

**PART I**

**RATIONALISATION  
OF THE  
FUNCTIONS, ACTIVITIES AND  
STRUCTURE OF THE  
DEPARTMENT OF  
AGRICULTURE & COOPERATION**

# Rationalisation of the Functions, Activities and Structure of the Department of Agriculture & Co-operation

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# **Rationalisation of the Functions, Activities and Structure of the Department of Agriculture & Co-operation**

## **Executive Summary**

1. The report attempts to identify the larger issues facing the agriculture sector. These include: providing livelihood security to the people in the rural areas and food and nutrition security for the country as a whole; the falling share of agriculture in GDP; inadequate levels of capital formation; lack of land and water use policy and programmes; non-involvement of panchayati raj institutions in the formulation and implementation of schemes relating to the agriculture sector; structural problems involving small and marginal farmers; and the situation arising out of the WTO regulations and commitments there under.

2. The report goes into the evolution of Ministry of Agriculture and discusses the role and functions of the Department of Agriculture and Co-operation and its staff structure. The last five decades have witnessed an increasing centralisation of powers and a vast expansion of resources, both financial and manpower in the Ministry of Agriculture. At the same time there has also been a steady erosion of the ministry's capability to serve as the flagship for securing sustained agricultural advance.

3. There is clearly a need for identifying those activities of the ministry that have become redundant or are better left to states and parastatal organisations, given that agriculture is a state subject. The rationale for the existence of a strong central government presence in the agriculture sector should be subject to greater and more rigorous scrutiny than in other areas falling within the province of the central government.

4. A division wise analysis has been attempted in this background and a number of suggestions have been made for streamlining the work. These include: making the Directorate of Economics & Statistics, an officer-oriented outfit; restructuring of the Commission on Agricultural Costs & Prices; downsizing of the All India Soil and Land Use Survey, the Directorates of Marketing and Inspections, and Plant Protection Quarantine and Storage division; restructuring of the Inputs Wing including winding up of the National Seeds Corporation, the State Farms Corporation and the nine crops directorates; restructuring of the Extension Wing with a view to leaving extension activity to the states and sub state levels where it really belongs; abolition of the inputs division; transfer of the land and water management programmes to the Department of Land Resources; withdrawal of government from the co-operative sector; and enlargement of the scope of the Macro Management Scheme with a view to cutting down the number of centrally sponsored schemes to the absolute minimum. Other areas meriting greater attention are also highlighted.

5. The functions and activities of other offices under the Department of Agriculture and Co-operation have also been briefly analysed. It has been suggested that the National Oil Seeds and Vegetables Oils Development Board and Coconut Board, which have outlived their utility, should be wound up. Further, commencing from the Tenth Plan Period, national level co-operatives should be advised to take up training and other activities from their own resources to the extent possible and not depend on government grants for this purpose. In addition, NCDC should be given full autonomy and government should withdraw totally from it, with Agriculture Minister and Secretary (Agriculture) dissociating themselves from its management.

6. The report also underlines some pressing issues which are relevant not only for securing sustainable high growth of the agriculture sector but also have major implications for the manner in which the Department of Agriculture and Co-operation would need to be structured.

7. The various measures for restructuring of the department are then briefly set out and a revised administrative structure also recommended (Part 6). It is expected that when the various suggestions are put in place the total staff strength of the department, including its attached and subordinate offices would come down to less than 5500 from 7059 as on 31.12.99. In fact, when the recommendations particularly those in the concluding part of this report are implemented, the strength of the department could come down even more.

## 1. The Background

1.1 Over the last three decades there has been a steady erosion of the Ministry of Agriculture's capability to serve as a flagship, as a co-ordinator for sustained agricultural advance and agrarian prosperity. In earlier years, Ministry of Food and Agriculture dealt with all matters relating to agriculture and allied activities, including rural development. The ministry had overall responsibility not only for matters relating to food production but also its distribution. Till the mid sixties when Government of India used to import food grains under PL 480 programme, the import and distribution of food grains were also handled by the Ministry of Food & Agriculture. As there was only one ministry and one minister in charge of all activities relating to agriculture and allied sectors, proper co-ordination in formulation and execution of policies relating to agricultural development was possible.

1.2 In the early 80s the organisation for managing agriculture and allied activities underwent changes. Water resources (then known as irrigation), rural development, food, consumer affairs, environment and forest became independent departments, and subsequently independent ministries under different ministers. The latest addition to this fragmentation process is the Department of Land Resources, which is now part of the Ministry of Rural Development.

1.3 A copy of the Allocation of Business Rules relating to the Department of Agriculture and Co-operation is at ***Annex I***.

