rs. 2.00 lakh in 3rd year respectively.

3.50 Responding to a pointed query on directions to fertilizer companies to compulsorily use CSR funds for training of farmers in judicious use of fertilization and pesticides, the Department of Agriculture and Cooperation submitted that a letter No. 9-14/2014-Fert. Use Cell dated: 06.05.2014 written to DG, Fertilizer Association of India to advise all fertiliser companies associated with FAI to take-up, in an aggressive manner, the following agricultural extension activities under Corporate Social Responsibility (CSR) in respect of Integrated Nutrient Management (INM):—

#### 1. Promotion of soil testing

- (a) Awareness campaign regarding benefits of soil testing.

- (b) Collection of soil samples from farmer's field.
- (c) Analysis of soil samples.
- (d) Providing recommendation to farmers on balanced use of fertilizer.

## **2. Promotion of agronomic practices**

- (a) Training & demonstration on balanced use of fertilizers.
- (b) Promotion of integrated nutrient management through conjunctive use of organic fertilizers, bio fertilizers, green manure, etc. with chemical fertilizers.

## **3. Promotion of organic farming**

- (a) Promotion of organic inputs on farmers field (manure, vermi-compost, bio fertilizer, etc.).
- (b) Training & demonstration on organic farming.
- (c) Adoption of organic farming through cluster approach.

## **4. Promotion of bio fertilizer use**

- (a) Intensive efforts are needed to increase the bio fertilizer use from present 10% average to more than 50% in the next 3 years.
- (b) On-farm demonstration of bio fertilizer use needs to be conducted to enhance awareness on the benefits of bio fertilizers.

3.51 According to the Department of Agriculture and Cooperation with limited access to soil testing facilities, farmers use blanket fertiliser recommendation. In this regard, Mission Soil Health Card is being implemented during 2014-15 to provide farmers with information on soil analysis and recommendations on appropriate dosage of nutrients to be applied for cultivation of various crops depending upon the physical, chemical and biological health of their soils. Soil analysis will be done in accordance with uniform sampling techniques and procedure to provide information to the farmers on soil texture, density, porosity, acidity/salinity, organic content, nutrient (primary, secondary and micro) content etc. through the Soil Health Card. The duration of the project is 12th Five Year Plan. Soil Health needs to be assessed in respect of all the 14 crore land holdings at 3 years intervals so as to ensure that farmers apply the required amount of nutrients to their crops. Further, in regard to the allocation to the scheme, the Department stated that an amount of Rs. 100 crore (GOI share) has been earmarked for the current year and included in plan allocation 2014-15. The scheme will be implemented with total outlay of Rs. 133.30 crore (including States share) during 2014-15.

3.52 When asked to specify the contours of the Mission Soil Health Card, the Ministry submitted that the Department is in the process of finalizing the approvals details/of the schemes announced in the Budget. In so far as Soil Health Cards are concerned, Central Government provides assistance to State Governments for setting up Soil Testing Laboratories (STLs), Mobile Soil Testing Laboratories (MSTLs) and soil testing kits through National Mission for Sustainable Agriculture. Soil analysis and distribution of Soil Health Cards is carried out by the State Governments. No uniform sampling norms are followed by the States in this exercise. There is a need to issue soil health cards every 3 years in respect of all landholdings in order to promote site-specific nutrient management involving soil test based application of fertilizers. Accordingly, distribution of Soil Health Cards is a continuous & dynamic exercise carried out by the State Governments. The scheme will provide assistance to the State Government to issue Soil Health Card periodically. In the current year, it is proposed to issue 3.12 crore Soil Health Cards from 55 lakh soil samples during current year, 5.47 crore soil health cards from 97 lakh samples in 2nd year and 5.41 crore soil health cards from 96 lakh soil samples in 3rd year across states *i.e.* 14.00 crore soil health cards in 3 year period from existing 1200 Soil Testing Laboratories with an annual capacity to test 10,000 samples each.

#### **Component 1: The Soil Health Card**

Soil health card is field-specific detailed report of soil fertility status and other important soil parameters that affect crop productivity. Besides, soil health, it also provides an advisory on soil test based use of fertilizers and amendments.

State Governments shall introduce uniform norms of sampling procedure for covering large number of holding to generate soil health cards. Their activity can be outsourced or the Soil Testing Laboratories (STLs) can be operated on a Public Private Partnership mode. Operational guidelines for sampling, analysis, information reports in soil health cards and distribution to farmers will be put in place by the State Governments. Soil will be analysed for Nitrogen, Phosphorus, Potash, Electrical Conductivity (EC), pH and micro nutrients.

Analysis of the massive scale of soil samples will be used to operationalise soil test based, taluqa/block wise fertilisers, (organic and inorganic) recommendation for supplementing deficiencies. Taluqa/block wise recommendations for various crops will make it easier to scale up dissemination to farmers and popularise various components of nutrient management for relevant crops.

All the soil testing laboratories will be given specific number of samples to be tested in the year. State Government shall demarcate area to each soil testing laboratories for sampling in order to avoid any overlapping by the laboratories.

**Uniform norms of sampling for soil testing:**

It is proposed to test 55 lakh samples in 2014-15, 97 lakh samples in 2015-16 and 96 lakh samples in 2016-17 (Total 248 lakh samples). In the irrigated areas, samples will be drawn in a grid of 2.5 ha. In rainfed areas, sampling will be done in a 10 ha. grid. In irrigated areas, large, medium and semi-medium holdings will be sampled and tested holding-wise. In case of marginal and small holdings sampling in a 2.5 ha. grid will be followed. In rainfed areas, all the large holdings will be sampled and tested holding-wise and in case of medium, semi-medium, small & marginal holdings will be sampled and tested in a 10 ha. grid. These can be standardized for entire block-wise nutrient recommendations for locally grown crops. Financial assistance will be provided for soil sample analysis and issue of soil health card.

**Component - 2: Training for soil analysis**

One-week hands-on orientation training to soil chemists, students/ JRFs for soil analysis and fertilizer recommendation in the batches of 20 participants will be organized at SAUs/ICAR Institutes. Financial assistance will be provided for training of technical staff.

