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AGRICULTURE / AGRICULTURE MARKETING  
ON  
DEVELOPMENT OF AGRICULTURE**

at

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**AGENDA NOTES**

Government of India  
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Department of Agriculture & Cooperation  
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## **CONTENTS**

### **PAGE**

1. Progress of Rabi 2007-08 and Plan for Kharif 2008
2. National Food Security Mission
3. Rashtriya Krishi Vikas Yojana (RKVY)
4. Agriculture Marketing Reforms
5. Issues relating to implementation of National Agricultural Insurance Scheme and Weather Based Crop Insurance Scheme
6. Extension

## **Progress of Rabi 2007-08 and Plan for Kharif 2008**

The Agriculture Minister vide his letter dated 8<sup>th</sup> April, 2008 has informed the Chief Ministers of States regarding the rising price of foodgrains in the national and international markets. While some steps have been taken to insulate people from this hike in prices, the gap between demand and supply of foodgrains is a cause of concern. Food security has assumed great importance at the current juncture. Under the National Food Security Mission, emphasis is on increasing production of rice, wheat and pulses. However, it would also be prudent to boost production of other cereals like maize, jowar, bajra, pulses, oilseeds etc. in addition to foodgrains. Increase in the production of foodgrains and building up of sufficient stock for the Central Pool through public procurement has assumed significance. State Governments may take appropriate necessary steps to ensure higher production and higher procurement for the Central Pool to ensure food security.

The country witnessed good rainfall during the Kharif season except in some regions, particularly the Bundelkhand region of Uttar Pradesh & Madhya Pradesh. The rainfall was also deficient in the States of Haryana & Punjab, but due to assured irrigation, the effect of deficient rainfall was not significant. The coverage during Kharif 2007 was higher than the previous year in rice, maize, cotton, sugarcane, while it was similar or slightly less in case of jowar, bajra, jute & mesta.

The total food grain production during Kharif 2007-08 (2<sup>nd</sup> Advance estimates) is about 115.88 million tonnes against a target of 114.20 million tonnes and achievement of 110.57 million tonnes during 2006-07. The production of rice during Kharif 2007-08 is also expected at 81.52 million tonnes which is higher than 80.17 million tonnes achieved during 2006-07. A record production of cotton to the tune of 233.81 lakh bales is expected during 2007-08 as against the previous record production of 226.32 lakh bales achieved during 2006-07.

As far as Rabi crops are concerned, these are mostly grown under irrigated conditions. Winter rainfall however, helps in increasing production of crops particularly grown under rain fed conditions. As crops like jowar are grown in central India on the residual moisture of Kharif rainfall, the coverage of such crops have been marginally affected as there was less rain in Bundelkhand region and some other regions in central India in Kharif 2007. Southern India had good rains in the second half of March, 2008 which marginally affected some areas due to excessive rains / flood. Untimely rains during the first week of April 2008 in North Western India has also caused some damage to wheat crop in some pockets particularly in Punjab due to hailstorm and high velocity wind.

Regarding wheat, due to low and congenial temperature during growing period of wheat, which resulted in better tillering has improved the prospect for higher production which would compensate the loss of wheat area in Bundelkhand region of Madhya Pradesh & Uttar Pradesh.

The area coverage under wheat during Rabi 2007 has been about 277.48 lakh hectare against 279.75 lakh hectare during last year. The area coverage under other cereal crops was better than normal area for rice, maize and barley. In all, the total production of foodgrains during 2007-08 is estimated at 219.32 million tonnes(second advance estimates) against the production of 217.28 million tonnes obtained in 2006-07

## **Plan for Kharif 2008**

### **Rice**

India has a leading position in rice acreage and is next only to China in production. Rice production increased from 37.61 million tonnes in 1967-68 to 94.08 million tonnes in 2007-08(2<sup>nd</sup> advance estimate). The growth in area, production and productivity has been considerably higher during 1970s and 1980s and has declined sharply during 1990s.

The Government of India has launched the National Food Security Mission(NFSM) for increasing the production and productivity of Rice in 136 identified districts of 14 States where the productivity is comparatively lower. The scheme is operational from Rabi 2007-08. In addition to the above, the states are being given assistance in the Non NFSM -districts under ICDP-Rice under Macro Management Scheme for increasing the production and productivity of rice in the country.

Since the identified districts have shown less productivity compared to the State average it should not be difficult to increase productivity and production of rice, particularly in these districts utilizing NFSM and the ongoing schemes

### **Strategy for Rice**

1. Expansion of areas under rice by increasing cropping intensity specially in Assam, Bihar, Chhattisgarh, Orissa, Eastern U.P. and West Bengal.
2. Enhancing the yield through adoption of HYVs/hybrids well supported by improved packages of practices under the National Food Security Mission and other Government schemes/programmes.
3. Increasing the coverage under irrigation in the Eastern Region of the country through the development of minor irrigation by using ground water which is in abundance in the region.
4. Amelioration of soil with lime application in acidic soils especially in Assam, Bihar and Jharkhand and with gypsum in alkaline/saline soils for enhancing land productivity.
5. Enhancing the seed replacement rate to 33% in identified districts under NFSM with area specific high yielding varieties.
6. Expanding treatment of land under watershed development approach.

7. Integrated and balanced use of nutrients and need based use of micro nutrients on the basis of soil tests.
8. Promotion of farm mechanization particularly for weeding in rice.
9. Promotion system of rice intensification in identified districts under upland conditions with assured irrigation facilities.
10. Integrated pest management for minimizing crop losses and enhancing the returns to the farmers.

### **Issues for Consideration – Rice :**

Hybrid Rice is a potential tool to bridge the gap between potential yield and actual yield realized at the farmer's field. States need to popularize the hybrid rice technology through promotion of availability of quality seed and technology demonstration.

1. Promotion of early maturing rice varieties in rainfed uplands and midland situations in North Eastern and Eastern States to facilitate early harvesting of crop and enabling sowing of winter season short duration oilseeds and pulses.
2. Promotion of micronutrients/gypsum/lime in prioritized area of higher production.
3. Proper documentation and reporting of physical & financial achievements for different components of NFSM and ICDP.
4. Separate area & production targets for NFSM and non NFSM districts and area expansion under pulses in NFSM districts

### **Coarse Cereals**

Coarse cereals play a crucial role in stabilizing foodgrain production in the country and to provide basic raw materials for livestock feed. They occupy about 23.88 percent of the area under foodgrains and contribute about 16.33 percent of the total foodgrains production of the country (2005-06). However, Coarse cereals production has by and large shown a fluctuating trend during the last four decades. Coarse cereals were cultivated in an area of 29.04 million ha during 2005-06 with a production of 34.07 million tonnes. The production estimate of Coarse cereals for 2007-08 is 36.09 million tonnes (2<sup>nd</sup> Advance estimate) as compared to 33.92 million tonnes last year.

To increase the productivity and production of Coarse Cereals, assistance is being provided to the States under Macro Management of Agriculture.

### **Strategy for Millets**

1. Encouraging the use of hybrids and high yielding cultivars particularly in respect of Jowar and Bajra.
2. Popularization of dual purpose hybrids and variety in Jowar.
3. Promotion of ridge planting for better moisture conservation and efficient utilization of rain water, especially in rainfed areas and also to minimize water logging.

4. Promotion of soil and water conservation measures and harvesting of rain water in dug out farm ponds for life saving irrigation in the event of rain failures.

## **Cotton**

### **Strategy for Cotton**

The Mini-Mission-II of Technology Mission on cotton is being implemented in major cotton growing States including minor States like West Bengal, Orissa & Tripura.

1. Increasing the availability of treated quality seeds with emphasis on delinted seeds.
2. Covering more area under hybrids & thrust for evolving area specific production technology.
3. Popularization of Integrated Pest Management and Insecticides Resistant Management methods to control pests & diseases through farmers participatory approach based on the FAO model of Farmers Field School (FFS), use of bio-agents, pheromon traps.
4. Increasing irrigated area and efficient use of irrigation water through drip and sprinkler.
5. Focus for transfer of technology to farmers through Front Line Demonstration & upgradation of technical skills amongst farmers and extension workers through Farmers Field School and trainings of Extension workers & input dealers.