1.4 The Department of Agriculture and Co-operation is at present responsible for formulation and implementation of national policies and programmes aimed at achieving rapid agricultural growth through optimum utilisation of the country's land, water and plant resources. The department seeks to put in place all possible measures to ensure timely

and adequate supply of inputs and services, such as fertiliser; seeds; pesticides; agricultural credit and implements; crop insurance; support for agricultural marketing; and remunerative prices to farmers. The department is also responsible for collection and maintenance of a wide range of statistical and economic data relating to agriculture, organising agricultural census, assisting and advising the states in undertaking scarcity relief measures and in management of natural calamities, such as floods, droughts, cyclones, etc. Besides, it is also in charge of formulation of overall co-operative policy in the country and matters relating to national co-operative organisations, co-operative training and education. Participation in activities of international organisations, such as FAO, for fostering multilateral co-operation in agriculture and allied sectors and promotion of exports of agricultural commodities are also included in the list of activities of the department.

1.5 The Department of Agriculture and Co-operation is one of the departments of the Ministry of Agriculture, the others being Department of Agricultural Research and Education, Department of Animal Husbandry and Dairy and Department of Food Processing Industry. Secretary (Agriculture & Co-operation) is the administrative head of the Department of Agriculture & Co-operation and the principal advisor to the Minister of Agriculture in all matters of policy and administration within the department. He is assisted by a Special Secretary, three Additional Secretaries, Agriculture Commissioner, 10 Joint Secretaries, Horticulture Commissioner, Chairman of the Commission for Agricultural Costs & Prices (CACP), Agricultural Marketing Adviser, Economic and Statistical Adviser and Plant Protection Adviser. There are 16 posts of Director / Deputy Secretary, 28 posts of Under Secretary and 56 posts of Section Officers in the department. In addition there are 178 posts in Group 'B' and 174 posts of non-gazetted technical officers in Group 'B' and 'C'. The

number of non-technical and non-gazetted officers such as Assistants, UDC and LDC is 358. The total strength of the department including the attached and subordinate offices as on 1.1.2000 is 7059.

1.6 The department is organised into 24 divisions and a Technology Mission on Oilseeds and Pulses. In addition, it has 4 attached offices and 21 subordinate offices spread all over the country for co-ordination with state level agencies and for implementation of Central Sector Schemes in their respective fields. There are two public sector units. The list of functional divisions in the department and the list of attached and subordinate offices, public sector units and autonomous bodies are at ***Annex-II.***

## **2. The Larger Issues**

2.1 There are several major issues that have considerable relevance not only for sustainable high growth of the agriculture sector but which also directly impinge on the functioning of the Department of Agriculture and Co-operation itself. Any attempt at redefining the functions, structure and staff strength of the Department of Agriculture and Co-operation has therefore necessarily to take note of the issues set out below.

2.2 While availability of food grains in the country could now be said to exceed the demand, four factors – the low purchasing power of a large section of the population, the extent of malnutrition, high population growth rate in the several States and a heavy dependence on the monsoons – militate against any let up in the efforts for increasing food production in the country. Thus securing food and nutrition security for the people would continue to be a very important objective for the Government.

2.3 In India over 65% of the population live in rural areas and most of them depend on farm activities for their livelihood. However, the

contribution of the farm sector to the GDP has been steadily coming down and is currently a little over 25%. What is disconcerting is that the percentage of people dependent on agriculture for their livelihood has not come down more rapidly. Rapid growth of the agriculture sector is necessary not only to provide security of livelihood to 65 per cent of our people but also to generate demand for the products of the rest of the economy. Increasing farm output and productivity is therefore of great importance.

2.4 Public investment in agriculture in terms of gross capital formation in agriculture (GCFA), which had increased in the earlier plan periods had tended to decelerate in the 1980s, and remained more or less stagnant in absolute terms in the 1990s. As proportion of GDP, GCFA, which had touched 4.1% in 1970-80, has come down to 1.5% in the recent years. The lack of growth of public investment is largely due to the steady increase in current expenditure in the form of higher levels of subsidy for food, irrigation, fertilisers, electricity, credit and other agricultural inputs, rather than on creation of assets by way of land development, augmentation/maintenance of irrigation facilities etc. Clearly there is a paramount need for devising a strategy for increasing investment in agriculture.

2.5 Over the years, agriculture and other practices in the country have resulted in degradation of vast areas of land and also in the water table going down drastically. The *Usar* lands extending over 6 million hectares and the prospect of large tracts in Punjab and Haryana now under paddy becoming wastelands with the water table rapidly depleting are just a few examples of lack of management of land and water resources of the country. Thus, sustainable agriculture practices are essential not only for the ecological stability of the country but also for the economic prosperity of the people. Since ground water can be openly accessed, as it is not

owned by anyone, it is overused thereby resulting in the lowering of the water table in large parts of the country.

2.6 Agriculture is the largest private enterprise in the country. At the ground level, agriculture and allied activities are dispersed over 105 million holdings. More than 105 million farmers decide what to grow and how. Government can influence them only indirectly. The spread of knowledge-intensive and ecology friendly activities calls for group endeavour and co-operation among the farm families in a watershed or command area of an irrigation project or village. The local bodies, the panchayats and gram sabhas have therefore to play a very effective role in securing this co-ordination and in extending support to these farm families. Though the Constitutional amendment of the Eleventh Schedule assigns responsibility to the panchayats in the field of food and agriculture, most state governments are yet to empower them legally, technically and financially to discharge these responsibilities.