## PART II

### RECOMMENDATIONS AND OBSERVATIONS OF THE COMMITTEE

1. The Committee take note that the Rule 331G of the Rules of Procedure and Conduct of Business in Lok Sabha relating to examination of Demands for Grants by the Departmentally Related Standing Committees (DRSCs) was suspended by Hon'ble Speaker, Lok Sabha to enable the House to pass the Demands for Grants for the year 2014-15 during the Second Session of Sixteenth Lok Sabha without the same being referred to the concerned DRSCs. The Demands were, however, referred to the Standing Committees for examining the same after their constitution and for presenting the Report to the House therein. The Committee, after their constitution on 1st September, 2014 took up examination of the Demands for Grants pertaining to the Ministry of Agriculture for the year 2014-15. Since the Budget for the year 2014-15 has already been passed by the Parliament, the Committee endorse the same. The Committee would however, like the Ministry to take note of their recommendations while implementing various programmes/schemes, etc. within the approved budget.

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

2. The Committee note that the Action Taken Replies regarding the action taken by the Government on the Observations/Recommendations contained in the Forty-sixth Report of the Committee were furnished by the Government within the stipulated three months. The Committee further note that in pursuance of Direction 73-A of Directions by the Speaker, Lok Sabha, the Minister concerned is required to make a Statement on the status of implementation of Observations/Recommendations contained in the Original Reports of the Committee within six months of their presentation to the Parliament. However, the Committee are perturbed to note that the Minister concerned did not make the Statement under Direction 73-A in the context of Forty-sixth Report of the Committee within the stipulated time. Though the Statement was later (05.08.2014) laid on the Table of the House, the Committee take strong exception to the failure of the Ministry time and again to adhere to stipulations laid down in Direction 73-A in respect of Statements to be made by the Minister concerned. They expect that there will not be a repeat of such lapses in future. The analysis

of the action taken by the Government reveals that 69% Recommendations have been implemented. 23% Recommendations have not been implemented and 8% of Recommendations are in various stages of implementation.

#### *SHARE OF DEPARTMENT OF AGRICULTURE AND COOPERATION IN CENTRAL PLAN*

3. Agriculture remains the principal source of livelihood for more than 54.6% of the Country's population. Being a predominantly agrarian economy and one which is experiencing constant economic growth, agriculture sector has to perform well if this growth is to be sustained. The need of the hour is to increase agricultural produce with limited natural resources in a sustainable manner for ensuring food and nutritional security while increasing the income of farmers. However, the Committee note with concern that when the issue of distribution of financial resources crops up, the agriculture sector gets neglected. This is evident from the fact that the percentage share of the Department of Agriculture and Cooperation with respect to Total Central Plan stands at just 1.21% in 2014-15 *vis-a-vis* 1.61% in 2009-10 and 1.71% in 2013-14 and in monetary terms has decreased from Rs. 11655.00 crore in 2013-14 to Rs. 5846.00 crore in 2014-15. Notwithstanding, the argument put forth by the Department that the actual annual budgetary allocations of the Department have been increasing over the years, the Committee are of the firm opinion that this is too little for this vital sector of our economy. In fact, during 2014-15 not only the percentage share of Department of Agriculture and Cooperation in total Central Plan has declined but also the allocation has declined in real terms. Keeping in view the significance of the Agriculture Sector and its contribution towards Gross Domestic Product, the Committee desire that the Government should increase the share of the Department in the Central Plan at the earliest if it is serious about effectively tackling the issues plaguing Indian Agriculture.

#### *INCREASE VIABILITY OF AGRICULTURE*

4. The Committee are enlightened to the fact that the Country is still way off in achieving food and nutritional security. Further, agriculture today is at the mercy of the vagaries of climate change coupled with a myriad of other problems like increasing land fragmentation, depleting soil health, lowering of water table, increased input costs and stagnant output costs. All these factors have resulted in agriculture no longer being a profitable vocation.

Keeping this factor in mind, they implore upon the Government to increase the allocation of funds so that a turnaround can be finally brought about in our agriculture.

#### *ATTRACTING RURAL YOUTH TOWARDS AGRICULTURE*

5. Apart from increasing the financial allocation to the Agriculture Sector, the Committee are also of the firm conviction that the vocation of Agriculture needs to be a remunerative one like any other vocation. A sense of pride needs to be infused if this sector is to attract the youth towards it, especially, the rural educated youth. For this, the Government needs to ensure remuneration commensurate with production cost, easy access to institutional credit, impart training to educated unemployed rural youth, develop entrepreneurship skills by conducting various programmes, formulating schemes for individuals/groups and also provide institutional finance at easy terms to kick start their ventures. The Committee are pretty sanguine that if the Government act upon their suggestion, it would not only succeed in attracting the youth, but would bestow social, economic and political respect to those involved in agriculture and thus increase the sustainability and viability of the core sector of our economy.

#### *MISMATCH BETWEEN PROPOSED AND ACTUAL ALLOCATION*

6. The Committee are concerned to note the quantum variation in the funds sought by the Department and the actual allocation done by the Planning Commission/Ministry of Finance which seems to make a mockery of the extant planning process. The Department candidly admitted that the actual budgetary outlays for each year are decided by the Planning Commission in consultation with Ministry of Finance which decide the Gross Budgetary Support (GBS) for any particular year. The limits laid down by GBS results in the actual outlays for any Annual Plan falling short of the overall Plan Outlays as decided at the time of finalization of Five Year Plans, reflects the planning process in a poor light. The Committee view this exercise as a futile one, due to the mismatch between proposed/ approved outlay and the actual allocation. Further, they opine that reduction in approved allocation sends wrong signals to the farming community. Having witnessed this process during the course of the Eleventh Five Year Plan wherein Department of Agriculture and Cooperation's actual allocation did not match the approved outlay for the entire Plan, the Committee desire that allocation should be done as per planning and not planning as per allocation as is currently

in vogue. They, therefore, impress upon all agencies involved in the planning process to arrive at a model wherein the figures of approved outlay and actual allocation are brought on an even keel to make the planning process rational, realistic and meaningful.

#### *SLOW PACED UTILIZATION OF FUNDS*

7. Notwithstanding, the confidence exhibited by the Department that they would be able to absorb 53% of the balance approved outlay in the remaining two fiscals as these were finalized on the basis of realistic assessment of fund requirements, the Committee cannot but view this with cynicism. This is based on the past performance of the Department. They fail to understand as to how a Department that has been unable to fully utilize the RE funds (which itself is only 88%) during the years 2012-13 and 2014-15 be confident of absorbing 53% of the balance approved outlay in the remaining two fiscals. However, being optimists, they exhort upon the Department to impress upon all the implementing agencies to increase the pace of utilization of funds and submit Utilization Certificates (UCs) of earlier allocations promptly, so as to ensure an even pace of utilization of funds across all quarters in the remaining period of the Twelfth Plan and form the basis of upward revision of funds in future.