### **Issues for Consideration- Cotton**

1. The implementing agencies are requested to furnish Final progress report for the year 2007-08 indicating component-wise physical and financial targets and achievement.
2. Reasons for shortfall in achievements, if any, as also Unspent Balances as on 1.4.2008 may be furnished immediately.
3. During 2008-09, the States need to make separate budgetary allocation of the funds for SC, ST and women farmers separately.
4. The implementing agencies are requested to submit Monthly Progress Report regularly by the 10<sup>th</sup> of following months.
5. The States are requested to take necessary measures for management of mealy bug, mirid bug and minor pests.
6. The States are requested to issue State Level Sanction immediately after the receipt of administrative approval of the scheme from the Government of India and make available funds to the field functionaries. Copy of the State Level Sanction needs to be sent to this Department as well.
7. The States are requested to provide matching State share for smooth and effective production units set up in the States.
8. The States may indicate the status regarding seed delinting and bio-agent production units set up in the States since inception of the scheme (Mission).
9. The implementing agencies are requested to send Technical Programme indicating component-wise physical & financial targets under Mini Mission-II of TMC for the year 2008-09 for approval of the DAC.
10. The States may indicate area, production and productivity of Cotton during 2007-08 and working targets of Cotton Production during the year 2008-09

## **Jute & Mesta**

The Mini-Mission-II of Jute Technology Mission is under implementation in the states of Assam, Bihar, Meghalaya, Orissa, Tripura, Uttar Pradesh, West Bengal, Andhra Pradesh, Arunachal Pradesh and Nagaland.

### **Strategy for Jute, Mesta & allied fiber**

1. Distribution of certified seeds / Minikit of jute, mesta & sunhemp and distribution of ramie rhizome.
2. Production of breeder, foundation and certified seeds.
3. Popularization of implements (multi row seed drill, wheel hoe, ribbner and sprayer).
4. Technology demonstration, supply of essential nutrients and soil ameliorants.
5. Development of post-harvest operations like retting facility, distribution of culture, decorticator and degumming unit for ramie.
6. Demonstration on IPM and frontline technology demonstration.
7. To organize farmer's training, farmer's field schools and training to extension workers.
8. Establishment of model ramie farm, support to adaptive research, publicity and need based interventions etc.

### **Issues for Consideration- Jute, Mesta & allied fiber**

1. The implementing agencies are requested to send technical programme indicating component-wise physical and financial targets under MM-II of JTM for the year 2008-09.
2. The states are requested to issue State Level Sanction immediately after the receipt of administrative approval of the Scheme from the Govt. of India and make available funds to the field functionaries. A copy of State Level Sanction needs to be sent to this department as well.
3. The implementing agencies are requested to submit monthly progress report regularly.
4. States may indicate area, production and productivity of various crops covered under the scheme and working targets of production during 2008-09.
5. During 2008-09, the States need to make separate budgetary allocation of the funds for SC, ST and Women farmers.

## **Sugarcane**

To increase production & productivity of sugarcane, the Sustainable Development of Sugarcane Based Cropping System(SUBACS) under Macro Management is under implementation in most of the sugarcane growing States.

## **Strategy for Sugarcane**

1. Encourage sugarcane area diversification to some other less water demanding crops wherever irrigation water shortage is anticipated;
2. Adoption of IPM measures against woolly aphid in Maharashtra and Karnataka States;
3. Ensure production and availability of quality planting material including tissue culture planting material;
4. Ensure timely availability of critical inputs like fertilizers, pesticides and also credit to the farmers;
5. Encourage cultivation of proper inter crops to increase returns to the farmers;
6. Adopt efficient irrigation techniques to achieve higher water use efficiency;
7. Efforts to increase area under early maturing varieties with high recovery percentage.
8. Technology demonstration including ratoon management and training of farmers & extension workers.

## **Pulses and oilseeds**

The Department is implementing a Centrally Sponsored “Integrated Scheme of Oilseeds, Pulses, Oilpalm and Maize (ISOPOM) for increasing the production and productivity of oilseeds, pulses, oilpalm and maize in the country w.e.f. 1.4.2004. Under this scheme, programmes for development of oilseeds and pulses are being implemented in 14 major oilseeds and pulses growing states namely Andhra Pradesh, Bihar, Chhatisgarh, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal.

Under ISOPOM, financial assistance is provided for supply of critical inputs viz. certified seeds, plant protection chemicals, Plant Protection equipments, weedicides, rhizobium culture/ phosphate solubilising bacteria, gypsum/pyrite/liming/dolomite, sprinkler sets, pipes for carrying water from water source to the field etc. In order to disseminate improved technologies amongst farmers, front line demonstrations are being conducted through Indian Council of Agricultural Research.

Based on experience gained in the implementation of ISOPOM during X Plan as also with a view to making the implementation of the scheme more effective, ISOPOM has been modified with regard to norms and pattern of assistance, inclusion of new components and additional implementing agencies as a part of National Food Security Mission for the XI Five Year Plan. There has been a significant increase in the financial assistance under seed components. The production subsidy and distribution subsidy has been enhanced from the existing levels of Rs.500/- qtl. and Rs.800/- qtl. to Rs. 1000/- qtl. and Rs.1200/- qtl.

## **Pulses**

India is the largest producer and consumer of pulses in the world. The major Kharif pulses grown in the country are pigeonpea (arhar), mungbean and urdbean. Major pulses producing states (kharif pulses) are Maharashtra (28.13%), Rajasthan (12.56%), Uttar Pradesh (11.82%), Karnataka (9.33%), Madhya Pradesh (8.97%), Andhra Pradesh (8.07%) and Gujarat

(6.97%). Although India's share in total pulses production of the world is 27%, the domestic production falls short of the demand.

There is, therefore, an urgent need for enhancing the production of pulses in the country for which, potential exists. The potential in the target states for enhancing the productivity in comparison to productivity achieved under FLDs is given below:

State	Crop	Ave. Yield (kg/ha)			
		National	State	FLD	Gap
Andhra Pradesh	Pigeonpea	657	420	509	89
	Urd	376	450	821	371
	Moong	346	372	566	194
Karnataka	Pigeonpea	657	427	833	406
	Urd	376	256		
	Moong	346	210		
Maharashtra	Pigeonpea	657	671	978	307
	Urd	376	407		
	Moong	346	432	648	216
Gujarat	Pigeonpea	657	651	1285	634
	Moong	346	406	619	213
	Urd	376	486	518	32
Rajasthan	Urd	376	344	500	156
	Moong	346	318	760	442
Uttar Pradesh	Pigeonpea	657	1094	662	-
	Urd	376	359	877	518
M.P.	Pigeonpea	657	743	1287	544
	Urd	376	328		

Although, efforts have been made to enhance production and productivity of pulses in the country, we are still far from achieving self-sufficiency in production of pulses.

## Oilseeds

### Strategy for enhancing production and productivity of pulses

1. Diversification of area from rice-wheat cropping system in the states of Punjab, Haryana, Uttar Pradesh and Bihar to chickpea and early pigeonpea;
2. Replacing less remunerative cereals by pulses in rainfed areas;
3. Introduction and popularization of short duration varieties of chickpea, lentil, urdbean and mungbean in rice fallows in eastern India (U.P., Jharkhand, Bihar and West Bengal) and coastal peninsula region (A.P., Karnataka and T.N.)
4. Popularization of pulses as intercrops with coarse cereals, cotton, sugarcane etc.,
5. Popularization of urdbean and mungbean during spring/summer as catch crops in intensive cropping system areas of northern region;

6. Promotion of water harvesting structures in rainfed areas growing pulse crops.
7. Promotion of sprinkler sets for irrigation to bring more area under assured irrigation with efficient use of water;
8. Keeping in view the low seed replacement rate in pulse crops, the production of certified seeds of pulses has to be augmented substantially. The production of breeder seed and certified seed of pulses is required to be doubled in the next 3-5 years so as to raise the SRR of pulses from existing 5-7% to 25%.
9. The entire quantity of the breeder seeds produced by the ICAR/SAUs for the next 3-5 years is to be allocated to the states for further multiplication into certified seeds.
10. The states are required to place indents for newly released high yielding varieties of pulses so that adequate quantities of certified seeds of these varieties is produced and made available to the farmers.
11. Hybrid/varieties claimed to have been developed by ICRISAT, IIPR Kanpur and Gujarat Agricultural University be brought into the production chain.

