

**STANDING COMMITTEE ON AGRICULTURE
(2006-07)**

FOURTEENTH LOK SABHA

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

DEMANDS FOR GRANTS (2007-2008)

TWENTY SEVENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

APRIL, 2007/VAISAKHA, 1929 (Saka)

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Presented to Lok Sabha on 27.04.2007

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LOK SABHA SECRETARIAT

NEW DELHI

APRIL, 2007/VAISAKHA, 1929 (Saka)

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Composition of the Standing Committee on Agriculture (2006-2007)

Prof. Ram Gopal Yadav – Chairman

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| 5. | Ms. Amita Walia | - | Under Secretary |
-

INTRODUCTION

I, the Chairman, Standing Committee on Agriculture, having been authorized by the Committee to submit the report on their behalf, present this Twenty Seventh Report on the Demands for Grants (2007-2008) of the Ministry of Agriculture (Department of Agriculture and Cooperation).

2. The Demands for Grants of the Ministry of Agriculture were laid on the table of the House on 19th March, 2007. Under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Committee has to consider the Demands for Grants of the concerned Ministries/Departments under its jurisdiction and make a report on the same to both the Houses of Parliament.

3. The Committee took evidence of the representatives of the Ministry of Agriculture (Department of Agriculture and Cooperation) at their sitting held on 22nd March 2007. The Committee wish to express their thanks to the officers of the Ministry of Agriculture for giving evidence and for placing before the Committee the study material and information desired in connection with the examination of Demands for Grants of the Department of Agriculture and Cooperation.

5. The Committee considered and adopted the report at their sitting held on 20th April, 2007.

6. For facility of reference, the observations/recommendations of the Committee have been printed in bold letters and placed at Part II of the report.

NEW DELHI;
20 April, 2007
30 Chaitra, 1929 (Saka)

PROF. RAM GOPAL YADAV
Chairman,
Standing Committee on Agriculture

PART – I

Chapter I

INTRODUCTION

1.1 Agriculture is the mainstay of the Indian economy, as it constitutes the backbone of the rural livelihood security system. It is the core of planned economic development in India, as the trickle-down effect of agriculture is significant in reducing poverty and regional inequality in the country. Growth in agriculture has a maximum cascading impact on other sectors, leading to the spread of benefits over the entire economy and the largest segment of population.

1.2 India's total geographical area is 328.7 million hectares, of which 141 million hectares is the net sown area, while 190 million hectares is the gross cropped area. The net irrigated area is 57 million hectares with a cropping intensity of 134 per cent. The agriculture sector contributes about 21 per cent of India's Gross Domestic Product (GDP); 11 per cent of total exports; and provides employment to around 56.4 per cent of the work force. The rapid growth of agriculture is essential not only for self-reliance but also for meeting the food and nutritional security of the people, to bring about equitable distribution of income and wealth in rural areas, and to reduce poverty and improve the quality of life.

1.3 The Department of Agriculture and Cooperation (DAC), under the Ministry of Agriculture, plays a pivotal role in formulating and implementing National Policies and Programmes for increasing agricultural production, productivity and development through a series of Schemes, Programmes aimed at optimum utilization of country's land, water, soil and plant resources. The Department undertakes measures to ensure adequate

and timely supply of inputs and services, such as agricultural implements, agricultural credit, fertilizer, pesticides and seeds to the farmers.

1.4 The National Commission on Farmers was set up in February 2004 to examine and recommend policies, programmes and measures on various issues confronting Indian Farmers and to suggest appropriate interventions for improving the economic viability, profitability, productivity and sustainability of major farming systems in the country. The Commission was reconstituted in November, 2004 under the Chairmanship of Dr. M.S.Swaminathan with revised terms of reference.

The Commission submitted five Reports on different dates as indicated below:

No.	Date of submission
First Report	29.12.2004
Second Report	11.08.2005
Third Report	29.12.2005
Fourth Report	13.04.2006
Fifth and Final Report	04.10.2006

1.5 The Government has informed that a Draft National Policy for farmers has been submitted by Union Agriculture Minister after having State level consultations with farmers including women farmers, and other stakeholders including NGOs, Bankers, Media and Scientists.

1.6 The key recommendations of the Commission contained in its Reports and incorporated in the Revised Draft National Policy for Farmers are as below:

A. Asset Reforms

1. Land: (i) Complete the unfinished agenda on land reforms, distribute land to landless; (ii) Review the formula to calculate payment of compensation

under the Land Acquisition Act; (iii) Prime farm land must be conserved for agriculture and should not be diverted for non-agricultural purposes.

2. Water: (i) Repair, renovation and restoration of water bodies; (ii) Taking up water harvesting and aquifer recharge; (iii) Self- sufficiency in irrigation water availability and promotion of Water User Associations (iv) Water-crop and variety-nutrients- implements strategy for water use efficiency and (v) To formulate drought code, flood code and good weather code.
3. Livestock: (i) Set up National Live Stock Development Council for holistic management of the livestock sector so as to improve its yield; (ii) To establish Livestock Feed and Fodder Corporation at State level to promote quality feed and fodder for livestock; (iii) Make poultry an agricultural activity; iv) Establish genetic evaluation systems for indigenous breeds as well as crosses to increase livestock productivity.
4. Fisheries: i) Guiding principles of National Fisheries Development Board for holistic management and development of fisheries and aquaculture should be ecology, economic gender equity and employment generation. ii) Introduce Integrated Coastal Zone Management and scientific fish rearing, harvesting and processing. iii) Aquarian Reforms by providing landless families access to village ponds and other water bodies in the public domain for aquaculture and for harmonizing the needs of artisanal and mechanized fishing in coastal areas.
5. Bio-Resources: (i) Conservation of abundant wealth of flora and fauna including soil micro flora and micro fauna; (ii) Documentation of traditional knowledge; and (iii) Use the Gene and Bio diversity Fund for

recognition and rewarding the contribution of tribal men and women to genetic resource conservation and enhancement and for saving traditional crops and wisdom; and iv) The Plant Variety Protection and Farmers' Rights Act (PVPFR) and Biodiversity Act, must have detailed guidelines that ensure the rights of farmers in their triple roles of conservers, cultivators and breeders.

B. Support Services:

(a) Science and Technology: (i) Set up a National Bio-Technology Regulatory Authority; (ii) Utilize information and communication technology through Common Service Centres and Gyan Chaupals; (iii) Utilize frontier technologies to improve productivity in perpetuity without ecological harm (ever green revolution), (iv) Research strategy should be pro-nature and pro-small farmer.

(b) Input and Services: (i) Promotion and production of good quality and disease free planting material including seed and promoting farmer-seed company partnership, (ii) integrated pest management, (iii) proper advice on reclamation of waste land and issue of soil health passbook to farm families for monitoring soil health and pricing policies to promote a balanced and efficient use of fertilizers; (iv) A Gram Panchayat Mahila Fund be established to enable SHGs and Women's Groups to undertake community activities that help to meet gender specific needs.

(c) Credit and Insurance: (i) Formulate comprehensive agriculture credit policy; (ii) Enhance the outreach of the credit flow and make it hassle free; (iii) Revitalize cooperative credit structure; (iv) Livestock insurance be revamped; (v) Expand the scope of insurance which should be farmer- friendly covering production, post-harvest

operations and market risks for all crops through the country. (vi) Review the role of NABARD to make it serve as National Bank for Farmers;

(d) Extension, training and knowledge connectivity: (i) Set up Farm Schools in the fields of innovative farmers to promote Farmer-to-Farmer learning; (ii) Restructure Krishi Vigyan Kendras (KVKs) should have post-harvest technology wings; (iii) Set up Village Knowledge Centres (VKC) at village level and Village Resource Centres (VRC) at block level; and (iv) Synergise Internet, FM radio, cell phone facilities for development of farming; and (v) All research, development and extension programmes in agriculture, and all services must be engendered.

(e) Assured and remunerative marketing: (i) The State Governments may undertake market reforms speedily to provide more options to the farmers for selling their produce, allowing private sector to develop markets and remove bottlenecks (ii) Calculate Minimum Support Price (MSP) on the basis of weighted cost plus a margin of at least 50%; (iii) Fix procurement price on the basis of minimum support price plus cost escalation for procurement for PDS; and extend market support price through out the country and for all crops; (iv) Effectively use Market Intervention Scheme (MIS) to protect the farmers' interest; (v) Put in place a Universal Public Distribution System to ensure food and nutrition security; (vi) Set up Price Stabilization Fund to mitigate the market risks of farmers on account of wide price fluctuations; (vii) The Commission on Agricultural Costs and Prices(CACP) should be made an autonomous statutory body and its membership should include a few practising farm women and men, (viii) An Indian Trade Organisation should be established to operate a Livelihood Security Box for the farmers.

(f) **Social Security:** (i) Pay at least Rs.1500 per month to the families of fishermen in off-seasons; and (ii) The recommendations made by A. Sen Gupta Commission for enterprises in unorganized sector may be suitably adapted to the needs of the farmers.

(g) **Curriculum Reforms:** The curriculum in agricultural and animal sciences universities should be reformed and oriented to achieve the goal, “Every Scholar an Entrepreneur” with emphasis to enable the farm graduates to be an entrepreneur.

(h) **Agricultural Biosecurity:** Put in place National Agricultural Biosecurity system consisting of three mutual reinforcing components with National Agricultural Biosecurity Council.

C. **Other Initiatives:**

(a) Special Category of Farming: promote (i) Organic farming; (ii) Green agriculture; and (iii) Protected Agriculture (Green House, Fertigation) etc. (iv) Assessing risks and benefits of Genetically Modified Crops (GMO) resistant to different stresses like drought, salinity etc. (v) A codes of conduct for contract farming be developed for major farm commodities.

(b) A National Land Use Advisory Service should be immediately established and linked to State and Block level land use advisory services on hub and spoke model to provide proactive advice to farmer on land use taking into consideration the factors like climate and market.

(c) An Agriculture Risk Fund should be set up to insulate farmers from risks arising from recurring droughts and other weather aberrations.

(d) Improving efficiency of small and marginal farmers through (i) cooperative farming; (ii) contract farming; (iii) promoting small holders’ estates and (iv) proper utilization of State Farms.

(e) Panchayat Raj Institutions (PRIs): (i) Empower PRIs to implement the provisions of article 243 (G) of the Constitution in letter and spirit; (ii) Mobilize over 1 lakh elected women members of PRIs for improving quality of life in villages; and (iii) Train one woman and one man in each Panchayat to serve as Farm Science Managers.

(f) Food Security: (i) Formulate Food Guarantee Act by combining principal features of National Food for Work Programme and National Rural Employment Guarantee Programme; (ii) Set up a National Food Security and Sovereignty Board under the Chairmanship of Prime Minister.

(g) Set Up State Farmers' Commission to suitably adapt and modify the National Policy to suit local realities to prepare operational plan for implementing the Policy.

(h) Launch Rural Non-Farm Livelihood Initiative with restructured KVIC and SFAC on the lines of Town and Village Enterprises (TVEs) Programme of China to create employment opportunities for farm families.

(i) The Ministry and Departments of Agriculture both in the Centre and States may be restructured to become Ministry/Department of Agriculture and Farmers' Welfare.

(j) Agriculture should be in the **Concurrent List** of the Constitution to enable more coherence between macro policies of trade, finance and investment, which are currently under the Union – and developmental policies managed by the States.

1.7 During evidence, the Committee were further informed that:

“In order to take the States on Board for implementation of recommendations, the Union Agriculture Minister held a conference of State Agriculture Ministers and allied sectors in Dec’ 2006 to elicit their response. The State Government are broadly in agreement with most of the recommendations

made by the Commission. A number of recommendations made by the Commission are already under implementation through new initiatives taken by the Government in the recent past. High priority is being given to fully operationalise these recommendations”.

1.8 Annual Average Growth Rate in Agriculture and Allied Sectors:

Annual average growth rate (at constant prices) (per cent)		
Five Year Plan	Overall GDP growth rate Sectors	Agriculture & Allied
Eighth Plan (1992-97)	6.7	4.7
Ninth Plan (1997-2002)	5.5	2.1
Tenth Plan (2002-07)	7.6	2.3
2002-03	3.8	-7.2
2003-04	8.5	10.0
2004-05 (P)	7.5	0.0
2005-06 (Q)	9.0	6.0
2006-07 (A)	9.2	2.7
P: Provisional, Q: Quick estimates, A: Advance estimates Note: Growth rates prior to 2001 based on 1993-94 prices and from 2000-01 onwards based on new series at 1999-2000 prices. Source: CSO		

1.9 A moderate annual average growth of 3.0 per cent in the first six years of the new millennium starting 2001-02, notwithstanding a growth of 10 per cent in 2003-04 and 6 per cent in 2005-06, agriculture and allied sector has continued to be a cause of concern.

1.10 It is seen that against the target of annual growth rate of 4 per cent during the Tenth Plan, Agricultural growth rate during the period has been just 2.3%. And during 2004-05 provisional estimated AGDP was 0% and the advance estimates for 2006-2007 place it at 2.7% only.

1.11 Talking about the low growth rate, the Department informed that the following steps have been taken to achieve the growth rate of 4 per cent per annum in the agriculture sector.

- Implementation of Integrated Cereal Development Programme (ICDP) in Rice, Wheat and other Cereal-based cropping system areas, Sustainable Development of Sugarcane based cropping system and Special Jute Development Programme.
- Launching of Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM) for raising the yield potential of Oilseeds, Pulses, Oil Palm and Maize.
- Announcement of enhanced Minimum Support Prices (MSPs) well before the commencement of sowing season to enable farmers to decide on the choice of crops to be grown by them.
- Agricultural diversification through horticulture and floriculture.
- Development/strengthening of modern agricultural markets through creation of space for attracting investment from private and cooperative sectors for the development of direct marketing and contract farming.
- Reorientation of the credit facility, especially production credit, to rural and farmer households at concessional rate of interest.
- Revitalization of Agricultural research to ensure full exploitation of scientific advances for improving productivity according to agro-climatic conditions.
- Revitalization of Agricultural extension system through Krishi Vikas Kendras in each district and making extension system more farmer friendly by way of autonomous institutional arrangements for technological dissemination through “Agricultural Technology Management Agency” (ATMA) at district level.
- The newly approved National Rainfed Area Authority is expected to deal with the problems faced by rainfed areas.

- National Horticulture Mission is under implementation to boost area and production of horticulture crops through establishing backward and forward linkages.

Chapter II

Overview of Demands

2.1 The Actual expenditure for 2005-06, BE & RE for 2006-2007 and BE for 2007-2008 for Demand No.1 pertaining to the Department of Agriculture and Cooperation are as under:

(Rs. in crore)

Actuals 2005-2006			BE 2006-2007			RE 2006-2007			BE 2007-2008		
Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
3848.16	375.40	4223.56	4840	379.16	5219.16	4900	381.07	5281.07	5560	387.21	5947.21

2.2 There has been 12.61% increase in total allocation in BE (2007-2008) as compared to RE (2006-2007). The BE for 2007-2008 is Rs.5947.21 crore. Plan outlay proposed by the Department for 2007-2008 is, however, Rs. 7325.96 crore and Non-plan proposal is to the tune of Rs.1111.92 crore.

2.3 Stating about the reasons for only 1% increase at RE stage in 2006-07 in spite of Committee's recommendation for enhancing the Budget the representatives of the department informed:

“The Department of Agriculture & Cooperation proposed an increase of Rs. 254.85 crore under Plan and Rs. 1180.54 crore under Non-Plan under RE 2006-07 (Proposed). Department of Expenditure allowed an increase of Rs. 60 crore under Plan and Rs. 1.91 crore under Non-Plan. The additional amount of Rs. 1173 crore for NAFED was not approved. Now, Ministry of Finance has provided an additional amount of Rs. 300 crore [Rs. 200 crore through

Supplementary Demands for Grants (Last batch) and Rs. 100 crore for re-appropriation of savings] over and above approved RE 2006-07”.

2.4 It is observed that during 10th Plan period an amount of Rs. 16093.32 crore was allocated as Budget Estimates and further at Revised Estimate state, it can be reduced to Rs. 15612 crore. Though the department had projected a demand of Rs.25002 crore.

2.5 The following new Schemes approved under the Tenth Five Year Plan with outlays indicated against each have been operationalized and are under implementation:

A: New Schemes

(Rs in crore)				
SL	Name of the Scheme	When Approved	BE 2006-07 (Approved)	BE 2007-08 (Proposed)
1.	National Horticulture Mission	May 2005	1000.00	1100.00
2.	Monitoring of Pesticide Residues at National Level	April 2005	10.00	10.00
3.	Development of Market Infrastructure, Grading Standardisation	October 2004	67.00	62.50
4.	National Project on Organic Farming	October 2004	27.00	27.00
5	Agribusiness Project Development through Venture Capital Participation by SFAC	July 2005	38.00	30.00
6	Mass Media Support to Agriculture Extension	January 2004	126.00	84.00
7	Support to State Extension Programmes for Extension Reforms	March 2005	75.00	230.00
8	Micro Irrigation	March, 2006	520.00	550.00
9	National Bamboo Mission	October, 2006	80.00	70.00
10	Forecasting Agricultural Output Using Space, Agri-Meteorology and Land Based Observation (FASAL)	August, 2006	4.00	6.00
11	Capacity Building to Enhance the	August, 2006	1.00	1.00

	Competitiveness of Indian Agriculture			
12	Jute Technology Mission	June, 2006	1.00	8.00
13	Central Institute of Horticulture in Nagaland	January, 2006	5.60	4.00
14	Terminal Markets (TM) under National Horticulture Mission (NHM)	November, 2006	150.00	212.50*

*This also include the outlay for setting up other markets/mandis under NHM

2.6 When asked about the New Schemes for which provision was made under the Tenth Five Year Plan, but which were not launched, the Government replied as under:

“The scheme entitled “Enhancing Sustainability of Dryland Farming Systems” falls under this category. It could not be launched as it was considered appropriate to firm it up after consultation with the newly set up National Rainfed Area Authority.”

2.7 During evidence, the representatives of the Government, informed the Committee that

“We are preparing a comprehensive programme for pulse development. That will require more fund. Another area which we have is the Macro-Management Scheme. It is one of the very innovative schemes. The States have lot of flexibility and depending on the local situation, whether they are hilly areas or otherwise, they can suggest schemes, they can prepare a work plan. Under this scheme, we had asked for Rs. 1666 crore, but allocation made was for Rs.1100 crore. At least, Rs.500 crore to Rs.600 crore more will be extremely relevant and it will help the States and will enhance agricultural production.”

2.8 Following are the new schemes proposed to be launched during the year 2007-08:

- (i) Post Harvest Technology and Management;
- (ii) National Rainfed Area Authority; and
- (iii) Rainfed Area Development Programmes.