#### *DEMANDS FOR GRANTS OF MINISTRY OF AGRICULTURE BE DISCUSSED EVERY YEAR*

8. The Committee note that Agriculture Sector is the principal source of livelihood for more than 54.6% of the Country's population and contributes 13.9% of India's GDP. Concerned to note that the Agriculture sector has not been getting its due which it richly deserves from the Government, year after year, as is evident from the mismatch between approved allocation and actual allocation, they are of the firm opinion that the time has finally come to break free from the shackles of the past. If the Agriculture Sector, which is the very basis of sustainable economic development, food security and fair deal to the toiling farmer, is to finally get its due, the time has finally dawned for this Sector to be allocated funds commensurate with the percentage of the farmers to the Country's population. The Committee, therefore, recommend to the Government that as far as possible reduction of allocated funds should be avoided. They also recommend the Demands for Grants of the three Departments of Ministry of Agriculture; *i.e.* Department of Agriculture and Cooperation, Department of Agricultural Research and Education

and Department of Animal Husbandry, Dairying and Fisheries should invariably be discussed in the House every year before the General Budget is passed by the Parliament.

#### *INVESTMENT IN AGRICULTURE SECTOR*

9. In spite of the increase in investment in Agriculture Sector being in the range of 8% to 14.2% per annum during 2004-05 to 2007-08 and public sector investment being in the range of 17.6% to 22.5%, the Committee are of the firm opinion that this amount is meagre considering the fact that agriculture is the principal source of livelihood for 54.6% of the populace. They further note that overall gross-capital formation in agriculture as a percentage of overall Gross Domestic Product (GDP) is 21.2% in 2012-13 and the share of private sector in this is 85%. Concerned to note that majority of the population i.e. 54.6% is living on 20% of the GDP, they exhort upon the Government to go for a quantum enhancement of public investment in agriculture sector at the earliest. This step, in their considered opinion would go a long way in making agriculture a sustainable and viable vocation for our agriculturists.

10. Welcoming the increased private sector investment in Agriculture Sector, the Committee desire that this investment be done via the Public Private Partnership (PPP) Mode and that too in core agriculture areas. They would also like to caution the Government to safeguard the interests of our vulnerable farmers while allowing increased private investment in this sector.

#### *OUTSTANDING UTILIZATION CERTIFICATES*

11. The issue of liquidation of Outstanding Utilization Certificates has been raised time and again by the Committee in their earlier Reports during the Fifteenth Lok Sabha. The Committee have been apprised that in spite of the efforts of Department of Agriculture and Cooperation (DAC), as on 01 April, 2014, 303 Utilization Certificates are still pending, amounting to Rs. 634.01 crore. While noting the efforts put in by Department of Agriculture and Cooperation in regard to liquidation of Outstanding Utilization Certificates, they feel that the time has finally come to look at this vexed issue, afresh, so as to initiate corrective measures that would comprehensively dealt with the issue at hand. They, therefore, desire Department of Agriculture and Cooperation to pursue the matter proactively with all implementing agencies so as to be able to seek a lasting solution to this perennial problem. They should clearly indicate to the implementing agencies about availability of funds based on the utilisation certificates in future to make the defaulting States/UTs fall in line.

#### *STREAMLINING PROCESS OF GRANTING APPROVALS TO SCHEMES*

12. The Committee have been time and again impressing upon the Government the need to revisit the process of granting multi-agency clearances to a scheme before it finally receives the sanction/ approval for implementation. However, the results are yet to be shown in this critical area. Not wanting to be disillusioned by the systemic inadequacies, and keeping in perspective the overall development of Indian Agriculture, they hope that the three new schemes that have been announced in Budget 2014-15, namely: (i) Soil Health Card, with an outlay of Rs. 100.00 crores (ii) Price Stabilization Fund for Cereals and Vegetables, with an outlay Rs. 500 crore (iii) National Agri-Tech Infrastructure, with a outlay of Rs. 100.00 crore are implemented in the current fiscal year itself, otherwise their viability would be severely restricted in the remaining years of Twelfth Plan period. The Committee also recommend that the Department should take up the matter with the concerned agencies at the highest level for single window clearance system so that the schemes see the light of the day at the earliest.

#### *NATIONAL POLICY FOR FARMERS (NPF), 2007*

13. The National Policy for Farmers (NPF), 2007 aims at improving economic viability of farming and increasing net income of farmers and many of the Schemes/programmes being implemented by Central and State Governments are as per its provision. An Inter-Ministerial Committee was set up under the Chairmanship of the Principal Adviser in the Department of Agriculture and Cooperation for preparation of a Plan of Action for operationalisation for NPF, 2007. This Committee identified 201 points where necessary action was to be taken. Out of these 201 points, 64 relate exclusively to Department of Agriculture and Cooperation, another 64 relate exclusively to other Central Departments/Ministries and 73 points are common to Department of Agriculture and Cooperation and other Departments. The Committee express their dissatisfaction over the fact that even after a lapse of almost seven years, 26 points still remain for further action. Notwithstanding, the argument put forth by Department of Agriculture and Cooperation that they are regularly requesting all concerned Ministries/Departments for early implementation of the pending action points, the Committee desire that Department of Agriculture and Cooperation take up this matter at the highest level with the concerned Departments so that pending action on the remaining 26 points is completed at the earliest by all concerned.

## AGRICULTURE CENSUS

14. Agriculture Census forms part of a broader system of collection of agricultural statistics, which is a large-scale statistical operation for collecting and deriving quantitative information about important facets of agriculture in the Country. The information collected constitutes an important input for development planning, socio-economic policy formulation and the establishment of national priorities. Agriculture Census in India is conducted at an interval of five years for which operational holding is taken as statistical unit a micro-level for data collection and is implemented in three district phases which are statistically linked together, but focus on different aspects of agricultural statistics.

The Committee are despaired to note that the final data for agri-census 2010-11 is yet to be finalized even in the year 2014. In today's world of information technology where emphasis is laid upon timely availability of data, this laxity for data pertaining to agri-census 2010-11 cannot be condoned. They, therefore, recommend that the Central Ministry impress upon all the implementing agencies to collect the relevant data and forward the same to them for final compilation and release.