### **Oilseeds:**

India is the third largest vegetable oil economy in the World after USA and China. In Indian agriculture oilseeds are next only to food crops in terms of area coverage, production and value. The diverse agro-ecological conditions in the country are favourable for growing 9 annual oilseeds which include 7 edible oilseeds (groundnut, rapeseed mustard, soybean, sunflower, sesamum, safflower and niger) and two non-edible oilseeds (castor and linseed). The oilseeds, raised mostly under rainfed conditions, are important for the livelihood of small and marginal farmers in arid and semi arid regions of the country.

### **Strategies for enhancing production and productivity of oilseeds**

#### **(i) Promotion of high yielding varieties/hybrids:**

Availability of quality seed of improved oilseed varieties and hybrids is grossly inadequate and is one of the major constraints in enhancing oilseeds production. More than 350 improved varieties/hybrids have been developed in annual oilseeds during last 2 decades. However, most of them have not reached farmers, due to lacunae in seed planning and production. Except in case of soybean and castor, old varieties continue to rule the roost in case of groundnut, rapeseed-mustard, sesame, safflower, while there is little varietal replacement in linseed and niger. Even in case of soybean extensive area under the crop is under single variety (JS-335).

1. Strengthen seed production system for production of breeder seed by ICAR and foundation and certified seed by seed producing agencies.
2. The states are required to place indents for newly released high yielding varieties of oilseeds so that adequate quantities of certified seeds of these varieties is produced and made available to the farmers.
3. Keeping in view the low Seed Replacement Rate(SRR) in oilseed crops, the production of certified seeds of oilseeds has to be augmented substantially.
4. Create need-based infrastructure for production, processing and distribution of quality seed by the Central and State Seed Production agencies.

## **(ii) Area expansion through intercropping and promotion of oilseeds in rice fallows.**

1. Soyabean in Kharif fallows in Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh, Andhra Pradesh, Karnataka, Tamil Nadu, Orissa etc. in Jhum area in North Eastern Hill States with appropriate soil moisture conservation measures.
2. Sunflower in Kharif fallows and as catch crop in Andhra Pradesh, Karnataka, Maharashtra, Tamil Nadu, Madhya Pradesh. It also has good potential as mid season crop in the event of erratic monsoon, particularly early or mid season drought in States of Central and Peninsular India.
3. Soyabean as Inter crop with red gram, maize, cotton, bajra, etc. in Central and Western States and plains of northern India; with maize in hill areas of Uttar Pradesh and Himachal Pradesh.
4. Sunflower/sesamum as inter-crop with groundnut in Gujarat, ragi, red-gram, groundnut etc in Andhra Pradesh, Karnataka, Maharashtra, Tamil Nadu and Madhya Pradesh.

## **Promotion of improved crop production technologies in oilseeds and pulses**

1. Timely land preparation & planting
2. Use of optimum seed rate & plant population
3. Seed treatment
4. Pre-monsoon sowing of oilseed crops with protective irrigation
5. Increase fertilizer use efficiency & water use efficiency.
6. Timely harvesting
7. Promotion of Integrated Nutrient Management for sustainable production.
8. Promotion of Integrated Pests Management.
9. Improved water use efficiency by adoption of micro-irrigation.
10. Application of micro-nutrients.
11. Balanced use of fertilizers.
12. More thrust on area coverage in potential areas.
13. Diversion of area from low productivity crops to oilseeds
14. Identification of thrust areas for each agro ecological/cropping situation.
15. Greater role to private sector in extension activities.
16. Measures for improvement of water availability in rainfed areas through watershed approach.
17. Measures to increase seed replacement rate from the present level of 7-10% to 15%.
18. Adoption of state specific advisories to tap the full potential of major oilseeds producing states.
19. Field visits by farmers to model farms & training.
20. Evolve a mechanism for direct interface of farmers with Scientists and extension workers.
21. Measures for bridging up the gap between the yield levels between FLDs and farmers' field.
22. Promoting interface amongst ICAR Universities, KVKs & farmers for promotion and adoption of improved technologies.

### **Issues for consideration**

1. States are requested to formulate and submit Annual Action Plan of ISOPOM for the year 2008-09 immediately.
2. States are requested to furnish UCs for the year 2007-08 for immediate release of funds under ISOPOM for the current financial year.
3. The states are requested to furnish component wise physical and financial progress report under ISOPOM for the year 2007-08 indicating reasons for shortfall in achievements, if any.
4. States are requested to provide the matching state share for smooth and effective implementation of ISOPOM.
5. States are requested to ensure adequate availability of certified seeds of oilseeds and pulses for kharif-2008 sowing. The tie-up arrangements for procuring required quantities of certified seeds of oilseeds and pulses be made.
6. The states are requested to furnish monthly physical and financial progress under ISOPOM regularly.

The states are required to place indents for newly released high yielding varieties of pulses & oilseeds so that adequate quantities of certified seeds of these varieties is produced and made available to the farmers.

# **National Food Security Mission**

A Centrally Sponsored Scheme National Food Security Mission (NFSM), was initially launched in 305 districts of 16 States from Rabi 2007-08 with an aim to increase the additional production of 20 million tonnes of foodgrains, comprising of 10 million tonnes of rice, 8 million tonnes of wheat and 2 million tonnes of pulses by the end of Eleventh Plan (2011-12). Subsequently, the State of Kerala with the district of Palakkad and the State of Gujarat with Dahod and Panchmahal districts have also been included under NFSM – Rice. Thus, in all, 14 States with 136 districts are covered under NFSM-Rice. Similarly, 3 new districts of Punjab viz. Taran Taran(bifurcated from Amritsar), Barnala(bifurcated from Sangrur) and Mohali (bifurcated from Roopnagar) have also been included under NFSM – wheat taking the total number of districts covered under NFSM-wheat to 141. Now, in all, 311 districts are covered in 17 States under the National Food Security Mission.

## **Strategy**

- Under the Mission, the basic strategy is promotion and extension of improved technologies i.e., seed, micronutrients, soil amendments, IPM and resource conservation technologies along with capacity building of farmers with effective monitoring and better management.
- Under NFSM, 20 million hectares of rice, 13 million hectares of wheat and 4.5 million hectares of pulses areas are included that roughly constitute about 50% of cropped area for wheat and rice. For pulses, an additional 20% cropped area would be created.

## **Major activities of the Mission**

- Rs 381.93 crore is released to the States under rice, wheat and pulses components of NFSM against an allocation of Rs.387.21 crore and a total amount of Rs.388.74 crore has been released under NFSM against a total allocation of Rs.398.75 crore for the financial year 2007-08. An amount of Rs.10 crore is released for central publicity also.
- NFSM logo and catch phrase are finalized. Print and video campaign has been initiated and 4 media advertisements and 3 video spots have come out and during the year 2007-08.
- Reporting formats for submitting the quarterly, annual reports have been finalized and distributed to the states. Streamlining the online submission of progress reports is in progress.
- Parameters for the base line study are finalised and formats are forwarded to states. Baseline surveys are expected to be completed by March '08.
- Three regional workshops with states involved in NFSM have been conducted to review the progress of the implementation, sorting out operational issues and taking note of the suggestions for design improvement.
- Video conferencing with the State and District functionaries has been initiated for better understanding of the operational issues at the service delivery levels.