2.9 The percentage allocation of the Department of Agriculture and Cooperation (DAC) vis-à-vis total Central Plan Outlay of the Government of India during last five years and for the year 2007-08 are given below.

(Rs in crore)

Sl. No.	Period	Central Plan Outlay			Allocation of DAC	% Share of DAC	
		Total	IEBR	Budgetary Support		Total	Budgetary Support
1	2	3	4	5	6	7	8
1	2002-03	144038	77167	66871	2167	1.50	3.24
2	2003-04	147893	75741	72152	2167	1.47	3.00
3	2004-05	163720	75834	87886	2650	1.62	3.00
4	2005-06	211253	100860	110385	4179	1.98	3.79
5	2006-07	254041	122757	131284	4800	1.89	3.66
6	2007-08	319992	165053	154939	5520	1.72	3.56

2.10 A statement indicating the comparison of the funds allocated to this Department vis-a-vis the funds allocated to some other major Ministries / Departments is as follows.

(Rs in crore)

Department / Ministry	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
1 Dept of Agriculture & Cooperation	2167.00 (1.50%)	2167.00 (1.47%)	2650.00 (1.62%)	4179.00 (1.98%)	4800.00 (1.89%)	5520.00 (1.73%)
2 Dept of Animal Husbandry, Dairying & Fisheries	300.00 (0.21%)	300.00 (0.20%)	500.00 (0.31%)	669.00 (0.32%)	777.00 (0.31%)	910.00 (0.28%)
3 Dept of Agriculture Research &	775.00 (0.54%)	775.00 (0.52%)	1042.00 (0.64%)	1150.00 (0.54%)	1350.00 (0.53%)	1620.00 (0.51%)

Education						
4 Ministry of Agriculture	3242.00 (2.25%)	3242.00 (2.19%)	4192.00 (2.56%)	5998.00 (2.84%)	6927.00 (2.73%)	8050.00 (2.52%)
5 Dept of Telecommunication	19463.00 (13.51%)	14955.00 (10.11%)	11660.00 (7.12%)	11801.00 (5.58%)	19509.00 (7.68%)	25562.00 (7.99%)
6 Dept of Health	1550.00 (1.08%)	1550.00 (1.05%)	1800.00 (1.10%)	2908.00 (1.37%)	11305.00# (4.45%)	13875.00# (4.34%)
7 Dept of Fertilizer	899.00 (0.62%)	1060.00 (0.72%)	493.00 (0.30%)	1017.00 (0.48%)	985.00 (0.39%)	1038.00 (0.32%)
8 Dept of Rural Development	10270.00 (7.13%)	10270.00 (6.94%)	11437.00 (6.99%)	18334.00 (8.67%)	24026.00 (9.46%)	32000.00 (10.00%)
9 Dept of Urban Development	5167.00 * (3.58%)	2497.00 (1.69%)	2176.00 (1.33%)	2877.00 (1.36%)	2752.00 (1.08%)	5166.00 (1.61%)
9 Ministry of Water Resources	550.00 (0.38%)	554.00 (0.37%)	580.00 (0.35%)	621.00 (0.29%)	700.00 (0.28%)	600.00 (0.19%)
10 Dept of Elementary Education & Literacy \$	4900.00 (3.40%)	4900.00 (3.31%)	6000.00 (3.66%)	12532.00 (5.93%)	17128.00 (6.74%)	22191.00 (6.93%)
Dept of Food & Public Distribution	144.00 (0.099%)	138.00 (0.093%)	65.00 (0.039%)	157.00 (0.074%)	207.00 (0.081%)	252.00 (0.079%)
11 GOI's Central Plan Outlay	144038	147893	163720	211253	254041	319992

2.11 The Ministry in their written reply has informed that the Department of Agriculture & Co-operation had proposed plan outlay of Rs.7325.96 crore for the Annual Plan 2007-08, against which an outlay of Rs.5520.00 crore was approved and provided in the Budget 2007-08. The statement indicating the sector-wise outlay proposed for 2007-08 by the Department and accepted by the Planning Commission (and indicated in the budget document – 2007-08 by the Department and accepted by the Planning Commission (and indicated in the budget document – 2007-08) as under:

Statement indicating Sector wise Proposed and Approved Outlays for Annual Plan 2007-08			
			(Rs Crore)
Sl No.	Name of the Sector	Annual Plan 2007-08	
		Proposed Outlay by the Department	Approved Outlay by the Planning Commission
1	2	3	4
I	Crops	465.27	308.00
II	TMOP	425.00	308.00
III	Horticulture	2385.60	2222.40
IV	Integrated Nutrient Management	33.40	30.40
V	Seeds	132.00	114.57
VI	Plant Protection	77.07	42.50
VII	Mechanisation & Technology	29.00	11.75
VIII	Rainfed Farming System	5.50	102.90
IX	Natural Resource Management (NRM)	14.20	10.75
X	Credit	1006.00	545.00
XI	Cooperation	114.19	88.31
XII	Extension	487.97	350.00
XIII	Directorate of Economics and Statistics	83.43	62.40
XIV	Agriculture Census	26.54	14.50
XV	Agriculture Marketing	223.59	170.44
XVI	Information Technology (IT)	138.00	32.58
XVII	Trade	1.00	1.00
XVIII	Drought Management (DM)	0.20	
XIX	Secretariat Economic Service	12.00	4.00
XX	Macro Management	1666.00	1100.00
	Restructured Scheme for Institutions (including Schemes of Promotion & Strengthening of Agri Mechanisation through Training, Testing and Demonstration, AISLUS and NIAM)		0.50
	Sub-Total	7325.96	5520.00
	State Plan Scheme		
	Watershed Development in Shifting Cultivation Area in North Eastern States		40.00
	Total		5560.00

2.12 Following is a statement indicating increase / decrease in the allocation for various sectors in the year 2007-08 vis-à-vis allocation made in 2006-07

Statement indicating Sector wise Percentage and Amount Increase/Decrease in BE Outlay for 2007-08 vis-à-vis BE 2006-07					
Sl No.	Name of the Sector	Annual Plan 2006-07	Annual Plan 2007-08	(Rs Crore)	
		Budget Estimate (BE)	Budget Estimate (BE)	Percent age increase in BE 2007-08 wrt BE 2006-07	Amount Increased/Decreased
1	2	3	4	5	6
I	Crops	275.00	308.00	12.00	33.00
II	TMOP	278.00	308.00	10.79	30.00
III	Horticulture	1951.00	2222.40	13.91	271.40
IV	Integrated Nutrient Management	30.40	30.40	0.00	0.00
V	Seeds	105.00	114.57	9.11	9.57
VI	Plant Protection	43.00	42.50	-1.16	-0.50
VII	Mechanisation & Technology	11.00	11.75	6.82	0.75
VIII	Rainfed Farming System	1.35	102.90	7522.22	101.55
IX	Natural Resource Management (NRM)	11.00	10.75	-2.27	-0.25
X	Credit	550.00	545.00	-0.91	-5.00
XI	Cooperation	100.00	88.31	-11.69	-11.69
XII	Extension	225.65	350.00	55.11	124.35
XIII	Directorate of Economics and Statistics	63.00	62.40	-0.95	-0.60
XIV	Agriculture Census	14.50	14.50	0.00	0.00
XV	Agriculture Marketing	183.20	170.44	-6.97	-12.76
XVI	Information Technology (IT)	37.50	32.58	-13.12	-4.92
XVI I	Trade	1.00	1.00	0.00	0.00
XVI II	Drought Management (DM)	0.20		-100.00	-0.20
XIX	Secretariat Economic Service	8.55	4.00	-53.22	-4.55
XX	Macro Management	910.00	1100.00	20.88	190.00
XXI	Policy and Plan	0.65			-0.65

	Restructured Scheme for Institutions (including Schemes of Promotion & Strengthening of Agri Mechanisation through Training, Testing and Demonstration, AISLUS and NIAM)		0.50		
	Sub-Total	4800.00	5520.00	15.00	720.00
	State Plan Scheme				
	Watershed Development in Shifting Cultivation Area in North Eastern States	40.00	40.00	0.00	0.00
	Total	4840.00	5560.00	14.88	720.00

2.13 During the oral evidence the Secretary, DAC deposed:

“The budgetary provision which has been given to us is significantly less than what we had asked for. According to our assessment, it was Rs.7,326 crore as against the outlay which is now proposed in the Budget of Rs. 5,520 crore. So, I would very clearly say that it is not adequate and we will certainly mention it. Hon. Minister of Agriculture has also asked repeatedly. At least Rs.2,000 crore to Rs.2,500 crore more should be provided for this particular financial year”.

2.14 When asked about the finalization of the financial proposals of XIth Plan for agriculture and allied sectors, the Committee were informed as under:

“In order to finalize Eleventh Plan for Agriculture and Allied Sector, Planning Commission has constituted a Steering Committee under the Chairmanship of Dr. C. Hanumanta Rao to formulate the Eleventh Plan for Agriculture and Allied sectors after taking into consideration the recommendations of National Commission on Farmers as well as the recommendations of the Sub-committee of NDC on Agriculture. No final decision on Eleventh Plan allocation for Agriculture sector has been taken as on date”.

North-Eastern States:-

2.15 Following is the details of year wise allocation of Plan funds to Department of Agriculture and Co-operation at the BE and the RE stages during the last two years, the allocations earmarked for the North Eastern States (including Sikkim) and the funds actually released to the these States:

(Rs in crore)

Year	Budget Estimate	Allocation for NE States	% of Total allocation	Revised Estimate	Allocation for NE States	% of Total allocation	Actual Release
2005-06	4179.32	418.00	10.00	3890.00	389.00	10.00	289.36
2006-07	4800.00	480.00	10.00	4860.00	486.00	10.00	334.34 \$
2007-08*	5520.00	552.00	10.00				

* As proposed. \$ upto 15th March 2007

2.16 The amount of Plan funds allocated to the North Eastern States (including Sikkim) during Tenth Five Year Plan, year-wise, and the amounts released are indicated below:-

Year	BE Allocation for NE States	RE Allocation for NE States	Actual Release	Percentage release w.r.t. RE
2002-2003	216.75	168.75	167.77	99.42%
2003-2004	216.70	212.00	152.06	71.73%
2004-2005	265.00	295.50	262.00	88.96%
2005-2006	418.00	389.00	289.36	74.38%
2006-2007	480.00	486.00	334.34*	68.79%
Total	1596.45	1550.25	1205.53	77.77%

* upto 15th march, 2007

2.17 The Department apprised that there has been some shortfall in the release of funds to these States. This is mainly because of inadequate demand from some of these States or for non-submission of utilisation certificates in respect of the funds released, etc. It is, however, relevant to add that the un-utilised portion of the allocated funds to these States

is credited to the Non-lapsable Central Pool of Resources for North Eastern States for their development.

2.18 The Committee in their 18th Report on Demands for Grants have recommended that the expenditure actually incurred on the schemes in North-Eastern States should be reflected in Demands for Grants of the Department separately so as to have clear cut picture of the progress made in this regard. The representatives of the Department submitted that this matter concerns Ministry of Finance and the matter was taken up with that Ministry, which is still under examination/ consideration of that Ministry vide our letter No.1-8/2005 dated 25.7.2006. Subsequently, the matter is being followed up.

Chapter III

Agricultural Subsidies and Remunerative Prices To Farmers

Agricultural Subsidies

3.1 Subsidies to the agriculture sector are given by both the central and state Governments under various schemes/programmes for farmers especially the small and marginal farmers. Details of the subsidies provided to the agriculture sector in India, as compiled by the Central Statistical Organisation during 2000-01 to 2004-05 are given as under:

(Rs. in Crore)

S. No.	Item	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
1.	Fertilizer								
	1.1 Indigenous fertilizer	9480	8044	7790	8521	10243	10653	11400	11400
	1.2 Imported fertilizer	1	47	-	-	494	1211	2704	2704
	1.3 Sale of decontrolled fertilizer with concession to farmers	4319	4504	3225	3326	5142	6596	8348	8347
	Total fertilizer	13800	12595	11015	11847	16127	18460	22452	22451
2.	Electricity, Gas, Steam and other sources of Energy**	9098	10251	8524	10558	NA			
3.	Irrigation##	13465	13164	15012	11142	12990			
4.	Other subsidies given to	2686	3001	3098	4017	NA			

	marginal farmers and Farmer's Cooperative societies in the form of seeds, development of oil seeds, pulses etc.								
	Total	39049	39011	37649	37564	NA			

Source: CSO

Source: 1. Fertilizer and other subsidies given to marginal farmers: Expenditure Budget 2006-07, Vol. I of Central Govt. 2. Electricity & Irrigation: CSO

NA: Not available

*** : Includes all subsidies to Electricity Boards and Corporations, Separate estimates of Electricity subsidy accountable exclusively to agricultural sector are not available.*

: The rates for supply of water to farmers are kept low as a matter of policy, resulting in losses to the Government irrigation system, The excess of operating costs over the gross revenue is treated as imputed irrigation subsidy.

3.2 The per hectare subsidies in Japan in 1999 were \$ 11,792, in EC \$ 831, in OECD \$ 218 and USA \$ 129. In India it was \$ 53. Similarly, the per farmer subsidy in 1999 was \$ 26,000 in Japan, \$ 21,000 in USA, \$ 9000 in Canada, \$ 17,000 in EC and \$ 11,000 in OECD. India, the same was \$ 66. The aggregate subsidy for agriculture in India was estimated at \$ 8.50 billion in 2001-02 as against \$ 49.08 billion in USA, \$ 47.20 billion in Japan and \$ 115.33 in European Union.

Subsidies to Agriculture in selected countries.

(US \$ Million)

Country	2002		2003		2004	
	PSE	%PSE	PSE	%PSE	PSE	%PSE
CANADA	4798	21	6051	21	5714	21
EU	91407	34	118028	36	133386	86
USA	39105	18	35618	15	46504	18

JAPAN	44162	58	47874	59	48737	56
OECD	226451	31	256752	30	279527	30

PSE: Producers Support Estimate an indicator of the Annual Monetary value of Gross transfers to agricultural producers at farm gate level arising from policy measures that support agriculture. %PSE; is support expressed as a percentage of gross farm receipts showing the amount of support to farmers irrespective of the sectoral structure.

3.3 Subsidies in the WTO context : Domestic Support measures, according to the WTO Agreement on Agriculture, are meant to identify acceptable measures of support to farmers and curtailing unacceptable trade distorting support to farmers. These measures are targeted largely at developed countries where the levels of domestic agricultural support had risen to extremely high levels. Domestic support is divided into two categories viz., (a) support with no, or minimal, trade distorting effect (often referred to as "Green Box" and "Blue Box" measures) and (b) trade distorting support (often referred to as "Amber Box", de-minimis measures).

3.4 The trade distorting domestic support is measured in terms of what is called the "Total Aggregate Measurement of Support" (Total AMS), which is expressed as a percentage of the total value of agricultural output and includes both product specific and non-product specific support. The Agreement on Agriculture stipulates a reduction commitment of total AMS by 20 per cent for developed countries in 6 years (1995-2000) and by 13-1/3 per cent by developing countries in 10 years (1995-2004), taking 1986-88 as the base period. The domestic supports given to the agricultural sector upto 10% of the total value of agricultural produce in developing countries (de-minimis) and 5% in developed countries is allowed without any reduction commitment. In other words, AMS within this limit is not subject to any reduction commitment.

3.5 In India the product-specific support is negative, while the non-product specific support i.e., subsidies on agricultural inputs, such as, power, irrigation, fertilisers etc., is well below the permissible level of 10% of the value of agricultural output. Therefore, India is under no obligation under WTO negotiations to reduce domestic support currently extended to the agricultural sector.

3.6 During the oral evidence the issue of subsidies was raised, the Government in their written replies have stated as under:

“India is not in favour of providing trade distorting support for various reasons. With more than 20 climatic zones the country has large number and variety of crops and it is not possible for an economy like India to provide matching subsidies at par with developed countries. Apart from resource constraint, subsidies would result in sectoral imbalance and trade distortions within the country which may not be in long term interest of the farmers. In international scenario in the context of WTO negotiations India has been a strong proponent of removal of trade distorting subsidies provided by the developed countries, playing an important role in groups of countries like G20, G33 etc.

Subsidies to Agriculture in India: *Subsidies are given by both the Central and State Governments. Central Government gives subsidies on Fertilizers, Seeds, Machinery etc. under various schemes while State Governments give subsidies for Irrigation, Power etc. The Government of India is also providing subsidies to the agricultural sector in the forms of financial incentive/grants/concession under various on-going Central Sector/Centrally Sponsored Schemes. Besides the interest of small and marginal farmers and*

weaker sections of the farming community is also being protected in the form of various incentives”.

3.7 Data on subsidies on agriculture and their shares in Gross Domestic Product (GDP) are not collected. However, the information regarding major subsidies and their share in GDP provided by Ministry of Finance in Economic Survey, 2006-07 tabled in the Parliament before the presentation of the Union Budget is stated below:

Year	Major subsidies (Rs. in crore)	Major subsidies as percent of GDP
1990-91	9,581	1.7
2001-02	30,447	1.3
2002-03	40,716	1.7
2003-04	43,535	1.6
2004-05*	42,484	1.4
2005-06 (BE)	46,358	1.3
2005-06 (Prov) \$	44,220	1.2
2006-07 (BE)	44,792	1.1

* Based on provisional actuals for 2004-05

The major subsidies included in the above Table are food, indigenous (urea) fertilizer, imported (urea) fertilizer, sale of decontrolled fertilizer with concession to farmers, petroleum subsidy and grants to NAFED for Market Intervention Scheme (MIS), Price Support Scheme (PSS)

Remunerative Prices to Farmers

3.8 The Government's price policy for agricultural commodities seeks to ensure remunerative prices to the growers for their produce with a view to encourage higher investment and production, and to safeguard the interest of consumers by making available supplies at reasonable prices. The price policy also seeks to evolve a balanced and integrated price structure in the perspective of the overall needs of the economy. Towards this end, the Government announces each season Minimum Support Prices

(MSPs) for major agricultural commodities and organizes purchase operations through public and cooperative agencies. The designated central nodal agencies intervene in the market for undertaking procurement operations with the objective that the market prices do not fall below the MSPs fixed by the Government.

3.9 The Government decides on the support price for various agricultural commodities taking into account the recommendations of the Commission for Agricultural Costs and Prices (CACP), the views of State Governments and Central Ministries as well as such other relevant factors which are considered important for fixation of support prices.