15. Notwithstanding, the delay in publishing of data of agri-census 2010-11, the Committee express their satisfaction on being apprised that provision of collection of data on soil testing has been introduced in the ongoing agri-census. Declining soil health due to reckless overuse of chemical fertilizers has, in some instances, resulted in cases of soil poisoning, which poses a real threat to our agriculture. Only when the Government would have authentic data on our soil health can it go for comprehensive measures for nurturing our soil health. The Committee look forward to speedy data collection and its availability in the public domain.

16. The Committee also impress upon the Government to widen the scope of the agri-census so as to enable it to include all the parameters concerning Indian Agriculture, and make it comprehensive in all respects. They were apprised by the Department of Agriculture and Cooperation that no data is being collected on number of farmers leaving agriculture under agri-census. However, in their document titled 'Agricultural Statistics at a glance 2013' it has been illustrated the percentage of cultivators has declined from 71.9% in 1951 to 45.19% in 2011, *i.e.* a decline of 26.71%; while the percentage of agricultural labourers has increased from 28.1%

in 1951 to 54.9% in 2011, i.e. an increase of 26.8%. The Committee advise Department of Agriculture and Cooperation to furnish factually accurate information to them. Deprecating this vital component being ignored, the Committee exhort upon the Government to include this vital parameter specifically in the next agri-census *i.e.* 2015-16 as in their considered opinion this would help the Government in further fine tuning their schemes to ensure that very few farmers give up on agriculture in the future.

17. As revealed by data published in 'Agricultural Statistics at a Glance 2013', the percentage of rural population has declined from 82.7% in 1951 to 68.8% in 2011 alongwith the percentage decline of cultivators from 71.9% in 1951 to 45.19% in 2011, while the percentage of agricultural labourers has increased from 28.1% in 1951 to 54.9% in 2011. The Committee view this migration from rural to urban areas in a positive manner as it would in some way reduce the pressure on agriculture due to the ever burgeoning population. The percentage decline in rural population/cultivators would reduce the effects of land fragmentation which would ultimately lead to increasing the viability of our agriculture. However, the Committee would like to caution the Government to ensure that those rural people who have left agriculture should be absorbed in agri-based cottage/small-scale industries after having been imparted the requisite training, so that they continue their linkage with agriculture and thus be saved from being exploited as construction labourers in the urban areas. They further desire the Government to raise the level of rural amenities so as to bring them at par with sub-urban areas, in time bound manner.

#### *NATIONAL FOOD SECURITY MISSION (NFSM)*

18. The Flagship Scheme of National Food Security Mission (NFSM) since its launch in Rabi 2007-08 has increased the average annual production of foodgrains from 202.5 million tonnes during the Eleventh Plan and to 257.13 million tonnes in 2012-13. Thus, NFSM has played a pivotal role in the march towards food security. It was due to its sterling performance in the Tenth and Eleventh Plan period that its scope was enhanced both in terms of area as well as the crops *i.e.* cash crops that were brought under its purview in the Twelfth Plan period. However, the Committee are concerned to note that the financial performance of the scheme during the first two years of the Twelfth Plan has not been upto the mark. The reasons for these have been attributed to unspent balance lying with the States/implementing agencies. Deprecating this, they

recommend that all the implementing agencies put their act together and ensure optimum utilization of allocated funds so that the smooth flow of funds is not hampered and the sterling performances witnessed under NFSM carry on for food crops as well as cash crops during the Twelfth Plan period.

19. Noting that the financial as well as physical performance of Flagship Schemes of the Central Government like NFSM, Rashtriya Krishi Vikas Yojana (RKVY) can be further improved/fine tuned by establishing a dynamic monitoring mechanism as well as clear cut guidelines for implementation at the apex level, the Committee urge upon the Government of India to incorporate their instant suggestion at the earliest which would be in the interest of all parties involved and push Indian Agriculture to new heights. They further desire that the progress achieved herein be communicated to them at the earliest.

#### *DELAY IN SUBMISSION AND IMPACT EVALUATION STUDY REPORT*

20. The Committee are discerned to note that the Impact Evaluation Study of NFSM for Eleventh Plan is still in progress, though the Twelfth Plan has reached its mid-term. Deprecating this rather tardy state of affairs, the Committee desire that Department of Agriculture and Cooperation impress upon the agency entrusted with the impact study *i.e.* Agricultural Finance Corporation Limited to expedite the process of drafting their report, so that Department of Agriculture and Cooperation is able to initiate action upon the recommendations contained in the Report during the current plan period, otherwise the efficacy of this evaluation study would be greatly reduced.

#### *NATIONAL CROP INSURANCE PROGRAMME (NCIP) – ALLOCATION AND UTILIZATION OF FUNDS*

21. Being well aware that the vocation of agriculture is fraught with risks, the Ministry of Agriculture introduced a crop insurance scheme in 1985 and thereafter have been bringing out improvements in erstwhile scheme(s) from time to time based on the experience gained and the views of the stakeholders, States/UTs, farming community etc., in order to insure the farming community against various risks. Prior to the formulation of National Crop Insurance Programme (NCIP) from Rabi 2013-14, the Ministry of Agriculture were implementing 3 agri-insurance schemes *i.e.* Modified National Agricultural Insurance Schemes; Weather Based Crop Insurance

Scheme and Coconut Palm Insurance Scheme. The Committee are happy to note that during the Twelfth Plan period the allocation at RE stage has been higher than the BE allocation and the actual utilization has matched the RE figures, they further hope that States/UTs will actively come forward to avail the insurance programme in the remaining years of the Twelfth Plan and thus provide a certain level of insulation to the farmers against the vagaries of nature.

22. Guided by Department of Agriculture and Cooperation's candid admittance of the shortcomings of the NAIS, MNAIS, WBCIS and CPIS, the Committee desire that Department of Agriculture and Cooperation work upon these shortcomings so as to further increase the viability of these agri-insurance schemes, as well as achieve the target of 50% coverage during the Twelfth Plan period. In particular, the poor density of automatic weather stations which hamper settlement of claims. They further desire that the unit area of insurance be reduced to a field from the present village/village Panchayat Level and the crop coverage under NCIP be widened.