- First Intersession Parliament Consultative Committee was apprised of the NFSM scheme when it convened on November 1st, 2007 under the chairmanship of Hon'ble Agriculture Minister.
- NISG Hyderabad has been commissioned to develop IT enabled monitoring system for better monitoring of the implementation of the mission activities.
- Palakkad district of Kerala and Panchmahals and Dohad districts of Gujarat have subsequently been added under NFSM Rice for area based interventions as these districts meet the criteria fixed for selection of districts. Similarly, change of Districts for UP and Punjab under NFSM Wheat has been approved.
- An advisory committee under the State Agriculture Minister has been approved for end of season review of the Mission activities to provide feed back to the General Council under the Union Agriculture Minister

### **Expectations from the State Missions**

- States have been able to promote various components in time during the Rabi season for wheat and pulses crops. Some of the components like distribution of seeds, use of gypsum and micronutrients could not be taken up adequately in some states as the mission started implementation much later than the planned placement of inputs.
- The progress reports along with the physical and financial achievements for the Rabi season 07-08 need to be submitted in the prescribed formats by the end of March. Progress reports should also have the comparative consumption figures of seeds, micronutrients etc. of previous year (06-07) and 07-08 in the mission districts so that the impact of National Food Security Mission on the seed replacement rate, micronutrient consumption etc. could be assessed.
- Still, Initial report from few states indicates an increase in wheat seed distribution – from 43% in Rajasthan to as high as ten times in Bihar. In pulses also the increase in use of improved seed ranged from 29% in Rajasthan to more than 400% in Chattisgarh.
- States are expected to submit the action plans for 08-09 Kharif season by the first week of March as per the physical targets shown at annexure. The targets are based on the area to be covered under different interventions for achieving envisaged production targets.
- The compendium of activities to be carried out as per the guidelines is depicted in the form of flow chart at annexure. States are advised to follow the time schedule accordingly.
- Advance planning for the procurement of recommended varieties of seeds as per targets; streamlining the procedures for procurement and supply of soil ameliorants (gypsum/lime/micronutrients) and machinery (zero till drill machines, rotavators, pump sets , other farm machinery etc) is essential for the achievement of physical targets.
- The baseline survey should be started as early as possible and the District wise survey report needs to be submitted by the end of March' 08 in the prescribed format.
- States are requested to bring in synergy between NFSM activities and other ongoing programmes of State / Government of India for achieving the deliverable targets.

- Additional area brought through the utilization of rice fallows and intercropping pulses with other crops should be clearly defined in the identified districts under NFSM-Pulses
- The logo and slogan of NFSM provided should be utilised on all the publicity material planned by the states. The content for print and electronic media should be designed in a manner to create demand for the components of NFSM and also give details of critical operations for the crops in a particular period.
- The physical targets for training under NFSM-Pulses have been finalised and conveyed to the states. States are expected to utilise the funds provided under training, extension head of NFSM pulses as per the norms conveyed.
- Engagement of consultants at state and district levels needs to be completed soon to provide undivided attention of exclusive Project Management Team for NFSM activities
- KVKs for the project management and State Agriculture Universities (SAUs) for in identification of demonstration areas and Farmer's Field Schools need to be fully involved in the mission planning exercise at the District Level.
- Any specific recommendations provided by SAUs regarding micronutrient application in the state/ districts could be adopted by states apart from prescriptions suggested by AISILUS
- Clarity about the importance of food security mission and knowledge about the provisions should be imparted through capacity building sessions for the field staff.

NFSM-Pulses envisages to bring 40.47 lakh ha of additional area under pulses through intercropping and utilization of rice fallows. 2.00 million tonnes of additional production of pulses by the end of XI Five Year Plan has also been envisaged under the Mission. Number of districts covered under NFSM-Pulses is 170 in 14 States.

## Rashtriya Krishi Vikas Yojana (RKVY)

During 2007-08, an outlay of Rs.1263 crore was made available under RKVY through Ist (Rs.300 crore), 2nd (Rs.600 crore) and 3rd (Rs.200 crore) batches of supplementary of Demands for Grants and Rs.163 through re-appropriation.

The State Level Sanctioning Committee (SLSC) meetings were held under the Chairmanship of Chief Secretary in 22 States during 2007-08 and projects worth Rs. 1140.68 crore under Stream I of the RKVY Scheme were cleared. The details including funds released under Stream I of the RKVY in these 22 States are as follow:

Rs Crore

Sl No	Name of State	Date of SLSC meeting	Amount Approved for Projects under Stream I for 2007-08	Funds Released under Stream I
1	Karnataka	26.11.2007	110.00	110.00
2	Orissa	28.11.2007	28.72	25.85
3	Maharashtra	4.12.2007	139.00	90.60
4	West Bengal	8.12.2007	59.37	38.68
5	Bihar	10.12.2007	60.42	39.22
6	Andhra Pradesh	11.12.2007	59.08	59.08
7	Madhya Pradesh	12.12.2007	79.02	71.12
8	Tamil Nadu	15.12.2007	174.00	104.70
9	Meghalaya	17.12.2007	6.30	5.67
10	Jharkhand	20.12.2007	59.76	39.03
11	Kerala	8.1.2008	45.16	39.15
12	Punjab	9.1.2008	28.46	25.15
13	Tripura	10.1.2008	4.49	2.84
14	Haryana	10.1.2008	15.92	14.32
15	Himachal Pradesh	16.1.2008	12.22	11.00
16	Sikkim	16.1.2008	2.07	1.78
17	Chhatishgarh	24.1.2008	58.84	52.96
18	Uttarkahand	14.2.2008	22.95	20.66
19	Gujarat	18.2.2008	39.01	35.11
20	Rajasthan	1.3.2008	51.66	35.96
21	Uttar Pradesh	3.3.2008	82.16	70.30
22	Goa	14.3.2008	2.07	1.00
	<b>Total</b>		<b>1140.68</b>	<b>894.18</b>

An amount of Rs. 894.18 crore was released under Stream I of the RKVY Scheme to the aforementioned 22 States. In addition, Rs. 48.00 crore @ Rs 10 lakh per district for preparation of District Agriculture Plan (DAPs); Rs. 304.91 crore under Stream II was released to the eligible States/UTs and Rs.50 lakh to the NIRD. Thus out of the total available funds of

Rs.1263 crore under RKVY, funds to the tune of Rs.1247.59 crore (98.78%) was released during 2007-08.

The State Governments of Nagaland and Arunachal Pradesh had expressed their inability to hold the SLSC meeting during 2007-08. Further, no SLSC meetings were held in UTs during 2007-08.

As per criteria to determine eligibility of States under RKVY four States of Assam, Manipur, Jammu & Kashmir and Mizoram were ineligible to get benefits under RKVY in 2007-08. However, a notional allocation was made in favour of these States subject to the condition that these States would provide additional outlay as indicated against their name at RE stage under agriculture and allied sectors in the State's Plan 2007-08: Jammu & Kashmir (Rs 107.10 crore), Assam (Rs.102.77 crore), Manipur (Rs.12.74 crore) and Mizoram (Rs.4.42 crore) to become eligible to access the benefits under RKVY during 2007-08. As these States did not provide additional allocation under agriculture and allied sectors in the State Plan during 2007-08, no fund was released to these four States during 2007-08.

Under Stream I, the State Governments have undertaken projects in the field of crop (5%), micro/minor irrigation (23%), horticulture (6%), watershed developments (11%), organic farming/bio-fertilizer (2%), agriculture mechanization (4%), strengthening of seed farms/laboratories activities relating to soil health including soil testing laboratories (9%), fertilizers testing laboratories (1%), marketing infrastructure (7%), agriculture research (2%), cooperatives (4%), strengthening of extension (4%), Information Technology (1%), animal husbandry, dairying (10%) and fisheries (3.35%) and research (2.3%)etc.

In order to facilitate monitoring of the flagship scheme of RKVY, model formats for monitoring were issued to the States. The preparation of the DAP/SAP is one of the pre-requisite conditions for eligibility. Only few States (Andhra Pradesh, Punjab, Karnataka and Assam) have prepared the DAPs and in States of Maharashtra and Kerala, it is at an advanced stage of finalization.