3.10 Apart from making a comprehensive overview of the entire structure of the economy of a particular commodity, the CACP considers the following important factors while formulating its recommendations on price policy:

- (a) Cost of production;
- (b) Change in input prices;
- (c) Input/output price parity;
- (d) Trends in market prices;
- (e) Demand and supply situation;
- (f) Inter-crop price parity;
- (g) Effect on general price level;
- (h) Effect on cost of living;
- (i) International market price situation;
- (j) Parity between prices paid and prices received by farmers (terms of trade)

3.11 The Government apprised the Committee that

“The recommendations of National Commission on Farmers headed by Dr. M.S. Swaminathan are under consideration of Government. The Commission has recommended that the “net take home income” of farmers should be comparable to those of civil servants and that the Minimum Support Price should be at least 50% more than the weighted average cost of production. (Paragraph 1.5.10.7 of Revised Draft National Policy for Farmers submitted by the Commission). No final decision on the recommendations has been taken”.

Chapter IV

AGRICULTURAL CREDIT

4.1 Progressive institutionalization of agricultural credit for providing timely and adequate credit support to farmers at reasonable rates of interest has been the focus of the credit policy of the country. The Government of India has taken various policy initiatives for strengthening of rural credit delivery system to meet the growing credit needs of the agriculture and rural sectors. In order to strengthen the Cooperative Credit Institutions for meeting the credit requirement of the farmers, Central Assistance is released to the State Governments under various Centrally-Sponsored and Central Sector Plan Schemes.

4.2 For Credit Scheme following are the allocations:

(Rs. in crore)

2004-2005		2005-06		2006-07		2007-08
BE	Exp.	BE	Exp.	BE	Exp.	BE
413.00	641.72	615.00	828.75	550.00	680.38	545.00

During 2007-08 Rs. 545 crore have been allocated as against the RE of Rs. 680.38 crore for 2006-2007.

4.3 Agricultural credit is disbursed through a multi-agency network consisting of Commercial Banks (CBs), Regional Rural Banks (RRBs) and Cooperatives. There are approximately 100,000 village-level Primary Agricultural Credit Societies (PACs), 368 District Central Cooperative Banks (DCCBs) with 12, 858 branches and 30 State Cooperative Banks (SCBs) with 953 branches providing primarily short and medium-term agricultural credit in India. The long-term cooperative structure consists of 19 State

Cooperative Agricultural and Rural Development Banks (SCARDBs), with 2609 operational units as on 31 March 2005, comprising 788 branches and 772 Primary Agricultural and Rural Development Banks (PA&RDBs) with 1049 branches.

4.4 As per Economic Survey 2006-07, there has been a steady increase in the flow of Institutional Credit to agriculture over the years. Moreover, Finance Minister has announced a target of Rs. 2,25,000 crore for 2007-08. The following Table shows the Institutional credit to agriculture during the last 4 years and up to December 2006.

Institutional Credit to Agriculture

(Rs. in crore)

Institutions	2002-03	2003-04	2004-05	2005-06	2006-07*
Co-operative Banks	23,716	26,959	31,231	39,403.77	33,174.32
Share (percent)	34	31	25	22	22
Regional Rural Banks	6070	7,581	12,597	15,222.90	15,170.03
Share (percent)	9	9	10	8	10
Commercial Banks	39,774	52,441	81,481	1,25,858.90	1,00,998.81
Share (percent)	57	60	65	70	68
Total	69,560	86,981	1,25,309	1,80,485.57	1,49,343.16
Percent increase over the previous years	12	25	44	44	

** Upto December, 2006*

4.5 It may be seen that the share of Cooperative banks, which are supposed to be the backbone of agrarian economy, is decreasing year after year in farm lending, from 34% in 2002-03 to 25% during 2004-2005 and further reduced to 22% in 2005-06.

4.6 The main reasons for the poor performance of cooperative credit system as described by the department are - low volume of business, low resource base, low borrowing membership, lack of democratization and professionalization of management, poor recovery, high incidence of overdues, increase in Non Performing Assets, lack of

skilled manpower, high cost of funds, low yield on assets, high transaction cost and inadequate margin.

4.7 The position of credit flow to agriculture sector during last 3 years is given below:-

Year	Target	Achievement	Percentage of Achievement	Percentage increase
2004-05	104500.00	125309.37	120	44
2005-06	141000.00	180485.57	128	44
2006-07	175000.00	167482.67*	96	-

* Upto 31st January, 2007

4.8 The department informed that it is expected that as against the target of Rs.1,75,000 crore for 2006-07, the achievement as at the end of the year could be around 1,90,000 crore. Assuming that the same growth rate trend will continue because of continuity of efforts on the part of various players i.e. banking sector, state governments and central government, the farm credit flow target of 2,25,000 crore set for the year 2007-08 will be achieved easily.

4.9 The Committee has been informed that the Government of India has made a budgetary provision of Rs.1677 crore towards 2% interest subvention to banks. NABARD has estimated that Rs.3246 crore would be required for providing interest subvention to various agencies. The estimate has been arrived at on the basis of following assumptions:

- (i) Banks will continue to provide crop loans upto Rs.3.00 lakh at 7% p.a.
- (ii). The expected farm credit during the year 2007-08 would be at Rs.225000 crore. The share of crop loan would be Rs.157000 crore (i.e. 70% of total expected farm credit).

(iii). NABARD will extend concessional refinance to Cooperative Banks and RRBs at 3% and 4.5% per annum respectively. NABARD would be providing concessional refinance to Cooperative Banks and RRBs to the tune of Rs.15000 crore and Rs.3000 crore respectively, i.e. total Rs.18000 crore.

4.10 The Government had appointed a committee under Dr.R. Radhakrishnan to look into the problems of agricultural indebtedness in its totality and it has been informed that the Committee is likely to submit its report by 31 May, 2007.

4.11 During the oral evidence the Secretary, DAC deposed as under:

“I am happy to inform the august Committee that the credit flow for agriculture and allied activities increased from Rs.1,25,309 crore in 2004-05 to Rs.1,67,775 crore in 2005-06. As against the target of Rs.1,75,000 crore fixed for the current year, credit to the tune of Rs.1,49,343 crore was sanctioned upto December, 2006. The rate of interest on crop loans upto the extent of Rs.3 lakhs has been reduced to seven per cent. There are of course other areas and there are special programmes where certain measures have been taken. During the first nine months of 2006-07, 63 lakh new farmers were financed by the banking system as against the target of 50 lakh new farmers set for the year 2006-07. The Finance Minister in his budget speech 2007-08 has indicated a target of Rs.225,000 crores as farm credit for the year with an addition of 50 lakh new farmers to the banking system and also a provision of Rs.1677 crore for two per cent interest subvention for short-term crop loans”.

4.12 The Government of India’s announcement to make available agricultural loans with an upper limit of Rs.3 lakh at 7% is confined to only short term loans. When asked why it can not be extended to long-term loans, the Ministry replied during the oral

evidence that since, crop loans constitute major portion of the total farm credit flow, the decision to provide crop loans to the farmers at 7% would help the farmer to reduce their cost of farm operations. Providing long-term loans to farmers at 7% would entail provision of interest relief/subvention till the loans are fully repaid i.e. for the entire loan period. This issue needs to be appreciated vis-à-vis the target and the need for bringing all the farmers within institutional credit fold.

4.13 As regard the role of moneylenders in farm credit, the Committee were informed -

“Moneylenders still continue despite so many efforts, nationalization of Banks, Cooperatives, Regional Rural Banks etc, because moneylender knows more about the people and he is able to enforce and give timely credit to local farmers but the banks know much less because they operate in a much larger area. Microcredit has probably opened up certain possibilities where more timely credit can be available, but the cost part has become an issue. The moneylenders’ role will be reduced once the farmers have more access to credit. We are trying our best to see that more and more credit is accessible to the farmers and it has gone up”.

4.14 The Members of the Committee have observed that in some States like U.P. and Bihar there is a law to arrest farmers who default in repayment of loans. Moreover, they are not only kept in jails for two to four months but the expenditure incurred on their food, transport and other things in jail is also recovered from them. When asked please state which States Governments have such kind of draconian law in their books the Government stated in a written reply as under:

“The Land Revenue Laws of almost all the States provides for recovery of dues as arrears of land revenue. As per available information, Sikkim, Assam, Maharashtra,

Andhra Pradesh, Karnataka, Madhya Pradesh Bihar, Goa, Rajasthan, Jammu & Kashmir, Mizoram, Orissa, Kerala, Gujarat, Himachal Pradesh, Tamil Nadu, Punjab and Haryana have provisions for recovery of dues by imprisonment in case it is not possible to effect recovery by way of attachment of movable or immovable property”

4.15 The Department further informed that the Ministry of Agriculture has taken up the issue with the State Governments at the level of Union Minister for Agriculture. Vide Agriculture Minister’s letter dated 28th August, 2000 and 26th April, 2005, the State Governments have been requested to review the respective state laws to remove the provision for arrest/detention of farmers and recovery of such expenditure from the defaulting farmers. States have also been reminded at the level of Secretary (A&C) vide D.O. letter dated 12th August, 2005 to expedite amendment in the concerned state laws to remove the provision of arrest/detention of the farmers for default in the payment of overdue loan installments. The Department stated that no State Government has responded to our request so far in this regard.

4.16 During the Presidential address it was announced that a special package amounting to more than Rs.16,000 crore is being implemented in 31 Districts worse affected by farmer’s suicides. The name of districts are as under :

Andhra Pradesh	Karnataka	Kerala	Maharashtra
01.Prakasam	1.Belgaum	1.Wayanad	1.Akola
02.Guntur	2.Hassan	2.Palakkad	2.Wardha
03.Nellore	3.Chitradurga	3.Kasaragod	3.Amravati
04.Chittoor	4.Chikmaglur		4.Buldana
05.Cuddapah	5.Kodagu		5.wasim
06.Ananthapur	6.Shimoga		6.Yavatmal
07.Kurnool			
08.Adilabad			

09.Karimnagar			
10.Khammam			
11.Mahbubnagar			
12.Medak			
13.Nalgonda			
14.Nizamabad			
15.Rangareddy			
16.Warangal			

4.17 When asked about the expenditure the department deposed that the information about the district-wise details of amount spent under the package is not readily available. The State Governments have been requested to furnish the district-wise details of the amount spent under the package. The package is to be implemented over a period of 3 years and the approved amount under the package will be utilized over a period of 3 years.

4.18 A special relief package has been announced by the Prime Minister for rehabilitation of the farmers who had committed suicide in Vidarbha region of Maharashtra. It has been report in the Press that the funds have not been reached so far to all the affected families.

4.19 When asked about the reason for delay, the department stated as under:

“The total amount approved under rehabilitation package for six districts of Vidarbha region of Maharashtra is Rs.3873.26 crore. The package is to be implemented over a period of 3 years. Accordingly, allocation for the year 2006-07 works out to Rs.1755.21 crore. As against this allocation the release under the package till date is Rs.1554.36 crore. The Central Government is reviewing the

progress of implementation on regular basis with the State Government and other implementing agencies to ensure time bound implementation of the package.”

Chapter V

CROP INSURANCE

5.1 National Agricultural Insurance Scheme (NAIS) with increased coverage of farmers, crops and risk commitment, was introduced in India from Rabi 1999-2000, replacing the erstwhile Comprehensive crop Insurance Scheme (CCIS) which was prevalent since 1985. The main objective of the scheme is to protect farmers against crop losses suffered on account of natural calamities, such as drought, flood, hailstorm, cyclone, pests and diseases. The scheme is being implemented by the Agriculture Insurance Company of India Ltd (AICL). It is available to all farmers – both loanee and non-loanee – irrespective of their size of holding. At present 23 States and 2 UTs are implementing the scheme.

5.2 The crops in the following three broad groups are covered under NAIS:-

- a. Food Crops (cereals, millets & pulses).
- b. Oilseeds.
- c. Annual Commercial/Horticultural crops.

The department informed that, a specific crop would be covered subject to availability of past yield data for adequate number of years and capacity of the State/UT to conduct requisite number of Crop Cutting Experiments (CCEs) for making the assessment of yield. Subject to satisfaction of these requirements more crops under any of the three categories stated above, can be covered in various States under the scheme.

5.3 A State-wise list of crops covered under the scheme is as follows:

KHARIF CROPS		RABI CROPS	
Food Crops/Oilseeds	Annual Comm./Hort. Crops	Food Crops/Oilseeds	Annual Comm./Hort. Crops
ANDHRA PRADESH		ANDHRA PRADESH	
Paddy, Jowar, Bajra, Maize, Blackgram, Greengram, Redgram, Groundnut(I), Groundnut(UI), Castor, Sunflower,Seasamum	Cotton(I), Cotton(UI), Banana, Chilly(I), Chilly(UI), Sugarcane(Plant), Sugarcane(Ratoon)	Paddy, Jowar(UI), Maize, Ragi, Blackgram, Greengram, Horsegram, Groundnut, Sunflower, Seasmum	Chilly(I), Onion
ASSAM		ASSAM	
Ahu Paddy, Sali Paddy		Paddy, Wheat, Rape & Mustard	Potato, Sugarcane
BIHAR		BIHAR	
Paddy ,Maize	Jute, Chilly	Wheat, Rape & Mustard, Masoor, Gram, Maize, Hourse gram	Potato, Sugarcane(Plant), Onion
CHHATISGARH		CHHATISGARH	
Paddy(UI), Kodo- Kutki, Paddy(I), Redgram,Soyabean, Groundnut, Sesamum, Maize		Wheat(UI), Wheat(I), Gram, Linseed, Rape & Mustard	Potato
GOA		GOA	
Paddy, Groundnut	Sugarcane	Paddy	Sugarcane

GUJARAT		GUJARAT	
Paddy, Bajra, Jowar, Maize, Blackgram, Greengram, Tur, Groundnut, Castor, Sesamum, Gram	Banana, Cotton	Wheat(I), Wheat(UI), S. Bajra, S. Groundnut, Rape & Mustard, Gram	Potato, Cumin, Garlic, Onion
HARYANA		HARYANA	
Arhar, Bajra, Maize	Cotton	Gram, Mustard	
HIMACHAL PRADESH		HIMACHAL PRADESH	
Paddy, Maize	Potato	Wheat , Barley	
JAMMU & KASHMIR		JAMMU & KASHMIR	
Maize, Paddy		Wheat(I), Wheat(UI), Mustard	
JHARKHAND		JHARKHAND	
Paddy, Maize	Cotton, Potato	Wheat, Rape & Mustard, Bengal Gram	Potato
KARNATAKA		KARNATAKA	
Paddy(I), Paddy(RF), Jowar(I), Jowar(RF), Bajra(I), Bajra(RF),	Potato(RF), Potato(I), Onion(I), Onion(RF), Cotton(I), Cotton(RF),	Paddy(I), Jowar(I), Jowar(RF), Wheat(I), Wheat(RF),	Potato, Cotton(I), Cotton(RF)

Maize(I), Maize(RF), Ragi(I), Ragi(RF), Tur(I), Tur(RF), Navane(RF), Save(RF), Horsegram(RF), Castor(RF), Groundnut(I), Groundnut(RF), Sunflower(I), Sunflower(RF), Blackgram(RF), Green gram(RF), Soyabean(I), Soyabean(RF), Sesamum(RF)	Chilly(I), Chilly(RF)	Sunflower(I), Sunflower(RF), Bengal Gram(I), Bengal Gram(RF), Green gram(RF), Horsegram(RF) Linseed(RF), Maize(I), Maize(RF), Safflower(RF), Ragi(RF), Summer - Paddy, Groundnut, Ragi, Sunflower	
KERALA		KERALA	
Paddy	Banana, Tapioca, Turmeric, Ginger	Paddy II(WP), Paddy III(SP)	Banana - Rabi I& II, Tapioca - Rabi I & II
MADHYA PRADESH		MADHYA PRADESH	
Paddy(UI), Paddy(I), Jowar, Bajra, Maize, Kodo-Kutki, Tur, Groundnut, Sesamum, Soyabean	Banana, Cotton	Wheat (UI), Wheat (I), Gram, Linseed, Mustard	Onion, Potato
MAHARASHTRA		MAHARASHTRA	
Bajra, Maize, Groundnut, Jowar,	Orange , Cotton, Onion, Sugarcane(Adsali), Sugarcane(Pre-	Wheat (I) ,Wheat (UI), Jowar(UI), S. Paddy, Gram,	Onion, Sugarcane

Greengram, Sesamum, Soyabean, Sunflower, Tur, Paddy, Blackgram, Niger, Ragi	seasonal), Sugarcane (Ratoon), Sugarcane(Suru)	Sunflower, Safflower, Groundnut	
MEGHALAYA		MEGHALAYA	
Ahu Paddy, Sali Paddy	Potato, Ginger	Boro Paddy, Rape & Mustard	Potato
ORRISA		ORRISA	
Paddy, Groundnut, Maize, Redgram,Niger	Cotton	Paddy, Groundnut, Mustard	Sugarcane, Potato
RAJASTHAN		RAJASTHAN	
Jowar, Paddy, Bajra, Maize, Cowpea, Greengram, Tur, Blackgram(Urd), Til, Castor, Soyabean, Groundnut,Moth, Guar		Wheat, Lentil(Masoor), Rape & Mustard, Bengal gram, Taramira, Barley	Jeera, Coriander, Methi, Isabgol, sonf
SIKKIM		SIKKIM	
Maize, Aman Paddy			Ginger, Potato
TAMIL NADU		TAMIL NADU	
Paddy I, Maize(RF), Groundnut(UI)	Cotton(UI), Turmeric, Potato(S), Banana(Per)	Paddy II, Paddy III, Jowar, Maize, Blackgram, Groundnut, Ragi	cotton (I), Cotton (RF), Chillies, Tapioca, Banana, Potato

TRIPURA		TRIPURA	
Aman Paddy, Aus Paddy		Paddy	Potato
UTTAR PRADESH		UTTAR PRADESH	
Paddy, Maize, Arhar, Groundnut, Soyabean, Jowar, Bajra, Til, Blackgram	Sugarcane	Wheat, Gram, Rape & Mustard, Peas, Lentil(Masoor)	Potato
UTTARANCHAL		UTTARANCHAL	
Paddy, Ragi		Wheat	
WEST BENGAL		WEST BENGAL	
Aman Paddy, Aus Paddy		Boro Paddy, Wheat, Bengal gram, Mustard	Potato
PONDICHERY		PONDICHERY	
Paddy I, Yanam Paddy		Paddy II, Paddy III, Rabi (Yanam)	Sugarcane
A & N ISLANDS			
Paddy I			

5.4 Under NAIS, during the last twelve crop seasons (i.e. from Rabi 1999-2000 to Kharif 2005), 751 lakh farmers have been covered over an area of 1220 lakh hectares insuring a sum amounting to Rs.70696 crore.