*CONTINUATION OF NATIONAL AGRICULTURAL INSURANCE SCHEME (NAIS)  
BY SOME STATES*

23. The Committee have been informed that some States have requested for continuation of National Agricultural Insurance Scheme (NAIS) during the current plan period, for reasons best known to them. However, the Department of Agriculture and Cooperation's stand on the issue is that uniform implementation of National Crop Insurance Programme (NCIP) would have been better for smoother development of crop insurance in the Country. The Committee in the instant case concur with the stand of Department of Agriculture and Cooperation based on the assumption that Department of Agriculture and Cooperation would have sought the views of all States/UTs before having come up with NCIP. They, therefore, impress upon Department of Agriculture and Cooperation to convince the States that are sceptical about implementing NCIP, the benefits of this new scheme and insist upon implementation of NAIS. Further, taking note of the fact that MNAIS is an improvement upon NAIS and is one of the component of NCIP, the Committee further recommend that the Ministry of Agriculture work towards an closure within this financial year of the NAI Scheme so as to bring a semblance of uniformity that would help in the smooth implementation of NCIP throughout the Country in this Plan period.

#### *BACKLOG IN SETTLEMENT OF APPROVED CLAIMS*

24. Having lauded the Department of Agriculture and Cooperation for the increased utilization of funds for various agri-insurance schemes in the first two years of the Twelfth Plan period, the Committee are discerned to note the huge backlog in settlement of claims. Much to their chagrin they note that while insurance companies are over zealous while collecting insurance premium from farmers, their zeal gets diluted when the issue of settlement of insurance claims arises. The data furnished to the Committee relates to pendency of claims, that have been approved, but for reasons best known to insurance companies alone, have not been paid to the poor farmer. This delay further compounds the misery of farmers who had been victims of the vagaries of nature. Although Department of Agriculture and Cooperation is not the agency responsible for settlement of claims, yet, the Committee are of the considered opinion that being the nodal agency for agri-insurance scheme, it is duty bound to ensure timely settlement of claims by the insurance companies. Accordingly, they exhort the Department of Agriculture and Cooperation to devise a mechanism for timely settlement of approved claims in order to give relief to the already harassed farmer on account of unforeseen accident/calamity.

#### *DECLINING SOIL HEALTH*

25. The Committee are aware that the declining soil health is a cause of serious concern for our agriculture. This has primarily been attributed to the reckless usage of chemical fertilizers, that while increasing production, negatively impacted the soil health especially in-cases of multi-crops and intensive cultivation. This resulted in declining soil fertility as the loss of micro and macro nutrients were not being replenished year after year. Also, lack of inter cropping was also compounding soil fertility issues. The lack of sensitivity towards our soil health has in some cases also resulted in instances of soil poisoning. The Committee express their anguish over this state of affairs and strongly feel that the Government have not dealt with this issue with the alacrity it demands. Being well aware of the consequences of declining soil health on our agricultural productivity and sustainability, the Committee strongly feel that the need of the hour is to firstly undertake a comprehensive soil analysis across the Country at the earliest so as to be apprised of the nature of soil health, take remedial action accordingly and at the same time strictly implement adherence to a judicious mix of organic and chemical fertilizers.

#### *STRENGTHENING OF SOIL TESTING MECHANISM*

26. Being of the strong conviction that the present paraphernalia of soil testing in our Country is woefully inadequate, the Committee recommend that the Government undertake the upgradation of soil health testing apparatus/systems on war footing in terms of static soil testing labs/mobile testing laboratories. It should further be ensured that adequate funding is provided for the same. They also emphasise that young local youth should be roped in through capacity building measures for using soil testing equipment at Panchayat level.

#### *BALANCED USE OF FERTILIZERS*

27. The higher usage of urea in comparison to other chemical fertilizers like Muriate of Potash (MoP), Phosphate and Potash is a cause of concern for the Committee. They are also aware that ignorance on part of our farmers on the usage of Muriate of Potash (MoP), Potassium and Phosphate drives them to overuse urea as they believe that this would increase the size of their crop as well as the Nitrogen content in the soil. Being well aware of the fact that this ignorance can only be overcome by educating our farmers on the judicious and balanced use of fertilizers, the Committee desire that training programmes be conducted at Panchayat Level before every sowing season. The field demonstrations could be carried out by Krishi Vigyan Kendras (KVKs), so that farmers would have practical first hand knowledge on balanced fertilizer usage, which would help in increasing production, productivity as well as sustaining the soil health of their fields.

#### *INCENTIVISING USE OF ORGANIC FERTILIZERS*

28. Being enlightened to the fact that balanced use of chemical and organic fertilizers will ultimately help in nurturing our soil health, and also the fact that organic fertilizers inspite of their inherent superiority are not being given their due, the Committee strongly recommend that the Government work in right earnest towards developing the organic fertilizer sector by providing various incentives to investors in infrastructure, manufacturing, quality assurance and marketing of organic fertilizers. They also recommend that the Department should give wide publicity to organic farming, so as to increase awareness amongst the farming community, as well as involve young educated farmers in propagating organic fertilizers. They further desire the Government to emulate the cooperative channel for manufacture and distribution of organic

fertilizers. This would ultimately help the farmers to choose between organic and chemical fertilizers without being dependent on any particular group with vested interests or pressure groups.

*EARLY IMPLEMENTATION OF MISSION SOIL HEALTH CARD*

29. There has been growing concern about the imbalance in the usage of different types of chemical fertilizers, resulting in deterioration of soil health and declining productivity. Department of Agriculture and Cooperation have attributed this factor to limited access to soil testing facilities which force farmers into blanket fertilizer recommendation. In order to correct this, a new Scheme 'Mission Soil Health Card' is to be implemented from the current financial year *i.e.* 2014-15. The Committee exhort upon all the concerned agencies involved to grant clearance to this Scheme at the earliest so as to enable its implementation from this year itself. Further, the implementation of the Scheme should be time bound in regard to the exercise of soil-testing and issuing of Soil Health Card (SHC). All agencies involved should coordinate their efforts and be assigned area-specific responsibilities for the efficacy of this vital Scheme.

NEW DELHI;  
10 December, 2014  
19 Agrahayana, 1936 (Saka)

HUKM DEO NARAYAN YADAV,  
Chairperson,  
Committee on Agriculture.