The State Governments have been impressed upon to:

- (i) focus on preparation of the District Agriculture Plans/State Agriculture Plans;
- (ii) proper preparation and scrutiny of the projects as an integral part of the DAPs/SAPs;
- (iii) maintain or exceed the baseline share of expenditure in agriculture and allied sectors in the State Plan;
- (iv) implementation of the projects in a time bound manner;
- (v) strict monitoring and reporting of implementation of the projects on a regular basis; and

- (vi) engagement of an independent agency for monitoring and concurrent evaluation of projects.

For the year 2008-09, an outlay of Rs.3165.67 crore has been approved under RKVY.

# Agricultural Marketing

## Reforms in Agricultural Marketing - Amendments in State APMC Acts

Agriculture sector needs well functioning markets to stimulate growth, employment and economic prosperity in rural areas of the country. In order to provide dynamism and efficiency in the marketing system, large investments are required for the development of post harvest and cold chain infrastructure near the farmers' field. A major portion of this investment is expected from the private sector, for which an appropriate regulatory and policy environment is necessary. Alongside, enabling policies need to be put in place to encourage procurement of agricultural commodities directly from the farmers' field and to establish effective linkages between farm production and the retail chain & food processing industries. Accordingly, the State Governments were requested to suitably amend their respective Agricultural Produce Marketing Committee (APMC) Acts for deregulation of the marketing system in the country to promote investment in marketing infrastructure, motivating the corporate sector to undertake direct marketing and to facilitate a national integrated market.

The Department of Agriculture and Cooperation had formulated and circulated a Model APMC Act in 2003 on marketing of agricultural produce for guidance and adoption by the State Governments. The model legislation provides for establishment of Private Markets/Yards, Direct Purchase Centres, Consumer/Farmers Markets for direct sale and promotion of Public Private Partnership in the management and development of agricultural markets in the country. Provision has also been made in the Act for constitution of State Agricultural Produce Marketing Standards Bureau for promotion of Grading, Standardization and Quality Certification of agricultural produce. This would facilitate pledge financing, direct purchasing, forward/future trading and exports. Several State Governments have already taken steps for amending their respective APMC Acts.

While the Government of **Bihar** has **repealed** its APMC Act w.e.f. 1<sup>st</sup> September, 2006, the States of **Andhra Pradesh, Arunachal Pradesh, Assam, Chhattisgarh, Goa, Gujarat, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Nagaland, Orissa, Rajasthan, Sikkim and Tripura** have notified the amendments in their APMC Acts. The APMC Act implemented by the State Government of **Tamil Nadu** is believed to provide for the reforms suggested in the model Act.

There is **no APMC Act** in the States/ UTs of **Kerala, Manipur, Andaman & Nicobar Islands, Dadra & Nagar Haveli, Daman & Diu and Lakshadweep** and hence they do not require any amendments.

The State Governments of **Haryana** (only contract farming), **Punjab** (only private markets and contract farming) and **NCT of Delhi** (only direct marketing) have undertaken reforms **partially**, by amending their APMC Acts. The amended Act of Punjab is applicable in

the **U.T. of Chandigarh** also. It is also learnt that Amendment Bills are under consideration in Uttarakhand and NCT of Delhi. The States of Jharkhand, J&K, Meghalaya, Mizoram, West Bengal and Puducheri have also initiated action for implementing market reforms in agriculture.

Since many of the States which have amended their APMC Acts, have not yet notified the amended APMC Rules thereunder, it has been felt necessary that a Model APMC Rules document shall be circulated to States based on the Model APMC Act. A Draft of **Model APMC Rules** has therefore been prepared by a joint team of DMI and NIAM and has been given a final shape after due consultation with the States and other stakeholders. These Model APMC Rules have been forwarded to the States for adoption by them. As resolved in the 53<sup>rd</sup> Meeting of the National Development Council held on 29<sup>th</sup> May, 2007, the Ministry of Agriculture has requested all State Governments/ UT Administrations for completing the process of amendments and notification of Rules thereunder within the year 2007-08.

Even in those states which have amended their APMC Acts, it has been noticed that the amendments have not been notified in a clear cut manner as proposed through the Model Act, which is defeating the purpose of implementing the transparent system of promoting alternative marketing channels in agricultural produce. In some states after amendment in APMC Acts, certain restrictions have been brought back through the corresponding modified rules which is defeating the purpose of reforms.

It is proposed to constitute an empowered Committee of State Agriculture Marketing Ministers on the pattern of the Empowered Committee constituted for implementation of VAT. It is expected that constitution of such Empowered Committee would facilitate implementation of marketing reforms in a uniform and fruitful manner across the country. State Governments may give their consent to constitute such a Committee for which a proposal will be circulated to them by the Ministry of Agriculture.

### **Setting up of Modern Terminal Markets for Perishables under the National Horticulture Mission:**

In order to harness the potential of the emerging consumer demand, both domestic and international, in favour of perishables, such as fruits, vegetables, animal protein, milk etc., and healthy - hygienic products, a professionally managed competitive alternate marketing structure is necessary which can provide multiple choices to farmers for sale of produce along with a comprehensive solution to meet key needs of the stakeholders. Such a system entails a high investment cost and efficient management skills, each of which can be infused by inviting private sector participation in this sector. Accordingly, a Reform-Linked Scheme to set up Modern Terminal Markets has been launched on 02.11.2006 under the National Horticulture Mission by the Ministry of Agriculture with the objective of fulfilling these goals.

Terminal market complexes would play an important role in this respect by establishing backward linkages with farmers through collection centers and forward linkages through wholesalers, distribution centers, retail cash and carry stores, processing units and exports. To facilitate private sector investment into such infrastructure, States have been advised to amend the Agricultural Produce Marketing (Regulation) Acts, to create a lawful space for the private

sector in market development. By now, 18 States/ Union Territories of the country have already introduced reforms through their APMC Acts, thus paving the way for PPP in the establishment and operation of terminal markets. Besides them, there are 7 such States/ Union Territories, which have no APMC Acts to regulate agricultural marketing.

As envisaged under the Scheme, Terminal Markets would endeavour to integrate farm production with buyers by offering multiple choices to farmers for sale of produce such as electronic auctioning and facility for direct sale to exporter, processor and retail chain network under a single roof. In addition, the market would provide storage infrastructure thus offering a choice to trade at a future date to the participants. It is envisaged to offer a one-stop-solution that provides logistics support including transport services & cool chain support and facility for storage, facility for cleaning, grading, sorting, packaging and palletisation of produce and extension support and advisory to farmers. Each of these services would be provided in lieu of a user charge. The TM would be built, owned and operated by a Corporate/ Private/Co-operative entity (hereinafter called as Private Enterprise or PE) either by itself or through adoption of an outsourcing model. The enterprise could be a consortium of entrepreneurs from agri-business, cold chain, logistics, warehousing, agri-infrastructure and related background.

The concept of Terminal Market projects is proposed to be promoted by providing an incentive to such initiative of the private enterprise by providing equity not exceeding 49% of the project by the Central/State Government. Though the detailed project reports have been prepared for 8 locations in various States by the National Institute of Agricultural Marketing (NIAM), Jaipur, it is envisaged to leave the structuring of the project, technology of creating the infrastructure to the private enterprise in order to bring in innovative technology interventions that are available in this sector. The minimum infrastructure facilities required to be setup for handling prescribed throughput volumes of perishables and the service standards are alone proposed to be fixed based on which the private enterprise will prepare the business plan and come up with the project proposal. These project proposals will be techno-commercially appraised by financial institutions and the private enterprise seeking least amount of equity from the government will be awarded with the Terminal Market.