XI Plan Proposals: Total plan outlay for XI Plan period has been proposed at Rs.4530 crore, including 906 crore (Rs.600 crore for existing NAIS in about 400 districts and Rs.306 crore for proposed Modified NAIS in 100 districts) for the first year of XI Plan i.e. 2007-08, but only Rs.500 crore have been provided for 2007-08.

5.5 During evidence, the (Secretary) representative of the department further elaborated;

“Under the National Agriculture Insurance, the allocation is much less than what we had asked for. There also we need Rs.500 crore more”

5.6 Over a period of implementation of National Agricultural Insurance Scheme (NAIS), certain limitations/shortcomings relating to unit area of insurance, calculation of guaranteed income, low indemnity level, delay in settlement of insurance claims etc. have been observed. Keeping in view the limitations in the existing scheme National Common Minimum Programme (NCMP) provided for redesigning of the Crop Insurance Schemes. Accordingly, a Joint Group was constituted to study the improvements required in the existing crop insurance schemes. The department informed that Based on the recommendations of the Joint Group and the views/comments of the States/UTs, Modified NAIS was formulated and sent to the Ministry of Finance, Department of Expenditure and Planning Commission for “in principle ” approval.

5.7 When it was asked as what is the latest status of ‘Modified National Agricultural Insurance Scheme’ and how and where it is being implemented, the Department in their written reply stated as under:

“Department of Agriculture & Cooperation has prepared and submitted the Memorandum for the Expenditure Finance Committee (EFC) on the implementation of Modified National Agricultural Insurance Scheme (MNAIS) on pilot basis in 100 districts (names of districts/states are yet to be furnished by the States) for the consideration of the EFC. EFC meeting was scheduled to consider the proposal on MNAIS on 20th December, 2006, but the meeting was postponed at the insistence of Planning Commission. The Planning Commission has stated that they have not yet given their ‘in principal’ approval on the scheme. This Department has made repeated requests since then to Planning Commission for giving ‘in principal’ approval on the proposed scheme and matter has been taken up with the Deputy Chairman of Planning Commission from the level of Agriculture Minister also”.

Weather based Crop Insurance Scheme

5.8 Agricultural Insurance Corporation (AIC) has been running a pilot weather insurance scheme since Kharif 2004 and as per the statement of Finance Minister, it appears to be a more compromising risk mitigation scheme. Therefore, the Government has proposed to ask AIC to start a weather based Crop Insurance Scheme on a pilot basis in two three States in consultation with the State Governments concerned, as an alternative to the NAIS. During the Budget the Finance Minister has intended to allocate Rs.100 crore for this purpose in 2007-08.

5.9 The rainfall based pilot ‘Varsha Bima scheme’ was launched by the Agriculture Insurance Company of India Ltd. (AIC) during Kharif 2004 season. The scheme was first piloted in a few areas of four States (Andhra Pradesh, Uttar Pradesh, Karnataka and Rajasthan). The scheme was extended to about 125 IMD rain gauge station areas covering the States of Andhra Pradesh, Chhattisgarh, Gujarat, Karnataka, Maharashtra,

Madhya Pradesh, Orissa, Tamilnadu, Uttaranchal and Uttar Pradesh during Kharif 2005 season. During Kharif 2006, it was further extended to Kerala, Jharkhand and West Bengal and implemented in and around 160 IMD rain Gauge Stations. On an average, 1 or 2 blocks/tehsils have been covered under each IMD rain gauge station.

Chapter VI

HORTICULTURE

6.1 India is bestowed with a varied agro-climate, which is highly favourable for growing a large number of horticultural crops such as fruits, vegetables, root tuber, aromatic and medicinal plants and spices and plantation crops like coconut, arecanut, cashew and cocoa contributing over 24% to agriculture GDP with 8.5% area under horticulture crops. (Presently, horticultural crops occupy around 13 per cent of India's gross cropped area), producing 177.41 million metric tones during 2005-06. India is the second largest producer of fruits and vegetables. The total production of fruits has been estimated at 52.85 million metric tones from an area of 5.34 million hectares and vegetables has been estimated at 108.20 million metric tones from an area of 7.05 million hectares during 2005-06.

6.2 The emphasis for horticulture development is mainly focused through the developmental programmes of the Department of Agriculture and Cooperation such as the National Horticulture Mission, Technology Mission for Integrated Development of Horticulture in North-Eastern States, Sikkim, Jammu and Kashmir, Himachal Pradesh and Uttarakhand; Development of Commercial Horticulture and Capital Investment Subsidy Scheme of the National Horticulture Board (NHB); and Integrated Development of Coconut including the Technology Mission on Coconut.

6.3 Under the Horticulture sector following are the allocations and expenditure:-

(Rs. in crore)

	2003-04	2004-2005	2005-2006	2006-07	2007-08
BE	291.22	542.00	1405.00	1951.00	2222.40
Expenditure	197.83	283.50	1202.85	1414.45	

6.4 It is observed that during 2005-06, the Budget estimate was Rs.1405.00 crore as against the expenditure of Rs. 1202.85 crore, which accounts for 85% expenditure. During 2006-07 Rs. 1951.00 crore have been allocated and the provisional expenditure is 72.5%.

6.5 The National Horticulture Mission (NHM) was launched during the X Plan with effect from May 2005, with a total out lay of Rs. 2300.00 crore for the Plan period, for holistic development of horticulture sector.

6.6 Goals of Horticulture Mission are to:

- (a) Make available Horticulture produce to all;
- (b) Increase Exports;
- (c) Improve economic condition of farmers;
- (d) Sustain golden revolution

The expected outcome of the Proposed NHM would be as follows:

- (a) Increased availability of Horticulture produce by 300 million tones by the end of XI Plan
- (b) Reduce malnourished population of the country by 50%
- (c) Increased exports
- (d) Increased purchasing power of farmer
- (e) Poverty alleviation
- (f) Increased availability for processing
- (g) Better infrastructure for Post Harvest Management & Marketing
- (h) Employment generation – 200 crore mandays
- (i) Private investment of about Rs.45,000 crores
- (j) Increased growth rate by 9.5%
- (k) Vibrant Economy

(1) Increased contribution to GDP in Agriculture

6.7 An outlay of Rs. 630.00 crore was provided for implementation of the Scheme during 2005-06 and the entire amount was released to 18 States and two National Level Agencies (NLA). The outlay for the year 2006-07 is Rs. 1000.00 crore, out of which an amount of Rs. 906.91 crore has been released so far to 18 States, two Union Territories and 10 NLAs. The budget provision for the year 2007-08 is Rs.1150.00 crore. The Mission has been approved 'in principle' for implementation during the Eleventh Plan.

6.8 Recognizing the importance for institutional support for development of horticulture in NE Region, Government of India has sanctioned a Central Sector Scheme for setting up of Central Institute of Horticulture at Medzibhema in Nagaland during January, 2006 with an allocation of Rs. 20.00 crores over a period of five years. The outlay for X Plan is Rs.8.35 crores and for the remaining three years of XI Plan is Rs.11.65 crores. An amount of Rs.3.30 crore has been earmarked for 2007-08 for the purpose.

6.9 A new Centrally Sponsored Scheme of **National Mission on Bamboo Technology and Trade Development** with 100% support from Central Government has been launched during 2006-07 mainly to bring an additional 1.80 million ha. area under Bamboo in the forest and non-forest areas besides improving the existing stock in 0.2 million ha. Rs.30 crores were allocated during 2005-06 and it has been approved in October 2006 only. The allocation for the Eleventh Five Year Plan period (2007-2012) for the scheme is Rs.498.23 crore including Rs.70.00 crore for the year 2007-08.

6.10 The Finance Minister in his speech last year (2006-07) had announced that the Public Private Participation (PPP) model will be employed to set up model terminal markets in different parts of the country. A sum of Rs.150 crore has been earmarked for this purpose in 2006-07 under the National Horticulture Mission.

6.11 The scheme for setting up of Modern Terminal Markets in Public Private Partnership has been approved by Competent Authority in November, 2006. The Terminal Markets would be built, owned and operated by a Corporate/ Private/Co-operative entity (Private Enterprise) either on its own or through adoption of an outsourcing model. The private enterprise could be a consortium of entrepreneurs from agri-business, cold chain, logistics, warehousing, agri-infrastructure and related background. The commodities to be covered by the markets include fruits, vegetables, flowers, aromatics, herbs, meat, poultry and other non-perishables.

6.12 The Government informed that the approved scheme is not location specific and State Governments can set up Terminal Markets by a competitive bidding process depending upon the requirement of production area and economic viability of the project. The scheme will be implemented in those States which undertake reforms in their laws dealing with Agricultural Marketing to provide direct marketing and setting up of markets in private/cooperative sector.

6.13 The terminal markets would operate on a Hub-and-Spoke Format, wherein the Terminal Market (the hub) would be linked to a number of collection Centres (the spokes). The spokes would be conveniently located at key production centres to allow easy farmer access and the catchment area of each spoke would be based on meeting the convenient needs of the farmers, operational efficiency and effective capital utilization of the investment. The operator would be free to collect user charges (determined by commercial considerations) from market participants and producers, for the infrastructure and services provided by it.

Chapter VII

CROPS

7.1 Under the Crops Division following is the Plan BE and Expenditure for 2005-06, 2006-07 and BE for 2006-07:-

(Rs.in crore)						
2004-05		2005-06		2006-07		2007-08
BE	Exp	BE	Exp	BE	Exp	BE
100.00	44.95	275.00	46.77	275.00	56.96	308.00

7.2 Following is the foodgrains production from 2001-02, 2002-03 and Tenth Plan Period onwards:

Foodgrains Production						
(Million tonnes)						
Crop/Year	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07*
Rice	93.3	71.8	88.5	83.1	91.8	90.0
Wheat	72.8	65.8	72.2	68.6	69.4	72.5
Coarse Cereals	33.4	26.1	37.6	33.5	34.1	32.0
Pulses	13.4	11.1	14.9	13.1	13.4	14.5
Foodgrains						
(i) Kharif	112.1	87.2	117.0	103.3	109.9	107.2
(ii) Rabi	100.8	87.6	96.2	95.1	98.7	102.0
Total (i)+(ii)	212.9	174.8	213.2	198.4	208.6	209.2
* 2nd Advance Estimates (2nd AE)						

7.3 The production of kharif foodgrains during 2006-07 is estimated at 107.2 MT (2nd AE), which is lower than 109.0 MT achieved during 2005-06 (Table 8.6). The production of rice is estimated at 77.4 MT against 78.3 MT in 2005-06. Total foodgrains production in 2006-07 is estimated at 209.2 MT (2nd AE).

7.4 Low yield per unit area across almost all crops become a regular feature of Indian agriculture. Following is the International comparisons of yield of Selected commodities – 2004-05

International comparisons of yield Selected commodities – 2004-05					
		Metric tonnes/hectare			
Rice / paddy		Wheat		Maize	
Egypt	9.8	China	4.25	U.S.A.	9.15
India	2.9	France	7.58	France	7.56
Japan	6.42	India	2.71	India	1.18
Myanmar	2.43	Iran	2.06	Germany	6.69
Korea	6.73	Pakistan	2.37	Philippines	2.1
Thailand	2.63	U.K.	7.77	China	4.9
U.S.A.	7.83	Australia	1.64		
World	3.96	World	2.87	World	3.38
Cotton		Major Oilseeds			
China	11.10	Argentina	2.51		
U.S.A.	9.58	Brazil	2.48		
Uzbekistan	7.98	China	2.05		
India	4.64	India	0.86		
Brazil	10.96	Germany	4.07		
Pakistan	7.60	U.S.A.	2.61		
		Nigeria	1.04		
World	7.33	World	1.86		
Source: Ministry of Agriculture & Cooperation					

7.5 It may be seen that though India accounted for 21.8 per cent of global paddy production, the estimated yield per hectare in 2004-05 was less than that Korea and Japan, and only about a third of that of Egypt, which had the highest yield level in the reference year. Similarly, in wheat, while India, accounting for 12 per cent of global production, had average yield slightly lower than the global average, it was less than a third of the highest level estimated for the UK in 2004-05. For coarse grains and major oilseeds, Indian yields are a third and 46 per cent, respectively, of the global average. In cotton, the situation is slightly better with Indian yields at 63 per cent of the global average.

Enhancing Sustainability of Dryland Farming

7.6 The Committee in their 18th Report has recommended to clear the scheme for ‘Enhancing Sustainability of Dryland Farming System’ but the Government through their background note has informed that the Department of Expenditure, Ministry of Finance has requested the Secretary, DAC to relook into the matter and they have directed that pilot scheme on ‘Enhancing Sustainability on Dryland Farming Systems’ should be examined by National Rainfed Area Authority (NRAA) before it is considered for approval.

7.7 During the oral evidence when asked about the time frame to implement the scheme, the representatives of the department stated as under:

“The scheme is being referred to the National Rainfed Area Authority for examination as desired by Department of Expenditure, Ministry of Finance. The Rainfed Area Authority has been constituted on 3rd November, 2006 but yet to become functional. In the meantime, the Department is pursuing with Ministry of Finance also to get the approval of the scheme at the earliest. However, it will be premature to give a timeframe as to when it will come up for actual implementation”

7.8 A recent study shows how temperature changes are already hitting the global economy with the Indian agriculture bearing its brunt. The study proves that agriculture losses, worth \$5 billion annually, from 1981-2002, can be correlated with temperature rises over that period. The study, appearing in Environmental Research Letters, a reputed journal published from UK, has shown that almost 30% of the variation in the global agricultural yields can be explained by temperature rise. With wheat, barley and maize being the three crops hit the maximum due to temperature rise, India, the second largest producer of maize in the world, is obviously suffering a silent kill on its agrarian economy.

7.9 Responding to the queries of the members regarding plans to combat global warming the Government clarified:

“Global warming is affecting all over the world. As far as India is concerned the States have been sensitized to promote timely sowing of crops especially wheat to minimize the adverse impact of rising temperature during end of February and early March in the Northern part of the country. Besides, the high temperature tolerant and drought resistant varieties of crops are being promoted through Integrated Cereal Development Programme (ICDP-Rice/ Wheat/ Coarse Cereals) in different States of the country. The farmers are also advised to adopt light frequent irrigations in wheat in event of rise in temperature during flowering/ grain formation stages (last February to early March).

National Commission on Farmers in the Revised Draft national Policy for Farmers (which was submitted in October, 2006 along with the Fifth and Final Report of the Commission) has recommended taking proactive measures to reduce vulnerability to climate change”.

Chapter VIII

AGRICULTURAL MARKETING

8.1 The Government has been playing an important role in developing the Agricultural Marketing system in the country. Department of Agriculture and Co-operation has three organizations dealing with marketing under its administrative control, namely, the Directorate of marketing & Inspection (DMI), Small Farmers' Agribusiness Consortium (SFAC), New Delhi and the Ch. Charan Singh National Institute of Agricultural Marketing (NIAM), Jaipur.

8.2 Small Farmers Agri-business Consortium (SFAC) was registered by Department of Agriculture & Cooperation as a Society under the Societies Registration Act, 1860 on 18th January, 1994. The mission of the Society is to support innovative ideas for generating income and employment in rural areas by promoting private investments in agribusiness projects. The Central Sector Scheme for Agri-business Development is being implemented by Small Farmers' Agri-business Consortium (SFAC) in close association with Commercial Banks.

8.3 Following is the BE, RE 2005-06 and BE for 2005-06 for Agricultural Marketing Division

(Rs. in crore)					
2005-06			2006-07		2007-08
BE	RE	Expenditure	BE	RE	BE
165.50	128.50	117.06	183.20	170.18	170.44

8.4 During the oral evidence the member of the Committee expressed the need to evolve a forward trading mechanism which delivers the benefits of future trading in a free market to the Indian farmers and asked the opinion of the Department, the Department in their further replies stated as under:

“Futures trading of agricultural commodities performs two important functions – price discovery and price risk management with reference to given commodity. Conceptually, it is useful to all segments of economy. It is useful to the producer because he can get an idea of the price likely to prevail at a future point of time and therefore, can decide between various competing commodities, the best that suits him. It enables the consumer to get an idea of the price at which the commodity would be available at a future point of time. The futures trading is very useful to the exporters as it provides an advance indication of the price likely to prevail and thereby help the exporter in quoting a realistic price and thereby secure export contract in a competitive market.. The futures markets help the farmer in taking pre sowing and post harvest decisions. The knowledge of futures prices increases his bargaining powers vis-à-vis the traders. Developing a marketing support system through forward and futures trade and warehouse receipt system are major building blocks of the road map for sustainable agricultural marketing set up.

The negative aspect of futures market is speculation which is encouraged by optional nature of delivery. Such speculation and hoarding needs to be checked and legal provisions are required for investigation, enforcement and penalty in case of violations. There is an urgent need to develop a set of regulations through Forward Market Commission to ensure that a single player does not dominate the market and distort market forces as it may create inflationary pressures. The Department of Consumer Affairs has initiated a Forward Contract (Regulation) Amendment Bill in this regard which is pending for approval of the Parliament”.

Chapter IX

SEEDS

9.1 Under the Seeds Sector, following are the Plan allocations and expenditure:-

	(Rs. in crore)			
	2004-05	2005-06	2006-07	2007-08
BE	50.51	88.81	105.00	114.57
Expenditure	20.95	64.54	82.38 (Pr)	

9.2 The Standing Committee on Agriculture (14th Lok Sabha) in their First Report had recommended for continuation of 'the Seed Crop Insurance Scheme', when asked as what action has been taken by the Government to popularise and remove the bottlenecks in implementation of the Scheme, the Department replied as follows:

“The National Council for Applied Economic Research (NCAER) who were awarded the evaluation study in the first instance vide letter dated 26.02.2002 did not take up the work. Thereafter, the Department of Agriculture and Cooperation on 17.11.03 requested Agriculture Finance Corporation to evaluate the Seed Crop Insurance Scheme. The Agriculture Finance Corporation submitted the draft report on the evaluation of Pilot Scheme of Seed Crop Insurance on 10.08.2005. The Department of Agriculture and Cooperation sought the comments on the report from State Governments, Seed Corporations and Seed Certifying Agencies. The comments received have been forwarded to Agricultural Finance Corporation for finalization of the evaluation report. The decision on continuation of the scheme will be taken after the receipt of final report.”

9.3 The Seed Village Programme aims at enhancing the Seed Replacement Rate (SRR) and to upgrade the quality of farmer-saved seeds for enhancing crop production/productivity. For achieving this, seed production, seed distribution and other

connected aspects have been sought to be improved at the farmers' level. The provisions of programme include financial assistance for:

- distribution of foundation/certified seeds at 50% cost of seeds of crops for production of certified/quality seed for half an acre per farmer;
- training of farmers on seed production and technology @Rs.15,000/- for each seed village for a group of 50-150 farmers;
- making/procuring seed storage bins of 20 quintals capacity (Pusa bin/mud bin/Bins made from paper) for storage of seeds produced by farmers, @25% for general farmers subject to maximum of Rs.2,000/- and @33% for SC/ST farmers subject to maximum of Rs.3,000/-. In respect of storage bins of 10 quintals capacity the assistance is available @25% for general farmers subject to maximum of Rs.1000/- for general farmers and @33% for SC/ST farmers subject to maximum of Rs.1500/-.