## NATIONAL AGRICULTURAL INSURANCE SCHEME (NAIS)—pending claims

NAIS—CLAIMS APPROVED BUT NOT YET PAID (AS ON 22.9.2014)

Sl. No.	State	Season	Total Claims Outstanding	Share in claims			SG's prem. subsidy amt. pending	Reasons—Non receipt of Government share of liability. Liabilities awaited in respect of
				Share in claims		GOI's Share		
				AIC's Share	S.G.'s Share			
1	2	3	4	5	6	7	8	9
1.	Andhra Pradesh	Rabi 2011-12 1st Instl. PART PAYMENT	226.04	0.00	113.02	113.02	0.00	Banks account details for non-loanee farmers are awaited
2.	Andhra Pradesh	Rabi 2011-12 2nd installment	2325.47	1.01	1162.23	1162.23	0.00	Banks account details for non-loanee farmers are awaited
3.	Andhra Pradesh	Kharif 2012 1st Instl.	35.58	35.58	0.00	0.00	0.00	Claims for non-loanee farmers is being verified
	Sub Total		2587.08	36.59	1275.24	1275.24	0.00	

(Amount in Lakh)

1	2	3	4	5	6	7	8	9
1.	Bihar	Rabi 2009-10 1st Instl.	13330.15	198.40	6565.88	6565.88	0.00	Pre-receipt from the banks are awaited.
2.	Bihar	Rabi 2009-10 3rd Instl.	7.97	0.00	3.98	3.98	0.00	Pre-receipt from the banks are awaited.
	Sub Total		13338.12	198.40	6569.86	6569.86	0.00	
1.	Jharkhand	Rabi 2011-12	16.25	0.00	16.25	0.00	0.00	State Government share in claims
2.	Jharkhand	Kharif 2012	36.72	24.27	12.45	0.00	24.27	State Government share in premium subsidy and claims
3.	Jharkhand	Kharif 2013	15.81	15.81	0.00	0.00	4.61	State Government share in premium subsidy
4.	Jharkhand	Rabi 2012-13	64.53	56.77	3.88	3.88	2.72	State Government share in premium subsidy and claims
	Sub Total		133.31	96.85	32.58	3.88	31.61	
1.	Kerala	Rabi 2012-13 1st and 2nd Instl.	104.98	0.00	83.39	21.59	0.00	State Government share in claims
2.	Kerala	Kharif 2012 3rd installment	4.60	4.60	0.00	0.00	3.80	State Government share in premium subsidy
3.	Kerala	Rabi 2012-13 3rd installment	0.16	0.16	0.00	0.00	0.35	State Government share in premium subsidy

1	2	3	4	5	6	7	8	9
4.	Kerala	Kharif 2013 1st installment	2.74	2.74	0.00	0.00	4.15	State Government share in premium subsidy
	Sub Total		112.48	7.50	83.39	21.59	8.30	
1.	Odisha	Kharif 2013 1st and 2nd Instl.	39735.41	8745.55	15494.93	15494.93	0.00	State Government share in claims
	Sub Total		39735.41	8745.55	15494.93	15494.93	0.00	
1.	Puducherry	Rabi 2013-14	1.44	1.44	0.00	0.00	2.23	State Government share in premium subsidy
	Sub Total		1.44	1.44	0.00	0.00	2.23	
1.	Tamil Nadu	Kharif 2010 2nd Instl.	0.75	0.00	0.75	0.00	0.00	State Government share in claims
2.	Tamil Nadu	Rabi 2012-13 2nd installment	14422.27	298.67	7061.80	7061.80	359.82	State Government share in premium subsidy and claims
3.	Tamil Nadu	Kharif 2013 1st installment	49.66	49.66	0.00	0.00	69.58	State Government share in premium subsidy
	Sub Total		14472.68	348.33	7062.55	7061.80	429.40	
1.	West Bengal	Rabi 2011-12	7.28	0.00	7.28	0.00	0.00	Clarification from bank yet to be received

1	2	3	4	5	6	7	8	9
2.	West Bengal	Rabi 2012-13	2936.70	1901.48	517.61	517.61	2424.89	State Government share in premium subsidy and claims
	Sub Total		2943.98	1901.48	524.89	517.61	2424.89	
	Total		73324.51	11336.14	31043.45	30944.91	2896.43	

AGRICULTURE INSURANCE CO. OF INDIA LTD., HEAD OFFICE NEW DELHI  
NAIS—ADDITIONAL CLAIMS APPROVED BUT NOT YET PAID (AS ON 5.8.2014)

Sl.No.	State	Season	Total Claims Outstanding	Share in claims		SG's share in premium subsidy	Reasons—Non-receipt of Government share of liability. Liabilities awaited in respect of	
				AIC's Share	S.G.'s Share			Gol's Share
1	2	3	4	5	6	7	8	9
1.	Bihar	Kharif 2010 Addl.	33.42	0.00	16.71	16.71	0.00	State Government share in claims
	Sub Total		33.42	0.00	16.71	16.71	0.00	
1.	Gujarat	Kharif 2012 Addl.	18.00	0.75	8.62	8.62	0.00	State Government share in premium subsidy and claims
	Sub Total		18.00	0.75	8.62	8.62	0.00	
1.	Kerala	Rabi 2010-11 Addl.	0.78	0.00	0.39	0.39	4.81	State Government share in claims
	Sub Total		0.78	0.00	0.39	0.39	4.81	
1.	Maharashtra	Rabi 2012-13 Addl.	158.69	32.55	63.07	63.07	0.00	State Government share in claims
	Sub Total		158.69	32.55	63.07	63.07	0.00	
1.	Tamil Nadu	Rabi 2008-09 2nd Addl. claims	6.19	0.00	6.19	0.00	0.00	State Government share in claims

1	2	3	4	5	6	7	8	9
2.	Tamil Nadu	Rabi 2009-10 Addl.	1.49	0.00	1.49	0.00	0.00	State Government share in claims
3.	Tamil Nadu	Rabi 2009-10 Addl. (2)	110.71	0.00	55.35	55.35	0.00	State Government share in claims
	Sub Total		118.38	0.00	63.03	55.35	0.00	
1.	West Bengal	Kharif 2007 Addl.	87.29	0.00	87.29	0.00	0.00	State Government share in claims
2.	West Bengal	Rabi 2009-10 Addl.	2.29	0.01	2.27	0.00	0.01	State Government share in claims and premium subsidy
3.	West Bengal	Rabi 2008-09 Addl. claims	125.84	0.00	125.84	0.00	0.00	State Government share in claims
	Sub Total		215.42	0.01	215.41	0.00	0.01	
	Total		544.69	33.31	367.23	144.14	4.83	
	Grand Total		73869.19	11369.45	31410.68	31089.06	2901.26	