The Terminal Market Complexes are envisaged to 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 convenience needs of farmers, operational efficiency and effective capital utilisation of the investment. The commodities to be covered by the markets include fruits, vegetables, flowers, aromatics, herbs, meat and poultry. Producers, farmers and their associations and other market functionaries from any part of the country may use the infrastructure and facilities of the Terminal Market directly or through the collection centers. The Terminal Market can source the commodities from the entire State where the project is located and may extend its operations to the whole country, depending on the commodities handled there. An upto date status of the process of selection of entrepreneurs in various States is given in the table below:

**Progress of Terminal Market Scheme in Various States/ UTs**

No.	State	Identified Locations	Whether Govt. Land is Available or PE to arrange land	Whether FI appointed for hand-holding	Date of publishing Notice for EOI (RFQ)	Status of RFP etc.
1.	A.P.	2. Hyderabad	Available – 75 acres	Agriculture Marketing Deptt. is the Nodal Agency	EOI Notice issued On 7th Jan., 2008. Last date for submission of EOI was 15 <sup>th</sup> February, 08	
		3. Tirupati	Land being availed from State Industrial Devt. Corpn.			
		4. Visakhapatnam				
2.	Bihar	5. Patna	Available (50 Acres)	IL & FS Infrastructure Dev. Corp. Ltd.	EOI Notice issued on 11.10.07	3 Agencies qualified in RFQ stage. Technical & financial bid invited on 3.3.08 – Last date 16.4.08 – Announcement of bidder 6.5.08.
3.	M.P.	6. Bhopal	40 Acres of land is available at KUMS	Selected	25-5-07, 26-5-07 & 11-6-07 Corrigendum issued on 16.07.07 & 4.08.07	Four applications received – three agencies qualified but financial bid could not be called due to (i) land identified earlier not available now – alternate land is being located (ii) APMC Act is required to be amended to provide for MTM
		7. Indore	10 Acres of land is available		-do-	Revised EOI Notice to be issued on arranging land
4.	Karnataka	8. Bijapur	Land to be arranged		EOI invited on	No proposals received. State
		9. Hubli				

		10. Channapatna	by PE		31.10.2007 giving a time up to 12.11.2007 only	Govt. has proposed for 4 modern wholesale market projects of private entrepreneurs at Belgaun, Hassan, Mysore and Kolar under NHM
		11. Gulberga/ Bidar				
5.	Maharashtra	12. Mumbai	Available (100 acres)	Separate FIs selected for each project	EOI Notice has been issued on 18 <sup>th</sup> Jan., 2008	Last date for sale of RFQ is 1 <sup>st</sup> March, 08. The date for consolidated announcement for qualified applicant for all three markets is 31 <sup>st</sup> March, 08, except for Marathwada
		13. Nashik	Being identified			
		14. Nagpur				
		15. Marathwada Region				
6.	Orissa	16. Berhampur	Identified	NIAM engaged for feasibility study by Horti. Deptt.	EOI Notice expected shortly	
		17. Sambalpur				
		18. Cuttack				
		19. Rourkela	Regulated Market land	FI being arranged	Expected soon	
7.	Punjab	20. Ludhiana	Identified – 100 acres	Yes Bank Ltd, Gurgaon	1-7-07 Revised EOI Notice published on 14.08.2007	Five entrepreneurs have expressed their interest, FI has recently been appointed.
		21. Hoshiarpur	Identified – 25 acres			
		22. Muktsar	Being identified			
		23. Jalandhar	Identified – 25 acres land of Potato Seed Farm			
8.	Rajasthan	24. Jaipur	Land of APMC	Under process	Expected shortly	
9	Tamil Nadu	25. Chennai	PE to arrange land	M/s. Darashaw and Company Ltd., Mumbai	EOI invited on 20.2.08, last date was 19.3.08	
		26. Madurai				
		27. Coimbatore				

				have been selected as Consultancy Agency		
10.	UT of Chandigarh	1. Chandigarh,	Available Near Sector 39 (W); (42 Acres of Land)	Yes Bank	20.01.07	Four Agencies short-listed against RFQ – RFP Notice issued – only one bid was received – bid criteria revised to make it more attractive. Fresh tender notice called on 16.01.08 inviting EOI – RFP to set up MTM. Last date was 25.02.08.

State Governments may be requested to expedite the process of selection of P.Es. for setting up of Terminal Market Complexes in various identified locations. Those states which have potential for setting up such markets, but have not initiated any action in this regard, may be requested to initiate the process soon.

# **Issues relating to implementation of National Agricultural Insurance Scheme and Weather Based Crop Insurance Scheme**

## **National Agricultural Insurance Scheme (NAIS)**

National Agricultural Insurance Scheme (NAIS) was introduced during Rabi 1999-2000 by improving the scope and content of erstwhile CCIS. A comprehensive risk insurance is provided to cover yield losses to standing crops due to non-preventable risks. The Scheme is being implemented by the Agriculture Insurance Company of India Ltd. (AIC).

The scheme is available to all the farmers – loanee and non-loanee – irrespective of their size of holding. It envisages coverage of all the food crops (cereals, millets and pulses), oilseeds and annual commercial/horticultural crops, in respect of which past yield data is available for adequate number of years. The scheme is operating on the basis of 'Area Approach'. Flat premium rates ranging between 1.5% to 3.5% (of sum insured) for food and oilseed crops are charged. In the case of commercial/horticultural crops, actuarial rates are being charged. At present, 10% subsidy in premium is available to small & marginal farmers. The scheme is voluntary for the States/UTs. States/UTs are free to opt in favour of the scheme.

The scheme, at present is being implemented in 23 States and 2 Union Territories. During the last 15 crop seasons (i.e. from Rabi 1999-2000 to Rabi 2006-07), 971 lakh farmers have been covered over an area of about 1563 lakh hectares insuring a sum amounting to about Rs. 97181 crore under the scheme. Claims to the tune of about Rs. 9857 crore have become payable against the premium income of about Rs. 2942 crore benefiting about 270 lakh farmers.

## **Constitution of Joint Group**

Over a period of implementation of NAIS, certain limitations/shortcomings relating to unit area of insurance, calculation of guaranteed income, low indemnity level, delay in settlement of insurance claims etc. are observed. Accordingly, a Joint Group was constituted by the Government to study the improvements required in the existing crop insurance schemes including NAIS. The Group made in-depth study of the related issues and has made number of recommendations. Some of the important recommendations are reduction in the unit area of insurance to Gram Panchayat for major crops; improving the basis of calculation of threshold yield; higher indemnity level of 80% and 90%; coverage of pre-sowing/planting risks and post-harvest losses; personal accident insurance cover and Package Insurance Policy etc.

## **Consultation with States and others**

Report of the Joint Group was circulated among the States/UTs for seeking their views/comments. Most of the States are in agreement with almost all the recommendations except pattern of sharing of financial liabilities between Centre and the States. Experts in the World Bank also examined the improvements suggested by the Joint Group. They were of the view that broad structure of the existing NAIS is sound, but there is a need to reduce the delays in claims settlement by moving towards actuarial regime and by strengthening the yield data

collection process. Other improvements suggested can also be incorporated with some modifications.

## **Modified NAIS**

Based on the recommendations of the Joint Group and views/comments of various stakeholders, draft Modified National Agricultural Insurance Scheme (MNAIS) has been formulated with the following main features:

1. NAIS with improved features have two components i.e. voluntary and compulsory components.
2. Under voluntary component, all farmers (i.e. both loanee and non-loanee) will participate on voluntary basis.
3. Under mandatory portion, the participation of loanee farmers will be compulsory and non-loanee farmers may be allowed to participate on voluntary basis.
4. All the insured crops in different States/UTs would be categorized on the basis of net premium to be paid by the farmers. Farmers growing insurable crops with net premium up to 4% would be taken under compulsory category and the farmers growing crops with net premium payable above 4% would be categorized as 'voluntary'.
5. For arriving at net premium rates the pattern of premium subsidy on actuarial premium rates as recommended by the Joint Group would be taken into account.
6. Besides, a Composite Package Insurance covering almost all assets of the farmers will be offered on the lines of 'Kisan Package Policy' marketed by Public Sector General Insurance Companies.
7. At the first stage, MNAIS proposed to be implemented in 100 districts.

## **Financial Implications**

The scheme is to be placed on actuarial regime in which Insurance Company receives premium based on commercial rates and is responsible for all claims. But the actuarial rates have to be adequately subsidized to make the scheme affordable to the farmers. The premium subsidy ranging between 25% to 75% at different slabs of actuarial premium rates has been proposed. Besides, a number of improvements as suggested by the Joint Group incorporated, involve additional costs which is to be loaded on the premium and Govt. liability on account of premium subsidy will accordingly rise.