9.4 During the year 2006-07, an amount of Rs.8718.36 lakh has been released under this programme including an amount of Rs.7368.96 lakh released to the States of Andhra Pradesh (Rs.4736.00 lakh), Maharashtra (Rs.2546.00) lakh and Karnataka (Rs.86.96 lakh) under Prime Minister's Relief Package for suicide affected districts. The proposed allocation for this programme for the year 2007-08 is Rs.22200.00 lakh which includes Rs.15000.00 lakh for Prime Minister's Relief Package for suicide affected districts.

9.5 During evidence, the representative of the Department further elaborated:

“Seed production is important. Pulses are also an important area. So we have identified four-five areas. We identified rainfed agriculture. Overall, I should say that according to our assessment, another Rs.2500 crore should be provided.”

9.6 On the query of share of multinationals and private seed companies, the Ministry in a written reply informed that the share of private seed companies, including multinationals and transnationals, in the Indian seed market in comparison to Public Sector is given in the following table:

(Figure in thousands of tons)

Crops	Public Sector		Private Sector		Total Quantity
	Quantity	% Share	Quantity	% Share	
Wheat	247.4	54	209.4	46	456.8
Barley	2.7	38	4.4	62	7.1
Paddy	271.4	67	132.4	33	403.8
Maize	8.0	10	72.8	90	80.8
Jowar	4.5	16	23.6	84	28.1
Bajra	6.7	29	16.4	71	23.1
Arhar	6.8	57	5.1	43	11.9
Urd	7.8	53	6.8	47	14.6
Moong	9.4	58	6.8	42	16.2
Gram	15.6	27	41.4	73	57.0
Lentil	2.1	81	0.5	19	2.6
Peas	3.7	84	0.7	16	4.4
Groundnut	92.4	82	19.9	18	112.3
Soybean	92.3	68	42.5	32	134.8
Rape/ Mustard	11.2	57	8.5	43	19.7
Sunflower	1.5	15	8.7	85	10.2

9.7 On the question of involving farmers, the Cooperative Sector and Universities etc. the Government stated:

“The Central Sector Scheme ‘Development and Strengthening of Infrastructure Facilities for Production and Distribution of Quality Seeds’ envisages, among others, involvement of cooperative sector and Agricultural Universities by way of giving grants-in-aid for implementing various components of the scheme. Under the component ‘Seed Village Programme’, group 50-150 farmers are identified by the implementing agencies for seed production programme and training on seed production technology aspects. Under the component ‘Assistance for Boosting Seed Production in Private Sector’, credit linked back ended capital subsidy @ 25% of project cost subject to maximum of Rs.10.00 lakh per unit are provided on infrastructure development to companies, private, individual entrepreneurs, NGOs, seed cooperatives and partnership firms through commercial banks and National Cooperative Development Corporation. Grants-in-aid are provided to the Agricultural Universities under the components viz. ‘Seed Village Programme’, ‘Human Resource Development’, ‘Promoting Hybrid Seeds’ and ‘Use of Biotechnology in Agriculture’.”

9.8 As regards the Seed Testing Laboratories, the Committee were informed as under:

“There are 71 notified and 27 un-notified Seed Testing Laboratories all over the country. They test the seed-samples. There are the issues of spurious seeds and quality which need to be addressed. For the first time, a Central Seed Testing Laboratory has been set up last year in Varanasi. So far IARI was working as our central lab, but we need to expand this seed testing and quality control. We have provided about 14 crore to various States for upgrading seed testing labs. We are planning to establish at least one quality seed testing lab in each district of the country in next three years subject to availability of resources and also our DNA finger printing lab in each of the BT Cotton

growing States.. When enquired about the import of seed, the Committee was apprised that 'some germplasm is imported to create hybreds.'

Chapter X

CO-OPERATION

10.1 The cooperative agro-processing units add value to their precious farm produce such as milk, sugarcane, cotton, fruits and vegetables and thus facilitate better returns. The Department of Agriculture and Cooperation is implementing the following main schemes/programmes to promote cooperatives in India for achieving the aforesaid objectives.

- (a) Cooperative Education and Training
- (b) Cooperative Education and Training Activities in the North-Eastern Region
- (c) Cooperative Development Programmes through National Cooperative Development Corporation
- (d) Cooperative Spinning Mills
- (e) Cooperative Storage and Cold Storage
- (f) Integrated Cooperative Development Projects
- (g) Cooperatives in Under-developed States
- (h) Strengthening of National-level Federations
- (i) Revitalization of Cooperatives
- (j) Helping Farmers Obtain Remunerative Prices for their Produce
- (k) Programmes under Implementation in the North-Eastern States

10.2 Following is the number of Cooperatives functioning in each of the State/UTs:-

S. No.	Name of States	Total Number of Societies
1.	<i>Andaman & Nicobar</i>	1387
2.	<i>Andhra Pradesh</i>	39716
3.	<i>Arunachal Pradesh</i>	196
4.	<i>Assam</i>	9422
5.	<i>Bihar</i>	29994
6.	<i>Chandigarh</i>	1293

7.	<i>Dadar Nagar Haveli</i>	137
8.	<i>Delhi</i>	5086
9.	<i>Goa</i>	2045
10.	<i>Gujarat</i>	51983
11.	<i>Haryana</i>	24676
12.	<i>Himachal Pradesh</i>	4153
13.	<i>Jammu & Kashmir</i>	3212
14.	<i>Jharkand</i>	237
15.	<i>Karnataka</i>	22429
16.	<i>Kerala</i>	17063
17.	<i>Madhya Pradesh</i>	25820
18.	<i>Maharashtra</i>	136834
19.	<i>Manipur</i>	3944
20.	<i>Meghalaya</i>	768
21.	<i>Mizoram</i>	1338
22.	<i>Nagaland</i>	2857
23.	<i>Orissa</i>	8913
24.	<i>Pondicherry</i>	436
25.	<i>Punjab</i>	21944
26.	<i>Rajasthan</i>	19252
27.	<i>Sikkim</i>	324
28.	<i>Tamil Nadu</i>	27785
29.	<i>Tripura</i>	1727
30.	<i>Uttar Pradesh</i>	36723
31.	<i>West Bengal</i>	36374
32.	<i>Chattishgarh</i>	3945
33.	<i>Uttarakhand</i>	464
34.	<i>Lakshdweep</i>	45
35.	<i>Daman Diu</i>	44
	<i>Grand Total</i>	5,42,566

List of Multi-State Co-operative Societies

S. No.	State	No. of Multi-State Co-operative Societies
	<i>National Level Federations</i>	21
1.	<i>Andhra Pradesh</i>	13
2.	<i>Assam</i>	3
3.	<i>Bihar</i>	6
4.	<i>Chattisgarh</i>	1
5.	<i>Chandigarh</i>	9
6.	<i>Dadar Nagar Haveli</i>	1
7.	<i>Delhi</i>	35
8.	<i>Goa</i>	3
9.	<i>Gujarat</i>	10
10.	<i>Haryana</i>	9

11.	<i>Himachal Pradesh</i>	1
12.	<i>Jammu & Kashmir</i>	-
13.	<i>Jharkand</i>	-
14.	<i>Karnataka</i>	11
15.	<i>Kerala</i>	6
16.	<i>Madhya Pradesh</i>	6
17.	<i>Maharashtra</i>	146
18.	<i>Manipur</i>	-
19.	<i>Meghalaya</i>	-
20.	<i>Mizoram</i>	-
21.	<i>Nagaland</i>	-
22.	<i>Orissa</i>	1
23.	<i>Punjab</i>	1
24.	<i>Pondicherry</i>	1
25.	<i>Rajasthan</i>	9
26.	<i>Sikkim</i>	-
27.	<i>Tamil Nadu</i>	72
28.	<i>Uttar Pradesh</i>	25
29.	<i>Uttaranchal</i>	1
30.	<i>West Bengal</i>	33
	Total	424

10.3 Following is the Plan BE and Expenditure of 2005-2006, 2006-2007 and BE for 2007-2008, for the Cooperation Division:-

2004-2005		2005-2006		2006-2007		2007-2008
BE	Exp	BE	Exp	BE	RE	BE
74.17	66.17	110.00	96.35	100.00	50.25	128.00

10.4 The Committee in their 9th Report on Demands for Grants 2005-2006 had recommended to grant Deemed University Status to Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM), Pune, a premier institute in the field of cooperative management conducting professional degree courses. When enquired as to whether the institute has given its Report in order to declare it as a centre of excellence, the department replied as under:

“Government received a proposal from National Cooperative Union of India (NCUI), New Delhi requesting to grant No Objection Certificate for the establishment of National Cooperative University. The University is proposed to

be located in the Campus of Vaikunth Mehta National Institute of Cooperative Management, Pune. The University is proposed to be sponsored by the NCUI. The proposed University will come into being by converting the existing 20 institutions of National Council for Cooperative Training as centres of the deemed University. The NCUI has also proposed that the sources of the funds of the proposed University would be the fees collected from the students, donations/grants received from various sources and income from consultancy and other sources apart from the Corpus Fund of Rs.200 crores. NCUI has also appointed a Consultant for preparing a detailed project report in this regard. Further report is being solicited from NCUI for giving full details”.

10.5 Given below is the details of Commodity-wise/State-wise/Year-wise procurement of various commodities under Market Intervention Scheme of National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) from 2004-05 to 2006-07.

SL. No.	Name of Commodity	State	Year/ period of procurement	Quantity for Procurement (in MTs)	Procurement Price (MIP) (Rs.per Qtl.)	Prevailing Rate of FAQ during procurement period
1.	Coriander seed	Rajasthan	2004-2005 29.3.to 28.5.04	2000	1450	1350-1450
2.	Cumin seed	Rajasthan	2004-2005 29.3 to 28.4.04	2000	5200	5150-5250
3.	Ginger	Mizoram	2004-2005 15.4.to 15.6.04	5900	500	300-400
4.	Onion	Rajasthan	2004-2005 11.6.to 25.7.04	5000	280	250-290
5.	Hatkora	Mizoram	2004-2005 17.8.to 16.9.04	1410	450	300-400
6.	Apples 'C' Grade	Himachal Pradesh	2004-2005 1.8.to31.10. 04	32500	400	250-350
7.	Apples	Jammu &	2004-2005	45000	300	250-300

	‘C’ Grade	Kashmir	15.10.04 to 31.12. 04			
8.	Ginger	Mizoram	2004-2005 1.2.to15.03.05	6400	500	400-500
9.	Black Pepper	Kerala	2004-2005 15.2.to15.4. 05	5050	7000	6500-7000
10.	Chillies	Andhra Pradesh	2004-2005 23.3.to 31.5.05	30,000	Premium- 2700 Common- 2500	2300-2700
11.	Garlic	Rajasthan	2005-2006 10.5.to 10.6.05	2000	700	600-700
12.	Onion	Rajasthan	2005-2006 1.6.to 31.7. 05	5000	250	200-250
13.	Apples ‘C’ grade	Himachal Pradesh	2005-2006 1.8.to 31.10.05	50,000	425	300-425
14.	Apples ‘C’ grade	Uttaranchal	2005-2006 1.8.to 31.10.05	10,000	350	250-350
15.	Malta	Uttaranchal	2005-2006 15.12.05 to 15.2.2006	8,000	400	300-400
16.	Hatkora	Mizoram	2005-2006 2.10.to10.11.05	564	450	350-400
17.	Chilli	Mizoram	2005-2006 15.2.to15.3.06	1250	2800	2500-2600
18.	Onion	Rajasthan	2006-2007 29.5.to 28.6 06	5000	280	220-280
19.	Apples ‘C’ grade	Uttaranchal	2006-2007 1.9.to 30.11.06	1000	425	250-400
20.	Malta	Uttaranchal	2006-2007 7.12.06 to 15.2.07	2000	425	250-400

The details given above pertain to Market Intervention Scheme, which is implemented for the horticultural products, generally perishable in nature and which are not covered under the Minimum Support Price Scheme.

10.6 Most of the Cooperatives in India are financially and structurally weak. When asked as what steps the government have taken to strengthen the sick cooperatives and revive them expeditiously; the Government replied:

“In order to strengthen the Cooperative Credit Structure in the country, the Government of India constituted a Task Force on revival of rural cooperative

credit institutions in August, 2004 under the Chairmanship of Prof. A. Vaidyanathan to formulate a practical and implementable action plan to rejuvenate the rural cooperatives. The Task Force submitted its report to the Government of India in February, 2005. The Government has accepted the recommendations of the Task Force in principle and the same were discussed with the State Governments and a consensus was arrived at". The Government has approved the package for revival of the short-term Rural Co-operative Credit Structure involving financial assistance of Rs.13,596 crore."

10.7 The recommendations of the Vaidyanathan Committee, the arrived at consensus with the State Governments/Union Territories and actions taken by the Government thereon are as follows:

S. No.	Recommendations of the Prof. A. Vaidyanathan Committee	Package arrived at consensus by the Government with the State Governments	Action Taken by the Government
1.	A financial package for cleansing the Balance Sheets of Short Term Cooperative Credit Structure (STCCS) to bring them to an acceptable level of financial health;	Covers cleansing of the balance sheets, support for minimum capital requirements, developing uniform accounting system and computerization Funding of the financial package, estimated at Rs.13596 crore will be shared by the Central Government, State Governments and the Cooperative Credit Societies based on origin of loss and existing commitments.	<p>Nine States viz., Andhra Pradesh, Gujarat, Haryana, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Uttaranchal and Uttar Pradesh have executed Memorandum of Understanding (MOUs) with Government and NABARD for implementing the package. Another 5 states, namely, Arunachal Pradesh, Bihar, Punjab, Sikkim, Tamil Nadu and the Union Territory of Dadra Nagar Haveli have accepted the package in principle.</p> <p>The State Government of Maharashtra, Rajasthan, Orissa, Madhya Pradesh and Andhra Pradesh have initiated steps for amendment of the respective State Cooperative Societies Act, to give effect to the</p>

2.	Introduce legal and institutional reforms necessary for their democratic, self-reliance and efficient functioning	The Revival Package also seeks to bring down the interference of the State Governments in the credit cooperatives and envisages suitable amendments to the State Cooperative Societies Act and Banking Regulation Act. Release of financial assistance under the financial package will be back ended and linked to achievement of pre-defined bench marks in respect of legal, institutional and regulatory reforms and will, therefore, be phased over a period of three years.	reform measures under the package. National Level Implementing and Monitoring Committee set up under the Chairmanship of the Governor, RBI has met thrice on 30 th May 2006, 7 th September 2006 and 19 th January 2007 respectively to provide policy directions for implementing the package. State level and DCCB level implementation and Monitoring Committees have been set up in Maharashtra, Orissa, Rajasthan, Madhya Pradesh and Uttaranchal.
3.	Take measures to improve the quality of human resources and operational efficiency through appropriate technical assistance	The technical component of the financial package will also cover costs of training and capacity building to improve financial management skills of staff and board members; for installation of uniform accounting and monitoring systems; and for computerization.	NABARD is working with GTZ, Germany for developing a Uniform Accounting System for PACS. Internal Committee set up by NABARD is preparing training modules, materials and strategy for training of the PACS staff, Board Members, etc. Government has released an amount of Rs.400 crore to NABARD for the Revival Package

Chapter XI

INTEGRATED NUTRIENT MANAGEMENT

11.1 India is the third largest producer and consumer of fertilizers in the world after China and the USA, and contributes about 11.4 and 11.9 per cent to the total world production/consumption of NPK nutrients respectively. However, in terms of consumption per hectare, the consumption in India (104.5 kg per hectare) is lower than neighbouring countries, showing scope for further increase.

11.2 Following is the allocation & expenditure under the Integrated Nutrient Management sector:-

2003-2004		2004-2005		2005-2006		2006-2007		2007-2008
BE	Exp	BE	Exp	BE	Exp	BE	Exp	BE
9.00	3.72	36.73	7.28	29.50	22.29	30.40	19.05	30.40

11.3 Following is the statement showing the number of soil testing laboratories, along with analyzing capacities, functioning at present and set up/strengthened in each State for the last three years:

S.No.	Name of the State	2003-04		2004-05		2005-06	
		No.of STLs	Analyzing Capacity (in Lakhs)	No.of STLs	Analyzing Capacity (in Lakhs)	No.of STLs	Analyzing Capacity (in Lakhs)
A.	South Zone						
1.	Andhra Pradesh	30	10.18	31	5.23	85	5.26
2.	Karnataka	26	4.18	25	4.19	25	3.30
3.	Kerala	24	3.79	24	3.72	24	3.72
4.	Tamil Nadu	38	8.48	37	8.28	38	8.48
5.	Pondicherry	2	0.20	2	0.03	2	0.06
6.	A&N Island	1	0.12	2	0.12	2	0.12
7.	Lakshadweep	-	-	-	-	-	-
	TOTAL	121	26.95	121	21.57	176	20.94
B	West Zone						
8.	Gujarat	25	2.50	25	2.39	24	2.54
9.	M.P.	28	3.14	26	3.14	26	3.14
10.	Maharashtra	39	1.59	40	1.79	40	1.68
11.	Rajasthan	22	2.78	22	2.7	22	2.78
12.	Chattisgarh	4	0.40	4	0.40	4	0.40

13.	Goa	2	0.24	2	0.24	2	0.24
14.	Daman & Diu	-	-	-	-	-	-
15.	D&N Haveli	1	0.01	1	0.01	1	1.00
	TOTAL	121	10.66	120.	10.75	119	10.78
C.	North Zone						
16.	Haryana	31	3.13	31	3.13	31	3.13
17.	Punjab	64	5.65	66	5.81	67	6.01
18.	H.P.	13	1.0	13	1.00	13	1.00
19.	Uttar Pradesh	74	16.18	72	16.37	72	16.27
20.	J&K	9	0.55	9	0.55	10	0.64
21.	Uttaranchal	11	0.87	15	0.84	16	0.85
22.	Delhi	1	0.06	1	0./05	1	0.05
23.	Chandigarh	-	-	-	-	-	-
	TOTAL:	204	27.44	207	27.75	210	27.95
D.	East Zone						
24.	Bihar	23	0.31	23	2.00	23	2.00
25.	Orissa	11	1.20	11	1.20	11	1.20
26..	West Bengal	26	1.27	27	1.31	31	1.47
27.	Jharkhand	9	0.63	10	0.67	10	0.67
	TOTAL	69	3.41	71	5.18	75	5.34
	N.E.Zone						
28.	Assam	13	1.12	12	1.06	12	1.06
29.	Tripura	6	0.20	6	0.20	6	0.21
30.	Manipura	1	0.10	6	0.20	3	0.20
31.	Nagaland	3	0.45	3	0.45	3	0.45
32.	Arunachal Pradesh	1	0.05	1	0.05	1	0.05
33.	Meghalaya	2	0.10	2	0.10	2	0.10
34.	Sikkim	2	0.10	1	0.08	1	0.08
35.	Mizoram	1	0.08	1	0.08	1	0.08
	TOTAL	29	2.20	32	2.22	29	2.23
	GRAND TOTAL	544	70.66	551	67.47	609	67.24

11.4 During the oral evidence, the Members expressed their concern regarding desertification and loss of soil fertility due to excessive use of nitrogenous fertilizers with NPK ratio really plummeting to unsustainable levels. Responding to the queries the Department replied as under:

“It is a fact that inadequate and imbalanced use of chemical fertilizers and neglect of organic manures are affecting the soil fertility over the period. The NPK ratio which should be ideally around 4:2:1 was 5.9:2.4:1 during 1991-92, and worsened to 9.7:2.9:1 during 1993-94 following decontrol of P&K fertilizers during 1992-93. However, subsequent efforts by the Government have increased the use of P&K fertilizers through Concession Scheme and have made

positive impact gradually and the NPK ratio is 5.7:2.2:1 during 2004-05 and 5.3:2.2:1 during 2005-06.