## STATUS OF PENDING CLAIMS—MNAIS

(Rs. in lakh)

Season/Scheme	States	Future Generali	AIC	TATA AIG	ICICI Lombard	HDFC ERGO	CHOLA MS	IFFCO-Tokio	Reliance	Reasons
1	2	3	4	5	6	7	8	9	10	11
MNAIS										
Rabi 2011-12	Karnataka				101.39					GDDCB issue (Gulbarga District)
	Uttarakhand				1.55					NEFT related issue.
Kharif 2012	Assam				26.95					Subsidy pending and data pending.
	Jharkhand							5.26		Unpaid due to partial State Government subsidy pending.
Kharif 2013	Haryana		149.19		60.28					State share of premium subsidy awaited. NEFT related issue as well.
	Bihar				3552.62				150.51	Subsidy pending and one block data pending.
	Rajasthan				2652.25					NEFT related issue.

1	2	3	4	5	6	7	8	9	10	11
	Jharkhand	12.96						34.76		State Government subsidy is still pending.
	Uttar Pradesh				3.09					Booking issue.
Rabi 2012-13	West Bengal		2874.47							State share of premium subsidy awaited.
	Assam				18.52					Subsidy pending and data pending.
	Haryana				0.69					NEFT related issue.
	Rajasthan				14.04					NEFT related issue.
Rabi 2013-14	Rajasthan				1179.17					Booking issue pending. NEFT detail pending and some notified area data pending.
	Uttar Pradesh				0.84			5.91		Booking issue pending and some notified area data pending. State Government subsidy is pending.
	Odisha	*14.68								State share of premium subsidy awaited.
	Total	12.96	3023.66		7611.39			45.93	150.51	

\*Due to some observations, yield data is under scrutiny with State Government, claims amount might get change with final set of data.

## STATUS OF PENDING CLAIMS—WBCIS

(Rs. in lakh)										
Season/Scheme	States	Future Generali	AIC	TATA AIG	ICICI Lombard	HDFC ERGO	CHOLA MS	IFFCO- Tokio	Reliance	Reasons
1	2	3	4	5	6	7	8	9	10	11
WBCIS										
Rabi 2009-10	Rajasthan		68.18							Non-loanee farmers document awaited.
Kharif 2010	Rajasthan		8.03							Non-loanee farmers document awaited.
Rabi 2010-11	Rajasthan		0.21							Non-loanee farmers document awaited.
	Himachal Pradesh		27.33							Non-loanee farmers document awaited.
Kharif 2011	Andhra Pradesh		4.08							RTGS details from Banks awaited.
	Jharkhand		332.59		76.11					Part State Government share of premium subsidy awaited.

1	2	3	4	5	6	7	8	9	10	11
Rabi 2011-12	Rajasthan		0		0.99					Booking issues.
	Haryana		37.28							RTGS details from banks awaited.
	Bihar		8424.19		0.01					State Government share of premium subsidy awaited.
Kharif 2012	Tamil Nadu				25.99					Subsidy pending.
	Haryana		12.58		0.02					Non-loanee farmers document awaited. NEFT related issues as well.
	Kerala		0.16							State Government share in premium subsidy.
	Karnataka				82.56					NEFT related issues.
	Tamil Nadu				11.09					Subsidy pending and data pending.
	West Bengal				7.06					Subsidy confirmation pending, data pending and booking issues.
	Rajasthan				0.28					NEFT details not received and Booking error.
	Bihar							540.11		Partially unpaid as partial State Government subsidy is pending.
	Jharkhand		312.44		50.19			38.92		State Government share in premium subsidy pending.

1	2	3	4	5	6	7	8	9	10	11
Rabi 2012-13	Haryana		57.74		1.14					Non-loanee farmers document awaited. NEFT related issues as well.
	Himachal Pradesh		4.37		0.94					Non-loanee farmers document awaited. NEFT related issues as well.
	West Bengal		0.01							Non-loanee farmers document awaited.
	Bihar		15810.34		7172.67	7250.14		3218.93		State Government share of premium subsidy awaited.
	Jharkhand		102.96							State Government share of premium subsidy awaited.
	Rajasthan				1935.14					NL and L-NEFT related issues. NEFT related issues.
Kharif 2013	Uttar Pradesh				0.06					Subsidy confirmation pending, data pending and booking issues.
	West Bengal				70.08					NEFT details not received.
	Uttarakhand				1.14					Non-loanee farmers document awaited. Subsidy confirmation pending, data pending and booking issues.
	West Bengal		0.44	0.32	4.69	2.19				

1	2	3	4	5	6	7	8	9	10	11
	Haryana	23.96	174.46	116.85	130.4	266.66		300.14		State Government share of premium subsidy awaited. Recently paid and partial subsidy pending.
	Himachal Pradesh				0.72					NEFT related issues.
	Jharkhand		610.34		1142.48	880.43				State Government share of premium subsidy awaited.
	Karnataka				106.06					NEFT related issues and recently paid.
	Rajasthan				541.51					NEFT related issues.
	Uttar Pradesh	1242.84			1705.35	298.95				Claim cheque disbursement is under process. Share of amount recently paid by ICICI.
	Uttarakhand				262.49					Recently paid and one policy NEFT details pending.
	Bihar		1796.68							Claims settled.
	Madhya Pradesh					968.68				
Rabi 2013-14	Haryana	6.53	409.74	76.18	39.13	53.18		224.58		State Government share of premium subsidy awaited.

1	2	3	4	5	6	7	8	9	10	11
Bihar	#992.99	0	294.63	2007.08	624.31					State Government share of premium subsidy awaited.
Madhya Pradesh	0.06	19.81		1046.24	144.35	238.28				State Government share of premium subsidy awaited. Booking issues as well.
Rajasthan		0		13774.96						Recently paid and some amount under process.
Jharkhand		0		517.12						Subsidy pending and Booking issues.
West Bengal	1.78					0.07				State Government share of premium subsidy awaited.
Uttarakhand						1.17				
Uttar Pradesh	132.86			53.93						Claim cheque disbursement is under process. Share of amount recently paid By ICICI.
Assam									0.56	State Subsidy not received.
Haryana									37.2	State Subsidy not received.
Bihar									730.11	State Subsidy not received.
		3205.15	26417.16	487.66	30767.63	10488.89	4562.2	767.87		

#Only partial share of subsidy received from the State Government.