It has been estimated that financial implications to the Government (both Central and StateGovt.) for the proposed MNAIS for 100 districts would be about Rs. 613 crores at 25% participation level. In the remaining districts (about 400 districts) existing NAIS will continue and budgetary requirement would be about Rs. 1200 crores. In all estimated liability of the Government would be about Rs. 1813 crores. At present, annual expenditure of the Govt. (both Central and State Govt.) on an average is Rs. 1350 crore for the implementation of NAIS all over the country. There would be additional requirement of funds amounting to Rs. 463 crores out of which GOI's share would be Rs. 231.50 crores only.

## **Weather Based Crop Insurance Scheme (WBCIS)**

WBCIS intended to provide insurance protection to the farmers against adverse weather incidence, such as deficit/excess rainfall, low/high temperature, frost etc. which are deemed to impact adversely the crop production. It has the advantages to minimize moral hazards; lowering of administrative costs; speedy settlement of claims etc. Keeping in view the relative advantages of weather based insurance, Union Budget announced implementation of Pilot Weather Based Crop Insurance Scheme (WBCIS) in 2007-08.

Accordingly, Pilot WBCIS was implemented in Kharif 2007 and Rabi 2007-08 and it is also proposed to be continued in Kharif 2008. The scheme has been implemented as an alternative to NAIS and based on actuarial regime. But to make the scheme competitive, premium actually charged from farmers have been restricted to at par with NAIS. The difference between actuarial rates and premium actually paid by farmers are borne by the Government (both Centre and State concerned). Besides this a cap on premium payable by farmers for annual commercial/horticultural crops has been provided. Further, to provide competitive service to the farmers, private insurance companies i.e. ICICI-Lombard and IFFCO-TOKIO General Insurance Companies have also been involved for implementation besides Agriculture Insurance Company of India (AIC).

In Kharif-2007, Pilot WBCIS was implemented only in 70 selected areas (i.e. hoblies) in Karnataka State on account of limited time available to implementing agency. But in Rabi-2007-08, the scheme has been implemented on a larger scale and farmers in selected areas of four States i.e. Rajasthan, Bihar, Madhya Pradesh and Chhattisgarh have been covered. It is expected to cover more than 6 lakh farmers under the scheme. As the scheme is to continue in Kharif – 2008, it is proposed to implement Pilot WBCIS in selected areas of 15 States.

From the above, both yield based i.e. NAIS and Weather Index based i.e. WBCIS Schemes are in operation with the Government support. The design of current NAIS is sound but settlement of claims under the scheme are delayed up to one year as a result farmers unable to service their crop loans from banks, thereby becoming defaulters. This delay in settlement of claims is the major single reason why the coverage under NAIS is low as compare to the total number of farmers in the country. To overcome this, index based weather Insurance allows for quick indemnity payouts, as they are based on data that can be reported in real time. Therefore, Government of India have decided to implement WBCIS on pilot basis in selected areas. The question arise whether Index based Weather Insurance can be an alternative to yield based scheme i.e. NAIS. Considering this issue World Bank consultants have recommended that WBCIS is peril, crop and area specific scheme which may complement/supplement NAIS for settlement of claims. They have further suggested Weather Index Insurance may continue to have separate existence as stand alone products, thereby, offering farmers greater choice in selecting insurance products. However, Weather Index insurance is effective mainly for selected hazards and crops which are highly sensitive to rainfall variability.

Besides this, there are some schemes such as Rainfall Insurance for Coffee; Rubber Plantation Insurance; Coconut Palm Insurance; Macro level Weather Index Product for Bihar and

Weather Insurance products for selected fruit and vegetable crops are being developed by Agriculture Insurance Company of India. In addition to this, some general insurance companies in the private sector i.e. ICICI-Lombard; IFFCO-Tokio are implementing crop, area specific insurance schemes in consultation with concerned States.

**Views of the State Governments are ascertained on:**

- How to increase coverage under NAIS as the present coverage is only about 15% of the total farmers in the country?
- Preparations of the State Governments for implementation of WBCIS.
- Whether WBCIS can be implemented as an alternative to NAIS? Or as complement/supplement to the area yield insurance.
- Would States like to have their own insurance scheme with or without dependence on the Government of India?

## **EXTENSION**

Extension plays a crucial role in increasing production and productivity in agriculture in view of the gap between technology available and technology being adopted by farmers. The Government of India's approach to extension reforms is to establish Agricultural Technology Management Agencies (ATMA) at the district level to network with NGOs and farmers' groups to bridge the technology gap between research and the farming community. The nature and scope of agricultural extension has undergone major changes in the recent past. These have been duly recognized in the 'Policy Framework for Agriculture Extension (PFAE)' finalized by the Extension Division after extensive consultations and is being used as 'core basis' for Extension reforms. The PFAE focuses on decentralized and demand driven extension; multi-agency extension services; use of media and information technology, mainstreaming of gender concerns and human resources development.

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

Most of the states have taken up implementation of the scheme "Support to State Extension Programmes for Extension Reforms" with considerable enthusiasm. 262 ATMAs were constituted upto 31<sup>st</sup> March, 2007 as against the target of 252 districts for the 10<sup>th</sup> Plan period and 243 Strategic Research and Extension Plans have been prepared by the ATMA Districts.

Based on the Recommendations of the National Consultations on Revitalization of Agriculture Extension System held in Delhi on 15<sup>th</sup> May, 2007; the recommendations of the National Commission on Farmers (NCF) and the Planning Commission's Working Group on Extension, the ATMA programme has been strengthened by duly incorporating new provisions, strengthening of existing provisions and implementation mechanisms. Further, during the National Kharif Conference held in Delhi on 26<sup>th</sup>-27<sup>th</sup> February 2008, the prevailing weakness of the existing extension network at the levels below the district headquarters was brought into focus. The revitalization of the extension system has thus become essential at the village and Sub-block level in order to improve the outreach of extension to individual farmers through the group approach in all the 29 States/ 6 UTs. The strategy for revitalization and the enhanced provisions are briefly mentioned below:

1. **Strengthening institutional Arrangements:** The present scheme has innovative autonomous bodies at the district/ block level, which are flexible, promote bottom up and participatory approaches, are farmer driven and facilitate public-private partnership. The proposed scheme provides for strengthening these arrangements at different levels.
2. **Bottom up planning:** Providing preparation of Strategic Research & Extension Plan and the Work Plans right from the village level incorporating the local research & extension needs & the available local resources & the infrastructure.
3. **Convergence of line departments' programmes and operating on gap filling mode by formulating Strategic Research and Extension Plan (SREP) and Annual Work Plans.**

4. Encouraging Multi Agency Extension Strategies involving inter-alia public/private extension service providers.
5. Moving towards integrated, broad-based extension delivery in line with farming systems approach.
6. Better linkages with all the stakeholders including engagement with the PRIs.
7. Better R-E-F linkage – One expert from SAU/ KVKs to be in charge of the ATMA district for providing support to the FPs through phone/ SMS/ e mail
8. Adopting the Group Approach to Extension (Operating through Farmer Interest Groups (FIGs) & Self Help Groups (SHGs).
9. Integration of Progressive Farmers into NAES in a major way through Farm Schools and farmer-to-farmer extension at village level.
10. Addressing gender concerns (mobilizing farm women into groups, capacity building etc.).
11. Moving towards sustainability of extension services (e.g. through beneficiary contribution).