Government of India is promoting Integrated Nutrient Management (INM) which envisages soil test based judicious and balanced use of chemical fertilizers in conjunction with organic manures & bio-fertilizers. Government of India is also providing financial assistance for setting up of compost units from vegetables and fruits waste under the National Project on Organic Farming and also from bio-degradable organic waste of municipal solid waste under the scheme of balanced and integrated use of fertilizers. Besides a new Central Sector Scheme has been proposed during 2007-08 for the promotion of balanced use of fertilizers”.

National Project on Organic Farming

11.5 The Central Sector Scheme ‘National Project on Organic Farming’ has been initiated during Xth Plan on Pilot basis in October, 2004. The National Project on Organic Farming (NPOF) is proposed to be implemented as a full-fledged scheme during the XI Five Year Plan Period with an outlay of Rs.150 crore. The proposed BE 2007-08 is Rs.27.00 crore.

11.6 The objectives of the Scheme are as under:-

- (a) To facilitate, encourage and promote development of organic agriculture in the country
- (b) Putting in place a system of certification of organic produce
- (c) To augment production of organic sources of nutrients like biofertilisers, organic manure and compost etc.
- (d) To assist group of organic farmers by providing capacity building through service provider.

- (e) To impart training to service providers, farmers, extension staff and organization engaged in production and promotion of organic farming.
- (f) To organize field demonstration with various organic inputs.
- (g) Quality control of organic inputs.

11.7 The concept of Organic farming and organic food is very popular in the country and abroad. There is a large scope to export the organic products but US Bio terrorism Act, 2002, European Union (EU) Food Law – 178, 2002 and National Organic Programme, Organic Food Production Act, 1999 (amended in 2005) have made it mandatory to give traceability and organic certification on the product to import the organic product.

11.8 When asked as how the Government ensure that the crop/food available in the market under the label ‘organic food/crop’ is actually grown using the organic inputs, the department in written reply stated:

“The Agricultural and Processed Food Products Export Development Authority (APEDA), Ministry of Commerce & Industries has accredited 11 Inspection and Certification Agencies to ensure that the crop/ food available in the market under the label ‘organic food/crop’ is actually grown using the organic inputs. DAC is also promoting Internal Control System (ICS) for group certification for organic farming”.

Chapter XII

AGRICULTURAL EXTENSION

12.1 Public research and extension played a major role in increasing production and productivity in agriculture and allied sectors in the past. The nature and scope of agricultural extension has undergone fundamental changes since then. Transferring research results on farmers' fields is an important challenge facing us today. The Department of Agriculture and Cooperation (DAC) has taken several initiatives to revitalize the agriculture extension system in the country. These initiatives include:

- Support to State Extension Programmes for Extension Reforms – based on Agricultural Technology Management Agency (ATMA) model.
- Mass Media Support to Agricultural Extension – utilizing infrastructure of Doordarshan and All India Radio.
- Establishment of Agri-Clinics and Agri-Business Centres – by agricultural graduates.
- Kisan Call Centres – for providing agricultural information through toll free telephone lines.
- Extension Support to Central Institutes/ Directorate of Extension (DOE).

12.2 National Commission on Farmers has made following recommendations/observations related to Extension:

- (a) Social prestige and status accorded to farmers are low
- (b) Commodity based farmers organization should be promoted
- (c) Public extension functionaries should be empowered and sensitized to meet the demands particularly by forging research-extension-education-farmer-market linkages.

- (d) Farmer-to-farmer learning is the most credible and effective.
- (e) Regular training of input dealers/suppliers/retailers should be organized.
- (f) ICT should be effectively harnessed to empower rural men and women.

12.3 Agricultural Extension is aimed at promoting agricultural development by providing farmers with information and training on continuous basis regarding improved production technologies and their adoption. Plan BE and Expenditure for the last three years and BE for 2007-2008 is as under:

(Rs. in crore)

Year	BE	Expenditure
2004-2005	187.45	92.09
2005-2006	148.10	166.62
2006-2007	225.65	209.34 (RE)
2007-2008	350.00	-

12.4 The Agriculture Technology Management Agency (ATMA), i.e. now in place in 262 districts, is proposed to be extended to another 300 districts in 2007-08. It is proposed to enhance the provision for ATMA from Rs.50 crores to Rs.230 crores.

State-wise list of 262 districts which are currently covered in Agriculture Technology Management Agency programme

S.No.	State/UT	No. of existing ATMA Distts.
1.	Andhra Pradesh	18
2.	Bihar	15
3.	Chhattisgarh	5
4.	Goa	1
5.	Gujarat	8
6.	Haryana	6
7.	H.P.	7
8.	J&K	7
9.	Jharkhand	8
10.	Karnataka	13
11.	Kerala	5
12.	Maharashtra	19

13.	M.P.	15
14.	Orissa	13
15.	Punjab	9
16.	Rajasthan	22
17.	Tamil Nadu	9
18.	Uttar Pradesh	32
19.	Uttaranchal	8
20.	West Bengal	6
21.	Assam	12
22.	Arunachal Pradesh	7
23.	Manipur	4
24.	Meghalaya	0
25.	Mizoram	4
26.	Nagaland	3
27.	Sikkim	2
28.	Tripura	2
29.	Delhi	0
30.	Puducherry	1
31.	A & N Islands	1
32.	Lakshadweep	0
33.	D & N Haveli	0
34.	Daman & Diu	0
	Total (A)	262

12.5 While briefing the Committee, during the oral evidence, the Secretary, DAC, informed:

“On agricultural extension support systems, the Department recently launched the Agriculture Technology Management Agency (ATMA) programme to provide decentralized demand-driven extension. ATMAs have been established in 262 districts of 27 States and two Uts. It has been proposed to extend this scheme to another 300 districts for which outlay has been enhanced from Rs. 50 crore in 2006-07 to Rs. 230 crore for 2007-08. It is also announced in the budget, and the Ministry has already started working on it. We propose to draw up a new programme under Extension Sector. We would also like to see that there is a more effective system in place and there are other important extension activities of the Department which include mass-media support to agriculture through All India Radio, Doordarshan, Kisan Call Centres and

Agri-clinic and agri-business centres by agriculture graduates. In other words, our approach is to have private and public sector participation. Both the sectors have to participate in the medium term measures”.

12.6 Public research and extension played a major role in increasing production and productivity in agriculture and allied sectors in the past. The nature and scope of agricultural extension has undergone fundamental changes since then. Transferring research results on farmers’ fields is an important challenge facing us today. The Department of Agriculture and Cooperation (DAC) has taken several initiatives to revitalize the agriculture extension system in the country. These initiatives include:

- (a) Support to State Extension Programmes for Extension Reforms – based on Agricultural Technology Management Agency (ATMA) model.
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- (c) Establishment of Agri-Clinics and Agri-Business Centres – by agricultural graduates.
- (d) Kisan Call Centres – for providing agricultural information through toll free telephone lines.
- (e) Extension Support to Central Institutes/Directorate of Extension (DOE).

12.7 Under the ‘**Scheme of support to state extension programmes for extension reforms**’ minimum 10% of allocation on recurring activities at district level is to be used through non-governmental sector viz. NGOs, Farmers Organization (FOs), Panchayati Raj Institutions (PRIs), para-extension workers, agri-preneurs, input suppliers, corporate sector, etc. It is mandated that minimum 30% of resources on programmes and activities are utilized for women farmers. Similarly, 30% of resources meant for extension workers are to be utilized for women extension functionaries. It is mandated that minimum 10%

contribution should be realized from beneficiaries with respect to beneficiary oriented activities.

12.8 Implementation Status (since its launch in May, 2005)

- (a) 27 States and 2 UTs have already established ATMAs in 262 districts till January, 2007.
- (b) Over 1100 Master Trainers have been trained in 27 States.
- (c) SEWPs of 25 States were approved in 2005-06 and SEWPs of 20 states have been approved till 31st December 2006 during 2006-07
- (d) Over 421 thousand farmers including 15400 thousand farm women (36%) have benefited through farmer oriented extension activities viz. exposure visit, training, demonstration, kisan melas/goshties up to December 2006.

12.9 In their Reports on Demands for Grants, the Committee had recommended to provide 25% subsidy to the agricultural graduates to set up their ventures on scheme of Agri-Business and Agri-Clinics. This issue of providing 25% subsidy has still not been finalized.

Chapter XIII

TECHNOLOGY MISSION ON OILSEEDS, MAIZE AND PULSES

13.1 Government of India is implementing a Centrally sponsored “Integrated Scheme for Oilseeds, Pulses, Oil Palm and Maize” (ISOPOM) from 1st April, 2004 in 14 major states for oilseeds and pulses. Financial assistance is being provided for various critical inputs like production and distribution of seed, distribution of seed minikits, sprinkler sets, rhizobium culture and Phosphate Solubilising Bacteria (PSB), supply of plant protection chemicals/weedicides/bio-pesticides and plant protection equipment, distribution of bio-fertilizers and gypsum etc. In order to disseminate the production technology amongst farmers, frontline demonstrations are organized by the Indian Council of Agriculture Research (ICAR). Besides, block and integrated pest management demonstrations are organized through State Department of Agriculture. Provision for crash programme for quality seed production of oilseeds has also been made in the scheme. The scheme provides subsidy on production and distribution of foundation/certified seeds to the seed producing public sector agencies and to all the implementing states to supply quality seed at reasonable price to the farmers.

13.2 Showing the concern about the stagnation, introduction and productivity of pulses, the Finance Minister proposed to expand the Integrated Oilseeds, Oilpalm, Pulses and Maize Development Programme. He informed that there will be a sharper focus on scaling up the production of breeder, foundation and certified seeds. The Indian Institute of Pulses Research(IIPR), Kanpur, the National and State level seeds corporations, Agricultural Universities, ICAR centres, KRIBHCO, IFFCO and NAFED as well as large private sector companies will be invited to submit plans to scale up the production of

seeds. Government will fund the expansion of IIPR, Kanpur, and offer the other producers a capital grant or concessional financing in order to double the production of certified seeds within a period of three years.

13.3 When asked about the *modus operandi*, the Government replied:

“As a follow up to the announcement of Hon’ble Finance Minister regarding doubling the production of certified seeds including pulses, a meeting of the major pulse producing states/seed producing agencies is scheduled to be held shortly to discuss the strategies to be adopted for doubling the production of certified seeds of pulses within a period of three years”.

13.4 Following are the **production constraints in oilseeds**:

- Low productivity primarily due to their cultivation in un-irrigated drought prone areas.
- Highly risky crop affected by vagaries of nature like floods and drought in Kharif and frost in Rabi.
- Susceptibility to a number of pests and diseases which lower productivity.
- Use of poor quality seeds by the farmers and their reluctance to provide cash inputs as growing of oilseeds is risky.
- Lack of proper marketing infrastructure and higher fluctuation in the prices lead to uncertainty in economic returns.
- Lack of high-yielding varieties suitable to the local agro-climatic regions.
- Non-availability of hybrids in Mustard, Groundnut, Sesamum, soybean, Niger and pests and disease resistant varieties.

13.5 The thrust areas identified for increasing production of oilseeds during Tenth Plan are special production programme in areas at the tail end of the command irrigation

system, diversification programme of rice – wheat system, convergence of oilseeds production programmes with watershed development programmes, inter cropping of oilseeds with other crops and extension of these crops in selected regions of the various states for production.

13.6 Constraints in pulses production

- (i) Cultivation of pulses is less remunerative than that of cereals such as rice wheat, and oilseeds or of other commercial crops. The farmers, therefore, divert the better lands and resources for the cultivation of other crops.
- (ii) Pulses are raised under rainfed condition on marginal and sub-marginal lands, which are poor in fertility.
- (iii) The varieties available at present are susceptible to a number of diseases like yellow mosaic virus and powdery mildew in moong, urd and cowpea, sterility mosaic in arhar, wilt and blight in gram, reducing the yield; they are also vulnerable to termites and susceptible to pests.
- (iv) No major break-through has been achieved in pulses production technology and improvement of high yielding germ plasm. The varieties evolved in pulses have got narrow adaptability and, therefore, the farmer has to manage within the limited range of varieties for different seasons and agro-climatic situations.
- (v) The production of pulses in the off-seasons that is summer/rabi is affected by stray cattle and Blue Bull, which damage pulse crops such as arhar, moong and urad more than any other crops.
- (vi) Lack of proper marketing infrastructure and highly fluctuating prices lead to uncertainty in economic returns.

13.7 Expressing their concern about the acute shortage of pulses the members of the committee asked, during the oral evidence, about the plans of the Government to expand the area under pulses cultivation. The Department replied:

“The area under pulses during 2006-2007 has been 22.31 million hectare as per second advance estimates of Directorate of Economics & Statistics, Department of Agriculture & Cooperation. Government of India envisages to enhance the area under pulses by 2.04 million hectares through a special pulses development programme under Integrated Schemes of Oilseeds, Pulses, Oilpalm and Maize (ISOPAM) in the country during 2007-2008. Government of India also proposes to increase production and distribution subsidy to the extent of 50% of the cost of the certified seed from the existing rate of assistance of 25% of cost of the certified seeds or Rs.500.00 per quintal towards production subsidy and Rs.800.00 per quintal towards distribution subsidy under ISOPAM, besides Government is also considering to provide additional financial assistance to the Major Pulses producing States during 2007-2008 to implement upscaled programmes for achieving enhanced production and productivity.”

Maize Development Programme under ISOPOM

13.8 The Maize Development Programme under ISOPOM is being implemented from 1st April, 2004 in 15 states (Andhra Pradesh, Bihar, Chattisgarh, Gujarat, Himachal Pradesh, J&K, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, U.P. & West Bengal). Maize is cultivated over an area of 73.22 lakh hectares with grain production of 149.30 lakh tonnes (2003-2004) annually in India. About 90 per cent of cultivated maize is Kharif rainfed. Maize is cultivated mainly for food, fodder, feed and industrial use. More than 3500 value added products of daily application are derived from maize. Financial assistance is provided for the production

and distribution of certified seeds, distribution of seed minikits, distribution of sprinkler sets, rhizobium culture and Phosphate Solubilising Bacteria(PSB), gypsum/pyrite, supply of plant protection chemicals/weedicides/bio-pesticides and plant protection equipment, distribution of bio-fertilizers and gypsum etc. In order to disseminate the production technology amongst the farmers, frontline demonstrations are organized by the ICAR. Block and Integrated Pest Management (IPM) demonstrations are organized through State Department of Agriculture on large scale. Provision for crash programme for quality seed production of maize has also been made in the scheme in order to meet the shortage of quality seeds.

13.9 The Department informed that no review/evaluation of the scheme (ISOPOM) has been made by the Planning Commission or any other agency during 10th Plan period. However, Expenditure Finance Committee (EFC) while approving the Scheme for 10th Five Year Plan had recommended independent evaluation of the scheme at the end of the Plan period. Ministry of Finance has also emphasized the need to shift the focus from outlays to outcomes, improve the quality of implementation of developmental programmes and enhance the efficiency and accountability of the delivery mechanism. Accordingly an Agency for conduct of independent evaluation study has been identified and the award of the work is at final stage.

13.10 The Department informed that no Plan allocation for the 11th Plan has been received. However, Planning Commission has allocated Rs.300.00 Crores for Integrated Scheme of Oilseeds, Pulses, Oil palm & Maize (ISOPOM) and Rs.8.00 Crore for Integrated Development of Tree Borne Oilseeds respectively for the Annual Plan 2007-08.

13.11 The scheme **“Integrated Development of Tree Borne Oilseeds”** has been initiated during Xth plan as a Central Sector Scheme. The scheme is being implemented

in 23 states of the country. Tree Borne Oilseeds such as Jatropha, Karanja, Mahua, Neem, Wild Apricot, Cheura, Kokum, Tung, Jojoba etc. are being promoted. Mid term evaluation of the scheme “Integrated Development of Tree Borne Oilseeds (TBOs) has been entrusted to Indian Institute of Management (IIM), Ahmedabad and the report of the study is likely to be received shortly.

Chapter XIV

RAINFED FARMING SYSTEM

14.1 Rainfed areas constitute about 60% of the total 142 million hectares cultivated in the country. Rainfed agriculture is characterized by low levels of productivity and low input usage. Variability in rainfall results in wide variation and instability in yields. The bulk of the rural poor live in the rainfed regions. Therefore, Government of India accords highest priority to the holistic and sustainable development of rainfed areas through watershed development approach. Rs. 140 crore have been allocated for 2007-2008 against Revised Estimates of Rs.123 crore during 2006-2007.

14.2 The Government have informed that a National Rainfed Area Authority (NRAA) has been established by the Union Government with an outlay of Rs.1.5 crore (2007-08), on National Rainfed Area Authority (NRAA) (New Scheme) (Outlay 2007-08= Rs. 1.5 crores). The NRAA has been established by the Union Government on 3rd November, 2006 as the expert body to provide the much needed knowledge inputs regarding systematic upgradation and management of country's dryland and rainfed Agriculture. The Authority will serve as a policy making and monitoring body charged with the role of examining guidelines of various existing schemes and in the formulation of new schemes including all externally aided projects in this area. It is also expected to effectively converge the various schemes in different Ministries related to watershed development and other aspects of land use and productivity. Its mandate has been kept wider than mere water conservation and covering all aspects of sustainable and holistic development of rainfed areas, including appropriate farming and livelihood system approaches. The NRAA would especially focus on issues pertaining to landless and marginal farmers, who constitute the large majority of inhabitants of rainfed areas.