## APPENDIX I

### COMMITTEE ON AGRICULTURE (2014-15)

#### MINUTES OF THE SECOND SITTING OF THE COMMITTEE

The Committee sat on Friday, the 19th September, 2014 from 1100 hours to 1400 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

#### PRESENT

Shri Hukm Deo Narayan Yadav — *Chairperson*

#### MEMBERS

##### *Lok Sabha*

2. Prof. Ravindra Vishwanath Gaikwad
3. Shri Nalin Kumar Kateel
4. Md. Badaruddoza Khan
5. Dr. Tapas Mandal
6. Shri Janardan Mishra
7. Shri Ajay Nishad
8. Shri Dalpat Singh Paraste
9. Shri Mukesh Rajput
10. Shri Konakalla Narayana Rao
11. Shri C.L. Ruala
12. Shri Arjun Charan Sethi
13. Shri Satyapal Singh
14. Shri Virendra Singh
15. Shri Dharmendra Yadav
16. Shri B.S. Yeddyurappa

##### *Rajya Sabha*

17. Shri A.W. Rabi Bernard
18. Shrimati Renuka Chowdhury

19. Shri Janardan Dwivedi
20. Shri Vinay Katiyar
21. Shri Mohd. Ali Khan
22. Shri Rajpal Singh Saini
23. Shri Ram Nath Thakur
24. Shri Shankarbhai N. Vegad
25. Shri Darshan Singh Yadav

SECRETARIAT

- |                         |   |                      |
|-------------------------|---|----------------------|
| 1. Shri A. Louis Martin | — | Additional Secretary |
| 2. Shri C. Vanlalruata  | — | Deputy Secretary     |
| 3. Shri Sumesh Kumar    | — | Under Secretary      |

WITNESSES

**MINISTRY OF AGRICULTURE  
(DEPARTMENT OF AGRICULTURE AND CO-OPERATION)**

- |                         |  |
|-------------------------|--|
| 1. Shri Ashish Bahuguna | Secretary                                |
| 2. Shri Raghav Chandra  | Additional Secretary & Financial Adviser |
| 3. Shri Ranglal Jhamuda | Additional Secretary                     |
| 4. Dr. Dalip Singh      | Additional Secretary                     |
| 5. Ms. Sangeeta Verma   | Economic and Statistical Advisor         |
| 6. Dr. J.S. Sandhu      | Agriculture Commissioner                 |
| 7. Shri Joseph Abraham  | Senior Adviser                           |
| 8. Shri Sanjeev Gupta   | Joint Secretary                          |
| 9. Shri Sanjeev Chopra  | Joint Secretary                          |
| 10. Shri U.K. Singh     | Joint Secretary                          |
| 11. Shri R.B. Sinha     | Joint Secretary                          |
| 12. Shri Raj Singh      | Joint Secretary                          |
| 13. Dr. A.K. Bhutani    | Joint Secretary                          |
| 14. Shri Shakeel Ahmad  | Joint Secretary                          |
| 15. Shri Sanjeev Lohia  | Joint Secretary                          |
| 16. Shri R.K. Singh     | Joint Secretary                          |

2. At the outset, the Chairperson welcomed the members of the Committee and representatives of the Ministry of Agriculture (Department of Agriculture and Cooperation) to the Sitting.

3. After the witnesses introduced themselves, the Secretary briefly highlighted the activities/achievements made by the Department during the Twelfth Plan period and preceding Financial Year. Thereafter, the Committee discussed, among other things, about reasons for variation between approved allocation, proposed allocation; budget estimates, revised estimates and actual allocation; issue of declining soil fertility due to over use of chemical fertilizers and the need to restore soil health; review of the current fertilizer policy in regard to the subsidy aspect; the importance of developing infrastructure for storage of agricultural produce in rural areas; lack of certified seeds and pesticides; percolation of new technology to the farm level; need to check the shift from food crops to cash crops as it would pose serious threat to our food security; attracting educated youth towards agriculture and the need for a separate budget for agriculture keeping in view that Indian economy is a predominantly agrarian economy.

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

*The Committee then adjourned.*

## APPENDIX II

### COMMITTEE ON AGRICULTURE (2014-15)

#### MINUTES OF THE TENTH SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 10th December, 2014 from 1500 hrs. to 1700 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

#### PRESENT

Shri Hukm Deo Narayan Yadav — *Chairperson*

#### MEMBERS

##### *Lok Sabha*

2. Shri Sanganna Amarappa
3. Prof. Ravindra Vishwanath Gaikwad
4. Shri Nalin Kumar Kateel
5. Md. Badaruddoza Khan
6. Shri C. Mahendran
7. Shri Tapas Mandal
8. Shri Janardan Mishra
9. Shri Dalpat Singh Paraste
10. Shri Nityanand Rai
11. Shri Mukesh Rajput
12. Shri C.L. Ruala
13. Shri Arjun Charan Sethi
14. Shri Virendra Singh
15. Shri Jai Prakash Narayan Yadav
16. Shri B.S. Yeddyurappa

##### *Rajya Sabha*

17. Shri A.W. Rabi Bernard
18. Shrimati Renuka Chowdhury

19. Shri Mohd. Ali Khan
20. Shri Ram Nath Thakur
21. Shri Shankarbhai N. Vegad
22. Shri Darshan Singh Yadav

SECRETARIAT

- |                               |   |                  |
|-------------------------------|---|------------------|
| 1. Shri Abhijit Kumar         | — | Joint Secretary  |
| 2. Smt. Abha Singh Yaduvanshi | — | Director         |
| 3. Shri C. Vanlalruata        | — | Deputy Secretary |
| 4. Shri Sumesh Kumar          | — | Under Secretary  |

2. At the outset the Chairperson welcomed the members to the Sitting of the Committee. The Committee, then, took up the draft Reports on the examination of Demands for Grants (2014-15) the Ministry of Agriculture (i) \*\*\* \*\*\*, and (ii) Department of Agriculture and Cooperation. After some deliberations, the Committee adopted the draft Reports without any modification and authorized the Chairperson to finalise the reports on the basis of factual verification from the concerned Departments and present the same to Parliament.

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| *3. *** | *** | *** | *** | *** |
| *4. *** | *** | *** | *** | *** |
| *5. *** | *** | *** | *** | *** |

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\*Matter not related to this Report.