The following are the important features of the revised cafeteria:

1. Farm Schools in the field of outstanding farmers are to be promoted at Block/Gram Panchayat level.
2. Farmer-to-farmer extension support within a village also to be promoted.
3. SMS Support at sub-block level through Focal point.
4. Support to Focal Points through phone/sms/e-mail – one expert from SAU/KVK to be in charge of ATMA district to render this support
5. Funding window has been provided at both state and district levels for implementing innovative extension activities not specifically covered under the Programme.
6. Farmers' Awards to be instituted at block, district and state levels.
7. Community Radio Stations (CRS) to be set up by KVKs would be promoted under the Programme.
8. For Non-Governmental implementing agencies, States have been given the flexibility of having Extension Work Plans prepared and approved at the State level. Minimum 10 per cent of outlay of the Programme is to be utilized through them. Non-governmental implementing agencies (excluding the corporate sector) would also be eligible for service charge up to a maximum of 10 percent of the cost of the extension activities implemented through them. Apart from other NGOs financial assistance is also available for implementation of extension activities through agri-preneurs.
9. Strengthening the technical manpower at various levels both by increasing their numbers and improving their skill.
10. The ongoing scheme provides institutional arrangements viz. Office of State Nodal Officer at State Headquarter, SAMETI – a State level HRD Institution, Office of ATMA at district level and Office of BTM- the BTT Convenor at Block level. The scheme has no provision for regular staff for the aforesaid institutions. Support for engagement of six contractual functionaries for ATMAs and nine for SAMETI is proposed, out of which

support for four functionaries for ATMAs and six for SAMETI exists under Operational Expenses of the revised cafeteria.

11. The administrative expenses under district level activities are basically proposed with respect to support for running ATMA Institutions, block level Farm Information and Advisory Centres and Focal Point/Farmer Advisory Centres at the Sub-block level (over an area of 10 villages).
12. Under the innovative activities, an institution of Farmer Friend, a local Progressive farmer has been proposed at the village level to work in close contact of the FIG's and the individual farmer, prepare the village plan and support the extension activities. This support will be in the ratio of 50:50.

The revitalization strategy based on introduction of extension support at two levels – the Village and the Sub-block level placing a specialist at the Sub-block level, and requisite ICT support at these two levels has been conceived and the new structure would include:

#### **Support at Village Level:**

1. Extension Support at the village level which would be provided to the farmers through a Farmer Friend (FF) for every 500 farmers or one FF in every village, whichever is higher. This would be very useful in extending the reach of the agriculture extension system up to the farmer level. ;
2. The FF to be given a suitable designation in the local language e.g. '*Kisan Mitra*', etc.

The FF shall be a practicing local progressive farmer with following functions:

- a) mobilize farmers to form new farmer interest groups and provide handholding support to the old groups existing in the village.
- b) facilitate holding of field demonstrations, Kisan Goshties and preparation of Village Research and Extension Action Plan.
- c) working in close contact with Focal Point (FP) for two-way exchange of information related to Agriculture & allied activities and report his progress to FP.
- d) attending meetings of Gram Sabha, maintaining a diary of activities and ensure dissemination of information through multi-media.

#### **Support at Focal Points (FP) - Sub Block Level:**

The FP should have a team of minimum two Subject Matter Specialists (SMS) covering an area of 10 villages. The States must reorganize their extension system at the sub-block level to ensure placement of the SMSs at the Focal Point from their existing functionaries of Agriculture, Horticulture and other allied departments to have better coordination, integration and focus on the extension activities. If State Governments feel that the existing number of personnel is not sufficient to fulfill the requirement of providing two SMSs at the FPs, and additional manpower is required, then they may consider submitting proposals for engagement

of one of the two SMSs at the sub-block level under the RKVY Scheme or the “Innovative Component” of the Macro Management of Agriculture Scheme. But one SMS would have to be provided out of the existing State personnel. It may, however, be noted that once State Governments make a commitment, they will have to sustain it. It must be noted that for any such proposal submitted by State Governments, the Central Government assistance will be limited to only Rs. 5,000/- per month for the S.M.S. as remuneration and Rs.3500 per month for operational support

An approval by EFC is under consideration for executing the proposed revisions in the cafeteria.

### **Current status of implementation**

1. All institutional arrangements have been completed by almost all the States except Meghalaya and J&K.
2. Over 19.60 lakh farmers including 5.97 lakh women farmers (31%) have participated in extension activities like exposure visit, training, demonstrations & Krishi Melas, etc. under the scheme.
3. Over 12,000 Commodity based Farmer Interest Groups have been mobilized by the ATMAs since inception of the scheme.
4. During last 3 years a sum of Rs. 247.97 crores have been released to the States/ UTs under the scheme.
5. Over 400 NGOs have been involved in 17 states in extension activities. Two MoUs have been signed between State Department of Farmer Welfare & Agriculture Development & ITC and Krishi Jagat Society for implementation of ATMA activities including 362 Farm Schools in 12 Districts of Madhya Pradesh.

The pending UC position for the different States is furnished in annexure-I. States are requested to take action to clear the pending UCs.

### **Other Innovative Actions:**

With an objective of disseminating information to farmers about the new technologies and best farming practices; to demonstrate them about new farm implements and other agricultural inputs and bringing awareness about Central Government Schemes like RKVY, NFSM, NAIS and other important State Government Schemes, the states have been requested to organize ‘**Agriculture and Farmer Development Workshop- cum- Exhibition**’ of 5-7 days duration in 4-5 districts of the state before Kharif 2008’ for which necessary Guidelines have been issued.

## Action Plans suggested for the States for the year 2008-09

1. The States namely J&K & Meghalaya may submit their SEWPs for the existing ATMAs for 2008-09 alongwith a formal request for coverage of their remaining rural districts.
2. All the States/ UTs may submit their SEWPs both for existing as well as new ATMA districts for 2008-09 expeditiously by 15<sup>th</sup> May, 2008.
3. All the States/ UTs may submit the audited Utilization Certificate for the funds utilized by them during 2005-06 and 2006-07, without which it may not be possible to process the releases for 2008-09. The list of states with whom UCs are pending is attached herewith.
4. States should organize 'Agriculture and Farmers Development Workshop-cum-Exhibition' during **May-June, 2008**.
5. State Governments may ensure identification and engagement of one Farmer Friend (FF) or more in each village and to provide Specialist and Extension Support at Sub-block level to further improve the outreach and effectiveness of extension systems. They may place one Subject Matter Specialists (SMSs) at the Focal Points from their existing functionaries available under agriculture, horticulture and other line departments. However, if the State Govt. feel that additional manpower is required, then, they may consider submitting proposals for engagement of one SMS at Focal Point under RKVY Scheme, or the Innovative Component of the Macro Management.
6. The states are requested to commission 3<sup>rd</sup> M&E on top priority basis which is long overdue from all states except HP, Rajasthan and Punjab which have submitted their reports. The Draft ToRs for 3<sup>rd</sup> party Monitoring & Evaluation (M&E) have already circulated to the states for accomplishing this task.
7. The Electronic Monitoring System (EMS) for Extension Reforms Scheme launched in collaboration with NIC has not picked up sufficient momentum. The States may operationalize the system as the Master Trainers Training for operationalizing this system has also been organized on regional basis during 2007-08.
8. The states may send programmes produced by them/ SAUs and approved by the state level committee directly to Doordarshan without routing the same through DAC for telecast through Regional and Narrowcasting Kendras without paying telecast fees.
9. The states may also develop a mechanism for providing feedback to DAC by 10<sup>th</sup> of every month about the status of implementation of Mass Media scheme especially in respect of the duration, frequency, quality and content of the agricultural programme being produced and telecast by 18 regional Kendras of Doordarshan.
10. The states may promote involvement of Private sector and implement extension activities in PPP mode replicating MP state model.

<b>STATUS OF PENDING AUDITED UCs UNDER Extension Reforms (ATMA) Scheme</b>			
			<b>(Rs. in Lakh)</b>
<b>Sr. No.</b>	<b>Name of the State</b>	<b>Amount</b>	<b>Year</b>
1	A.P.	639.57	2006-07
2	Gujarat	295.33	2006-07
3	H.P.	183.00	2006-07
4	J & K	104.00	2005-06
5	Jharkhand	203.00	2006-07
6	Karnataka	335.00	2005-06 & 2006-07
7	Kerala	197.00	2005-06 & 2006-07
8	Assam	160.00	2005-06
9	Manipur	59.00	2005-06
10	Mizoram	134.10	2006-07
11	Meghalaya	14.00	2005-06
12	Sikkim	96.05	2006-07
13	Delhi	16.00	2005-06
14	Pondicherry	16.00	2005-06
15	A&N Islands	18.00	2006-07
	<b>Total:</b>	<b>2470.05</b>	