14.3 During the oral evidence it was asked if there is any proposal to include the state governments in this authority, the Department clarified as under:

“The Union Cabinet in its meeting held on 10th August, 2006 approved a two tier structure for the National Rainfed Area Authority (NRAA). The first tier is a Governing Board that will provide the necessary leadership and appropriate coordination in the implementation of the programmes. The second tier would be the Executive Committee consisting of technical experts and representatives from stakeholder Ministries. The Executive Committee would be headed by a full time Chief Executive Officer (CEO) who should be a recognized expert on the subject and will also have five other full time technical experts. It would have the flexibility to coopt additional technical experts as required and with the approval of the Governing Board. At present there is no proposal to include the State Governments in the NRAA”.

14.4 With regard to the ‘pilot scheme on enhancing sustainability of dryland farming systems’ being referred to the National Rainfed Area Authority before it is considered for approval. The Department stated:

“The scheme is being referred to the National Rainfed Area Authority for examination as desired by Department of Expenditure, Ministry of Finance. The Rainfed Area Authority has been constituted on 3rd November, 2006 but yet to become functional. In the meantime, the Department is pursuing with Ministry of Finance also to get the approval of the scheme at the earliest. However, it will be premature to give a timeframe as to when it will come up for actual implementation”.

14.5 The mandate of the National Rainfed Area Authority is as follows:

- 1) To prepare a perspective plan, outlining the national strategy and road map for holistic and sustainable development of rainfed farming areas.
- 2) To evolve common guidelines for all schemes of different Ministries including Externally Aided Projects for development of Rainfed / Dry land Farming systems.
- 3) To coordinate and bring convergence within and among agricultural and wasteland development programmes being implemented in rainfed areas of the country.
- 4) To identify rainfed areas in different States which need priority attention and prepare watershed development programmes for integrated natural resource management in consultation with States, focusing on multi dimensional crop, livestock, horticulture, agri-pasture integrated systems and programmes for landless farming communities.
- 5) To identify gaps in input supply, credit availability, dissemination of appropriate technology and other requirements relevant for rainfed areas.
- 6) Guide the implementing agencies on priority setting and monitor the specific interventions required.
- 7) To develop plans/ programmes for capacity building of Centre / State Government functionaries in rainfed areas.
- 8) To suggest modalities to strengthen National and State level Institutions concerned with Rainfed/Dryland Areas and establish institutional linkages with prioritized watersheds.
- 9) Monitor disbursement of rural credit/insurance cover/safety net programmes developed for rainfed areas.
- 10) Set the research agenda including a critical appraisal of on –going programmes and promote diffusion of required knowledge for integrated farming in rainfed areas to district and lower level authorities.

11) To evaluate the effectiveness of completed watersheds and concurrent evaluation.

Rainfed Area Development Programmes (New Scheme)

14.6 A new Scheme addressing the specific needs for rainfed areas will be implemented during the year 2007-08. The amount will be provided to the implementing states (Rs. 55 crores/UTs (Rs. 5 crores) as well as Central institutes/organizations (Rs. 40 crores) for implementation of the programme. The Scheme will address comprehensive development of prioritized regions in the rain areas. This will also aim at increasing agricultural productivity in these areas as well as strengthening livelihood supports in the rural areas particularly in the rainfed regions.

14.7 During evidence the Secretary (DAC) further elaborated on the Rainfed Area Development Programme as under:

“It is proposed to launch a comprehensive rainfed area development programme during 2007-08 in consultation with the National Rainfed Area Authority. An outlay of Rs.100 crore has been proposed to be earmarked during the ensuing year for this purpose. The Authority shall also be consulted in finalization of yet another major intervention for enhancement of sustainability of dryland, rainfed farming systems. An outlay of Rs.200 crore is proposed to be earmarked for this important intervention. It is still to be finalized but it will be done hopefully”.

PART – II

RECOMMENDATIONS/OBSERVATIONS

RECOMMENDATION NO. 1

Budgetary Allocation

The Committee note that for the Tenth Five Year Plan (2002-2007), Ministry of Agriculture (Department of Agriculture and Co-operation) had proposed an outlay of Rs.25002 crore keeping in view the thrust areas identified for the Tenth Plan. However, Rs.16093.32 crore were allocated as budget estimates and only an amount of Rs.15612 crore was made available in the Revised Estimates from 2002-2003 to 2006-2007

The Committee further note that the average growth in the Tenth Five Year Plan in agriculture and allied sector is 2.3% as compared to an aggregate of 7.6% for all sectors of the economy. The Committee are of the opinion that though the periodic failure of the monsoon in the last few years can be attributed to be a contributory factor for shortfall in the agricultural growth rate, lack of adequate funding and investment in the agriculture is also one of the primary reason for deceleration.

The Committee has been informed that the Plan Budget estimates for 2007-08 has been Rs.5560 crore (1.72% of Central Plan Outlay) as against RE of Rs.4900 crore during 2006-07, though the Department had put forward a demand of Rs.7325.96 crore. The Committee feel, and as also agreed by the representative of the department during evidence, that this amount of Rs.5560 crore is not sufficient

enough to meet the requirement of the agriculture sector. Therefore, the Committee recommend that if the Government is serious enough to increase the agricultural growth rate and investment in agriculture, the Planning Commission and Finance Ministry should be asked to allocate at least Rs.2000 crore more for 2007-08 at the Revised Estimates stage.

The Committee strongly feel that the strategy of planned development would lose its sanctity and would remain only on papers, if the life line of funds to this vital and basic sector is throttled, as the growth of all other sectors is inextricably linked to the growth of agricultural sector. The Committee, therefore, expect a reasonable and liberal approach in making allocations in favour of agriculture and allied activities in the present and future budgets.

RECOMMENDATION NO. 2

Allocation for the North-Eastern States

The Committee note that 10% of Plan funds of the Department are allocated to the North-Eastern States for the special development of this area. However, it is observed that the actual release of the funds is much less than the amount allocated. During the Xth Plan period, the amount allocated at RE stages was Rs.1550.25 crore though the actual release was Rs.1205.53 crore which is the 77.77% of the allocation. The main reasons for shortfall in release of funds, as told by the Department, are inadequate demand from some of these States and non-submission of utilisation certificates in respect of funds released. It has also been informed that the unutilised portion of allocated funds to these States is credited to the Non-lapsable Central Pool of Resources for North Eastern States for their development.

Taking a serious view of the situation, the Committee desire that all the funds allocated for the North-Eastern region should be spent for the development of that area only. As far as the issue of inadequate demand from the North-Eastern States is concerned, it is the duty of the Central Government to apprise these States about various schemes of the Agriculture Department, devised for them. The Committee feel that if the States are fully aware of the Schemes then only they can come up with their demands for funds for specific schemes. The Committee also emphasise that the unutilised amount of agriculture sector which goes to the non-lapsable pool should be spent for agriculture related activities only. Because once lapsed to that pool, there is no source of knowing that the funds which were allocated for the purpose of agriculture are really being spent on the same. The Committee,

therefore, recommend that all out efforts should be made to ensure that the funds meant for North-Eastern States, are fully utilized and that can be done by proper extension services and by having a mechanism to trace the proper utilisation.

The Committee in their earlier Report on Demands for Grants have recommended that the expenditure actually incurred on Schemes in North-Eastern States should be reflected separately in Demands for Grants document of the Department, so as to have a clear cut picture of the progress made in this regard. The Committee have been informed that this matter is still under consideration of the Ministry of Finance. The Committee, therefore, again recommend that the matter should be expedited and the actual expenditure be reflected, separately, in the demands for grants document of the Department.

RECOMMENDATION NO. 3

Delay in approval of Schemes

The Committee have been informed that in case of 15 new schemes proposed to be implemented during the Tenth Plan period i.e. 2002-03 onwards, there have been inordinate delays in the approval. Out of the 15 new schemes, only three could be approved during 2004, four during 2005 and seven schemes were approved in 2006 only and one scheme was not approved at all. The Committee fail to understand as how with this pace of the approval of the schemes, actual implementation can be effected. This shows the seriousness with which the Government implements its approved schemes. At this rate, the agriculture sector will never be able to achieve its targeted growth rate. In view of this loss of precious time and in view of the target of achieving agricultural growth rate in excess of 4% as per National Agriculture policy, the Committee recommend that higher allocations should be made for the implementation of these schemes in the Revised Estimates of 2007-08 and for the whole 11th Plan period also. It should also be ensured that the Plan schemes do not take much time to take off and approval procedure should be completed within six months of decision of introduction of a new scheme.

The Committee desire that the Government should bring this observation of the Committee to the pointed attention of the Planning Commission and Ministry of Finance for appropriate and immediate action. They further desire the Government to ensure that the schemes of Eleventh Plan do not meet the same fate

as the Schemes in the earlier Plan and the Schemes get implemented without any undue hassles and delays.

RECOMMENDATION NO. 4

Scheme on Enhancing Sustainability of Dryland Farming Systems

The Committee are shocked to learn that the 'Scheme on Enhancing Sustainability of Dryland Farming Systems', for which provision was made under the Tenth Five Year Plan, has still not been launched. Explaining the reasons for non-approval of the scheme, the Government informed that it could not be launched as it was considered appropriate to firm it up after consultation with the newly set up 'National Rainfed Area Authority'. The reason given by the Government is not at all satisfactory and amounts to covering their own lapses.

The Committee are highly critical of this explanation and attitude of the Government; as it is very much evident that this scheme was proposed during the Tenth Plan when the National Rainfed Area Authority was not even conceptualized. Now after expiry of whole of the 10th Plan, the Government comes up with the idea of referring it to the Authority which has yet to become functional. The Committee desire the Government to explain whether for all these years they were waiting for the Authority to be set up to refer this scheme to it which actually even they did not know at that point of time that it is going to be set up. Then how could they propose it at all during tenth plan when there was no intention of approving and implementing. The delay in launching of the Scheme will have an adverse effect on the farmers a vast majority of whom are dependent upon monsoons.

Taking serious cognizance of the whole matter and in view of the importance of the scheme, the Committee recommend that the 'Scheme on Enhancing Sustainability of Dryland Farming Systems' should be approved immediately for

implementation and it should be launched, with or without consultation with National Rainfed Area Authority, within three months of presentation of this Report to Parliament.

RECOMMENDATION NO. 5

Global Warming

The Committee note with concern the adverse effects of global warming on Agriculture. A recent study conducted by a reputed journal of U.K. has shown that about 30% of the variation in the global agricultural yield can be explained by temperature rise. Our country being the second largest producer of wheat and the fifth largest producer of maize in the world is bearing the brunt and suffering a silent kill on its agrarian economy. One study shows that even 0.5⁰ C rise in temperature may reduce the yield of wheat in India by 450 kg. per hectare.

The Committee are of the view that it is high time to take this issue seriously because the economic impact of such global warming is higher in developing and poor countries rather than in developed countries. The Committee recommend that high temperature tolerant varieties of crops should be developed and the farmers should be educated to take care of the issue and grow their crops accordingly. Tsunami affected areas should also be studied to find out the impact of global warming as these coastal areas are most likely to be adversely affected. The Department should chalk out the alternative land and water use strategies to combat global warming so as to minimize the impact and losses for food security of the country.

RECOMMENDATION NO. 6

National Rainfed Area Authority

The Committee note that the National Rainfed Area Authority (NRAA) has been constituted on 03.11.2006 with a budgetary provision of Rs.100 crore during 2007-08 to coordinate all schemes relating to watershed development and to give focused attention to the problem of the rainfed areas of the country. The Committee have been informed that the first tier of the Authority is a Governing Board that will provide the necessary leadership and appropriate coordination in the implementation of the programme, and the second tier would be the Executive Committee consisting of technical experts and representatives from stakeholder Ministries. The Committee also note that there is no proposal to include the State Governments in NRA Authority.

The Committee are of the firm opinion that the representation of the State Government on this Authority should be a pre-requisite as the Agriculture is a State subject and this Authority has to deal with the problems of whole country having 24 climatic zones. They, therefore, recommend that at second tier, representatives of various State Governments should also be included so as to have a full picture of the requirements of the regions. The Committee also feel that one representative of the farmers should also be associated with the Executive Committee of the Authority.

RECOMMENDATION NO. 7

Subsidies in Agriculture

The Committee note that the major subsidies being provided in India are on Food/Seed, Indigenous (Urea) Fertiliser, Imported (Urea Fertiliser), Sale of decontrolled fertilizer with concession to farmers, petroleum subsidy and grant to NAFED under Market Intervention Schemes (MIS) and Price Support System (PIS). State Governments give subsidies for Irrigation and Electricity etc.

The Committee feel that the real benefits of subsidies do not reach the farmers. Most of our farming is based on rain/monsoons and not many farmers in villages actually have tubewells and operate it through electricity where subsidy is given. Even the benefits of subsidies on urea/fertilizer is reaped by the manufacturers and not by the poor farmers.

While comparing the subsidies being given in India and other countries the Committee note that the per hectare subsidies in Japan in 1999 were \$ 11,792, in EC \$ 831, in OECD \$ 218 and USA \$ 129. In India it was only \$ 53. Similarly, the per farmer subsidy in 1999 was \$ 26,000 in Japan, \$ 21,000 in USA, \$ 9000 in Canada, \$ 17,000 in EC and \$ 11,000 in OECD. In India it was \$ 66. The aggregate subsidy for agriculture in India was estimated at \$ 8.50 billion in 2001-02 as against \$ 49.08 billion in USA, \$ 47.20 billion in Japan and \$ 115.33 in European Union.

The Committee agree that agricultural subsidies are a powerful instrument in the hands of the Government not only to protect the interest of the farmers but also to regulate or even to manipulate the domestic prices and import/export of agricultural commodities.

More than 50% of the agriculture holdings in India are in rainfed areas, so the subsidy given on food, to Electricity Boards/Corporations and fertilizer companies do not count much for the farmers of rainfed areas. Committee fail to understand this policy of giving subsidy to the electricity boards, fertilizer companies, petroleum companies and grants to NAFED for Market Intervention Scheme (MIS), in the name of subsidy to agriculture sector, whereas the 90% farmers do not get any benefit of this subsidy policy, as they do not own Tubewells run on electricity and do not use fertilizers (Urea etc.). Food subsidy should not be treated as agriculture subsidy as the beneficiaries are mainly consumers and not producers. The Committee, therefore, recommend that the subsidy should be given to the farmers directly by providing him seed, fertilizer, soil nutrients, diesel or electricity for his tubewells etc at cheaper rates as compared to the prevalent market rates.

The Committee are of the opinion that, no doubt, our country cannot compete with the developed countries in the amount of subsidies they provide to their farmers but at least we can try to give the real benefits of the subsidies to small and needy farmers. The Committee recommend that alternative mechanisms for delivery of subsidies should be tried and tested to provide cost effective income transfers to the truly needy farmers.

RECOMMENDATION NO. 8

ISOPOM

The Committee are constrained to note the acute shortage of pulses and oilseeds in the country. Showing concern about stagnation in the production and productivity of pulses, the Finance Minister during his Budget Speech on 28.02.2007 proposed to expand the Integrated Scheme for Oilseeds, pulses, Oilpalm and Maize (ISOPOM) with a sharper focus on scaling up the production of breeder, foundation and certified seeds. The Committee are also informed that the Scheme of ISOPOM which was implemented from 1st April, 2004 in 14 major States for oilseeds and pulses, is being reviewed in order to modify it to increase the production and productivity of pulses and oilseeds.

The Committee recommend that the Government should try to enhance the cultivable area under pulses and oilseeds. Apart from National Seeds Corporation (NSC) and State Farm Corporation of India (SFCD), NAFED being the apex organization in cooperative sector and with the largest marketing network in the country, should also be involved in all the activities of ISOPOM, which will be beneficial for increasing the production, productivity and marketing of pulses and oilseeds in the country. The Committee also strongly recommend that under ISOPOM production and distribution subsidy should be increased to the extent of 50% of the cost of certified seed from the existing rate of 25%.

RECOMMENDATION NO. 9

Organic Farming

The Committee are happy to note that the 'National Project on Organic Farming' which was launched on a pilot basis in October, 2004, to interalia facilitate, encourage and promote development of organic agriculture in the country and putting in place a system of certification of organic produce, is now proposed to be implemented as a full fledged scheme during the 11th Five Year Plan period with an outlay of Rs.150 crore. However, the Committee are dissatisfied with the poor performance of the project. The Committee observe that the scope of organic farming is very wide. Organic products are largely in demand in foreign countries also. US Bio Terrorism Act, 2002, European Union Food Law 178/2002 and U.S. National Organic Programme - Organic Food Production Act 1999 have made it mandatory to have traceability and organic certification on the organic food imported in their countries. Therefore, if the nation has to take organic farming seriously, the Government should encourage it and work very systematically and efficiently. The Committee recommend that agencies like NAFED should be involved in the organic projects. They should be encouraged to take the project right from the beginning, nurture it and then market the products in India and abroad so that traceability and organic certification issues are taken care of. The Committee are confident that this encouragement to organic farming will go a long way in improving the fiscal and physical health of the Nation.

RECOMMENDATION NO. 10

Allocation for Credit Division

The Committee have been informed that the focus of the credit policy of the country has been to provide timely and adequate support to farmers at reasonable rates of interest. However, the Central assistance to State Governments under various Centrally sponsored and Central sector plan schemes has been reduced from Rs.828.75 crore in 2005-06 to Rs.680.38 crore in 2006-07 and again to Rs.545 crore in BE of 2007-08. The Committee are unable to comprehend as to how the Agriculture credit is being strengthened by reducing the budgetary allocation regularly year after year. The Committee, therefore, recommend that the allocation for the Credit Division should be enhanced at Revised Estimates stage to the level of the demands projected by the States, so that the schemes are not resource starved and are implemented in right earnest.

RECOMMENDATION NO. 11

Agricultural Credit

The Committee have been informed that during the first nine months of 2006-07, 63 lakh new farmers were financed by the banking system as against the target of 50 lakh new farmers set for the year 2006-07. The Finance Minister in his budget speech 2007-08 has indicated a target of Rs. 2,25,000 crore as farm credit for the year with an addition of 50 lakh new farmers to the banking system and also a provision of Rs. 1677 crore for two per cent interest subvention for short-term crop loans. This is a major step forward, and indicative of Government's commitment for improving the economic well-being of the farmers. However, the Committee is deeply concerned that even after announcement of the scheme of interest subvention of 2 per cent on loan, the farmers are not able to come out of the debt trap and are committing suicides. The moneylenders are still popular as they are still ruling the rural credit system by giving timely credit to local farmers but on exorbitant interest rates. Therefore, the Committee recommend that the moneylender's role in farmers' credit should be regulated in terms of loan amount as well as interest rates so as to treat them as part of rural credit system. However, their role can be reduced only if the farmers have more access to the banking system and get timely credit on easy terms at their doorsteps.

The Committee feel that announcement of the loan factor will not stop the distress state of farmers, rather providing of irrigation facilities with efficient water management, distribution of high-yield variety seeds at subsidised rates and also income increasing opportunities through horticulture, livestock, poultry, dairying

and fisheries are also must to decrease the suicide rate of farmers. The comprehensive rehabilitation package for especially distressed districts should include these factors also.

The Committee recommend that the rate of interest on farm credit should be reduced to the level of 4 per cent simple interest as has been suggested by National Commission on farmers headed by M.S. Swaminathan and in no case the interest should surpass the original amount of the loan so that the exploitation of farmers by the financial institutions is restricted.

The Committee have noted that in the case of poultry industry, due to loss created by the outbreak of Avian influenza, the Government of India announced a financial package along with one time interest subvention of 4 per cent in the last year i.e. 2006-07 for a period of one year on the outstanding principle amounts of loan availed by the poultry units. Therefore, the Committee recommend that the interest subvention for the loans availed by the farmers of 31 suicide prone districts and other distress areas should also be increased to four per cent and may be distributed through RBI and its banking system as is being done in the case of poultry units.

RECOMMENDATION NO. 12

Allocation for Crop Insurance

The Committee note that under National Agricultural Insurance Scheme (NAIS) during the last twelve crop seasons (i.e. from Rabi 1999-2000 to Kharif 2005), 751 lakh farmers have been covered over an area of 1220 lakh hectares insuring a sum amounting to Rs.70696 crore. During 11th Plan period an outlay of Rs.4530 crore including Rs.906 crore has been proposed (Rs.600 crore for existing NAIS in about 400 Districts and Rs.306 crore for proposed modified NAIS in 100 Districts) for 2007-08, but only Rs.500 crore has actually been provided in BE of 2007-08. During the oral evidence, representative of the Department also admitted that under NAIS the allocation is much less than what they had asked for and they need another Rs.600 crore for this Scheme. Therefore, the Committee recommend that Crop Insurance being a vital need of the farming system, at least another Rs.600 crore should be allocated at Revised Estimates stage so that the farmers do not suffer losses due to sudden and unforeseen circumstances causing damage to their crops.

RECOMMENDATION NO. 13

Modified National Crop Insurance Scheme

The Committee have been informed that Modified National Agricultural Insurance Scheme (MNAIS) to take care of shortcomings/limitations in National Agricultural Insurance Scheme (NAIS), like unit area of insurance, calculation of insurance claims, low indemnity level, calculation of guaranteed income, etc., was prepared by the Department of Agriculture & Cooperation and submitted for approval to Planning Commission in February 2005. The Planning Commission returned the MNAIS suggesting to shift the scheme to Non-Plan side. It favoured the funding only for overhead component of costs of the modified scheme. It also laid down a condition that the scheme can be supported on pilot basis but only in the districts/States which have requisite data collection capability and have infrastructure for obtaining the feedback. And since this data is required to have actual calculations and there being need to have subsidy on the premium this cannot be started as a Plan Scheme.

The Committee in their 18th Report (2006-07) recommended that the on-going scheme of crop insurance being implemented as Plan-scheme since 2000, if modified to make it more farmers friendly, should not be shifted to non-Plan side. During the examination of DFG of 2007-08, the Committee have been informed that as was suggested by Planning Commission, the Ministry of Agriculture to start with, came with the scheme on pilot basis for 100 districts for the consideration of Expenditure Finance Committee, but the meeting was said to have been postponed at the instance of Planning Commission on the ground that the scheme has not yet

been given its “in principle” approval. The matter was taken up at the level of Agriculture Minister with Dy. Chairman, Planning Commission but the issue is still to be resolved.

The Committee are anguished at the delaying tactics of the Planning Commission for its non-serious attitude towards the farmers of this country. The Committee, therefore, recommend that this matter should be resolved amicably and MNAIS must be approved as a Plan-scheme as in the case of the earlier crop insurance scheme. The farmers of this country also need a fair deal for the loss of their crops caused by natural and weather vagaries and for no fault of theirs.

RECOMMENDATION NO. 14

Minimum Support Price (MSP)

The Committee note that the Government's price policy for agriculture commodities seeks to ensure remunerative prices to the growers for their produce with a view to encouraging higher investment and production and to safeguard the interest of consumers by making available supplies at reasonable prices. Towards this end, the Government announces each season Minimum Support Price (MSP) for major agricultural commodities and organizes purchase operations through public and cooperative agencies.

The Committee feel that the criteria of fixing the Minimum Support Price, which is being done by the Commission for Agricultural Costs and Prices (CACP) has become outdated, and the prices so fixed are not delivering the desired benefits to the farmers. The Committee, therefore, recommend that the Minimum Support Prices should be reviewed and it should be 50% more than the weighted average cost of production. The Committee further recommend that while calculating the costs, the farmer himself should be considered as a skilled worker, and his wages should be calculated equal to that of a skilled labour.

The Committee further observe that to help raise the agricultural growth rate from 2.3 per cent to 4 per cent, the MSP should be announced well before the sowing season which will help the farmers to decide which crop they should grow. In other words, the Government can play a major role in increasing or decreasing the net sown area of any crop. This will also help in determining the market prices. The Committee are also of the opinion that in order to balance the interest of

farmers as well as consumers, the procurement price of the Government may be kept at a higher level than the MSP, so that the market remains stable and the farmers also get a good price for their produce. The Committee strongly recommend that the bonus should form the part of MSP itself and should not be announced separately for Government procurement purposes. To offset the higher price of procurement, the Government may give subsidy to the consumers through public distribution system. This mechanism may help the farmer in getting a higher price depending on the market situation at the time of harvesting.

RECOMMENDATION NO. 15

Horticulture

The Committee note that under the Horticulture Division Rs.2222.40 crore have been allocated as against the proposals of Rs.2385.60 crore during 2007-08. Two flagship schemes which were launched by Government in 2005-06, viz. (i) 'National Horticulture Mission' (ii) 'Micro Irrigation Scheme' and a new scheme of 'National Bamboo Mission' are to be implemented in full swing during the current year. The National Horticulture Mission can offer much needed diversification to high valued crops so as to tap the benefits of the country's varied agro-climatic conditions in favour of horticultural produce. The Committee are of the opinion that Rs.2222.40 crore allotted to the Horticulture Division against the proposal of Rs.2385.60 crore for Horticulture Mission, may affect the performance of these schemes. The Committee, therefore, recommend that the allocation for horticulture sector should be enhanced at the revised estimate stage because the horticulture is fast gaining acceptability among the farmers and becoming a good means to raise their financial position.

\RECOMMENDATION NO. 16

Agricultural Marketing

The Committee note that the Public Private Participation (PPP) model was proposed to be implemented to set up model terminal markets in different parts of the country, whereby the terminal markets would be built, owned and operated by a corporate/private/cooperative entity (Private enterprise) either on its own or through adoption of an outsourcing model. The Committee are informed that these agricultural markets can be set up only in the States that have amended their Agricultural Produce Marketing (Regulation) Act (APMC Act), so as to allow direct marketing and contract farming and to promote setting up of markets in private and cooperative sectors, but some States are yet to amend their APMC Act. The Committee feel that this concept of terminal markets is likely to be very beneficial to the farmers as well as consumers. Therefore, they recommend that the remaining States should be asked to amend their respective Acts expeditiously and the terminal markets should be set up at the earliest.

RECOMMENDATION NO. 17

Agricultural Extension

The Committee are perturbed to note that even the Finance Minister during his Budget speech had to admit that the Agricultural Extension system seems to have collapsed and now the Training and Visit (T&V) programme, which brought in the Green Revolution of 1960s has to be replicated with suitable changes. The Committee were informed by the representatives of the Department during oral evidence that the Agriculture Technology Management Agency (ATMA) which has been established in 262 districts of 27 States and 2 Union Territories, is proposed to be extended to another 300 districts for which outlay has been enhanced from Rs.50 crore in 2006-07 to Rs.230 crore in 2007-08

The Committee are perplexed to note the contradictions, that on the one hand, the Government admit that the agricultural extension has failed, and on the other hand, the Government propose to enhance budget for further strengthening of ATMA, which has not shown any tangible results. The Committee are of the view that if ATMA has not succeeded upto now, either it should be revamped or the Government should come up with a scheme which works better than ATMA because for several years agricultural extension has been responsible for not percolating the real benefits of research of the schemes of the Department to the farmers.

The Committee in their earlier Reports on Demands for Grants, had recommended to provide 25% subsidy to the agricultural graduates to set up their ventures under the scheme of Agri-Business and Agri-clinics, but the issue of

providing 25% subsidy has still not been finalised. The Committee highly deplore the delay on this issue and desire that the component of giving 25% subsidy to agriculture graduates to set up their ventures should be approved within 2 months of presentation of the Report to the Parliament.

RECOMMENDATION NO. 18

Seed Crop Insurance

The Committee note that a Pilot Scheme for Seed Crop Insurance was initiated in 2000 with the objective to provide financial security and income stability to the Breeder Seed growers in the event of failure of seed crop and encourage participation of new breeders/growers to undertake seed production programme of newly released hybrid/improved varieties, but it was dropped during Tenth Plan.

The Standing Committee on Agriculture in their First Report (14th Lok Sabha) had recommended for continuation and popularisation of the 'Seed Crop Insurance Scheme' and to remove the bottlenecks in implementation of the Scheme. The Committee have been informed that the evaluation study for the Scheme was first awarded to the National Council for Applied Economic Research (NCAER) in Feb, 2002, then to Agriculture Finance Corporation in November 2003 from whom the final report is yet to be received. The Committee fail to understand the logic behind awarding evaluation studies to the aforesaid agencies year after year without any outcome. How the Government is not asking these agencies to submit the Report in time. The Committee recommend that it is high time that the 'Scheme of Seed Crop Insurance' be implemented at the earliest and the 'Agriculture Finance Corporation' should be asked to submit their Report within two months of presentation of this report so that some protection is provided to the seed growers, otherwise, it will be very difficult to encourage the seed growers to take up seed production.

RECOMMENDATION NO. 19

Co-operation

The Committee note with satisfaction that the co-operative sector in India has emerged as one of the largest in the world with 542566 co-operative societies and 424 multi-state co-operative societies. The Committee also note that Rs.128 crore have been allocated for 2007-08 as against RE of Rs.50.25 crore during 2006-07. Having accepted this fact, the Committee cannot help but express their concern about the weak condition of most of the co-operative societies in the country. The Committee feel that unless these cooperatives are revived, the farmers cannot avail the benefits of these societies. They, therefore, recommend the Government to ensure that the co-operatives are provided necessary support, encouragement and financial assistance so that they work as autonomous, self-reliant and democratically managed institutions accountable to their members and make a significant contribution to the agricultural sector of the national economy.

The Committee have been informed that the Task Force on revival of rural co-operative credit institutions under the chairmanship of Prof. A Vaidyanathan has submitted its report and the Government has approved the package for revival of short-term rural co-operative credit structure involving financial assistance of Rs.13596 crore. The Committee desire the Government to implement a package for revival of long-term co-operative credit structure also, including the recommendations made by the Vaidyanathan Committee, in this regard because most of the times the loans taken by the farmer are for long term as well.

The Committee also desire that Vaikunth Mehta National Institute of Co-operative Management (VAMNICOM), Pune, a premier institute in the field of cooperative management conducting professional degree courses, should be granted a deemed university status at the earliest so that exodus of highly talented and experienced faculty Members for want of good pay scales, is avoided and the students, otherwise well-qualified and well-trained by the institute, get good placement commensurate with their real calibre.

**NEW DELHI;
20 April, 2007
30 Chaitra, 1929 (Saka)**

**PROF. RAM GOPAL YADAV
Chairman,
Standing Committee on Agriculture**

APPENDIX -I

MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON AGRICULTURE HELD ON THURSDAY, 22 MARCH, 2007 AT 1030 HRS. IN COMMITTEE ROOM 'B', GROUND FLOOR, PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1030 hrs to 1305 hrs

PRESENT

Shri Sharad Anantrao Joshi – In the Chair

MEMBERS

LOK SABHA

2. Shri Ranen Barman
3. Shri Girdhari Lal Bhargava
4. Shri Khagen Das
5. Shri Deepender Singh Hooda
6. Shri Hari Rama Jogaiah
7. Shri Prabodh Panda
8. Smt. Rupatai D. Patil Nilangekar
9. Smt. Kalpana Ramesh Narhire

RAJYA SABHA

10. Smt. Mohsina Kidwai
11. Shri Vikram Verma
12. Shri Vinay Katiyar
13. Shri Sk. Khabir Uddin Ahmed
14. Shri Debabrata Biswas

SECRETARIAT

- | | | | |
|----|-------------------|---|------------------|
| 1. | Shri A.K.Singh | - | Joint Secretary |
| 2. | Shri Hardev Singh | - | Director |
| 3. | Shri N.S. Hooda | - | Deputy Secretary |
| 4. | Ms. Amita Walia | - | Under Secretary |

WITNESSES

Sl. No.	Name	Designation
1.	Shri P.K.Mishra	Secretary (A&C)
2.	Dr.S.M.Jharwal	Principal Adviser
3.	Shri S.Maria Desalphine	Additional Secretary
4.	Shri Karnail Singh	Additional Secretary
5.	Shri P.K.Basu	Additional Secretary
6.	Shri Prem Prakash Mathur	Additional Secretary & F.A.
7.	Shri S.L.Bhat	Additional Secretary
8.	Shri N.K.Das	Additional Secretary
9.	Dr. N.B.Singh	Agriculture Commissioner
10.	Shri A.K.Agarwal	Joint Secretary
11.	Shri Gokul Chandra Pati	Joint Secretary
12.	Shri P.K.Jalali	Joint Secretary
13.	Shri Satish Chander	Joint Secretary
14.	Shri Mukesh Khullar	Joint Secretary
15.	Shri U.K.S. Chauhan	Joint Secretary
16.	Dr.W.R.Reddy	Joint Secretary
17.	Shri S.K.Pattanayak	Joint Secretary
18.	Ms. L.N.Tochhawng	CCA
19.	Dr. M.L.Chowdhary	Hort. Commissioner
20.	Shri Ajit Kumar Neog	ESA
21.	Smt. Rinchen Tempo	Joint Secretary, Deptt. of Consumer Affairs
22.	Sh. Dinesh Sharma	Joint Secretary, Ministry of Commerce
23.	Sh. Amitabh Verma	Joint Secretary, Ministry of Finance
24.	Shri M.Parshad	CMD, AIC
25.	Shri Alok Ranjan	Managing Director (NAFED)
26.	Dr. K.G. Karmakar	Managing Director (NABARD)
27.	Shri M. Money	Chairman, APEDA

In the absence of the Hon'ble Chairman, Standing Committee on Agriculture, the Committee chose Sh. Sharad Anantrao Joshi, M.P., Rajya Sabha to act as Chairperson for the sitting under Rule 258 (3) of 'The Rules of Procedure and Conduct of Business in Lok Sabha'.

2. Thereafter, the Chairperson welcomed the members of the Committee and the representatives of the Department of Agriculture and Cooperation, Ministry of Agriculture to the sitting of the Committee and drew their attention to the provisions of Direction 55(1) of 'Directions by the Speaker, Lok Sabha' regarding confidentiality of the proceedings. The Chairperson then requested the Secretary of the Department to introduce his colleagues to the Committee. After the introductions, the Secretary gave a brief account of the Demands for Grants (2007-2008) of the Department including the allocations made vis-à-vis the proposals initiated, growth rate in agricultural sector, special package for farmers, agricultural credit, agricultural extension, National Horticulture Mission and National Rainfed Area Authority, etc.

3. The Chairperson and Members of the Committee sought certain clarifications on rates of interest being charged by various banks and interest subvention being provided on agricultural credit, plight of farmers, Minimum Support Price, role of Agriculture Technology Management Agency (ATMA) in agricultural extension, subsidies being provided in developed and developing countries, poor condition of cooperatives, allocations for and approval of new schemes and other related issues. The representatives of the Department of Agriculture and Cooperation replied to some of the queries raised by the Members and assured to send written information on rest of the issues.

4. A verbatim record of the proceeding of the sitting has been kept.

5. The witness then withdrew

6. The Committee then adjourned.

APPENDIX - II

MINUTES OF THE ELEVENTH SITTING OF THE STANDING COMMITTEE ON AGRICULTURE HELD ON FRIDAY, 20 APRIL, 2007 AT 1030 HRS. IN COMMITTEE ROOM 'A', GROUND FLOOR, PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1030 hrs to 1245 hrs

PRESENT

Prof. Ram Gopal Yadav – Chairman

MEMBERS

LOK SABHA

2. Shri Manoranjan Bhakta
3. Shri Girdhari Lal Bhargava
4. Shri Khagen Das
5. Shri Gadakh Tukaram Gangadhar
6. Shri Prabodh Panda
7. Shri K.J.S.P. Reddy

RAJYA SABHA

8. Shri Harish Rawat
9. Dr. M.S.Gill
10. Shri Vikram Verma
11. Shri Sk. Khabir Uddin Ahmed
12. Shri Sharad Anantrao Joshi
13. Shri M.Rajasekara Murthy

SECRETARIAT

- | | | | |
|----|-------------------|---|------------------|
| 1. | Shri A.K.Singh | - | Joint Secretary |
| 2. | Shri Hardev Singh | - | Director |
| 3. | Shri N.S. Hooda | - | Deputy Secretary |
| 4. | Ms. Amita Walia | - | Under Secretary |

At the outset, the Chairman welcomed the Members. Thereafter, the Committee took up for consideration the Draft Reports on Demands for Grants (2007-08) of the following Ministries/Departments: -

- (1) Ministry of Agriculture
 - (i) Department of Agriculture & Cooperation
 - (ii) Department of Agricultural Research & Education
 - (iii) Department of Animal Husbandry & Dairying
 - (2) Ministry of Food Processing Industries
2. The Committee adopted the Draft Reports with minor additions/modifications, as suggested by the members of the Committee.
 3. The Committee then authorised the Chairman to finalise the above-mentioned Reports on Demands for Grants (2007-08) and present them to the House on a date and time convenient to him.
 4. The Chairman thanked the Members for their cooperation and valuable suggestions made by them during consideration of the Demands for Grants of the concerned Ministries/Departments.

The Committee then adjourned.