2.7 The prices that farmers get for their produce depend on how well markets are organised, how much it costs the farmer to move the produce to the market and how well informed they are. All weather roads, regulated markets and good telecommunication facilities can empower farmers to get fair prices for their produce.

2.8 The last five decades have witnessed an increasing centralisation of powers and a vast expansion of resources, both financial and manpower, in the central Ministry of Agriculture. There is a persistent demand from the states, though hitherto in vain, for placing a good part of these funds directly at their disposal, leaving it to them to decide on their utilisation. There is clearly a need for identifying those activities of the ministry that have become redundant or have been counter-productive. This is necessary in the context of democratic decentralisation, the need

for location-specific technologies and policies to foster sustainable agriculture, and for bringing the states more fully into the picture. Moreover, with frequent divisions of ministries / departments, the co-ordinating role of the agriculture ministry has been considerably undermined.

2.9 To place the matter in perspective, the total expenditure of all states on agriculture and allied activities<sup>1</sup> in 1999-2000 (revised estimates) was Rs.13, 621 crore (including plan and non-plan, and capital and revenue expenditure) and constituted 4.2% of their total expenditure. The budget estimates for 2000-01 place the total expenditure of all states on agriculture and allied activities at Rs.12, 372 crore, which amounted to 3.5% of their total expenditure. [Source: Reserve Bank of India Supplement on States' Finances]. The corresponding figures for the Centre are: Rs.7680 crore according to the revised estimates for 1999-2000 amounting to 2.5% of its total expenditure and Rs.3818 crore according to the budget estimates for 2000-01<sup>2</sup> or 1.1% of its total expenditure. [Source: Budget documents].

2.10 A discussion on whether the Centre's expenditure on agriculture and allied services is relatively more or less than that of the states would obscure the basic question whether the Centre should in the first place incur even this order of expenditure. Further, if the Centre is to spend on these activities would it not better serve the interest of agriculture and the farmers if much of the money is passed on to the states and the expenditure incurred through them?

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<sup>1</sup> Excluding expenditure on forestry & wild life, food storage and warehousing

<sup>2</sup> The reduction is in part due to the provision for subsidies on phosphatic and pottasic fertilisers being shifted to the Department of Fertiliser

2.11 Agriculture is a state subject, figuring in List II—State List of the Seventh Schedule of the Constitution. The rationale for the existence of a strong central government presence in the agriculture sector should therefore be subject to greater and more rigorous scrutiny than in other areas falling within the province of the central government. In its Second Report dealing with “Optimising Government Staff Strength- Some General Issues”, the Expenditure Reforms Commission endorsed the following guiding principles enunciated by the Fifth Central Pay Commission:

“The entire gamut of Central Government functioning on the civilian side is to be examined de novo and redetermined in the light of three key criteria:

- (i) Does this need to be done;
- (ii) Does this need to be done by Government;  
and
- (iii) Does this need to be done by the Central Government.”

A fourth question that needs to be asked is: What negative consequences, if any, would follow if the (central) government were not to do this?

2.12 These questions assume greater relevance while examining the role of the Ministry of Agriculture, given that (a) agriculture is a state subject, and (b) agriculture is the largest private enterprise. Apart from questions of policy, the other role of the government, if any, would be in the delivery of services to the farmer or agriculturist. What are the types of services that a farmer needs and who should provide them should therefore be the touchstone against which the relevance of government programmes and organisations need to be judged. The following table attempts an answer.

<b>Activity</b>	<b>Support Needed</b>	<b>Who Should Provide?</b>
Pre-Production	Research	Initially government, Centre and State
	Soil conservation	anchayati raj institutions, co-operatives
	Extension services	
	Water harvesting	State, panchayati raj institutions, co-operatives
	Credit, including consumption credit	Banks, incl. co-operative banks
	Seed- Production, distribution	Private, co-operatives
	Seed certification	State, private (incl. co-operatives)
	Meteorological information	Centre
Mechanised equipment and instruments	Private, co-operatives	
Production	Land and water use management	State, panchayati raj institutions, co-operatives
	Other inputs: fertiliser, pesticides	Private, co-operatives
	Plant protection, including quarantine	Centre, State, Panchayati raj institutions, co-operatives, private
	Meteorological information	Centre

<b>Activity</b>	<b>Support Needed</b>	<b>Who Should Provide?</b>
Marketing & Infrastructure	Irrigation (major and medium projects)	Centre (inter-state projects); State
	Storage facilities	Private sector; co-operatives
	Cold chain	Private sector; co-operatives
	Support prices and purchase policy	Centre; State
	Agricultural produce markets	State / Co-operative institutions
	Certification and quality control	State
	Market data and intelligence	State; co-operatives; private sector
	Futures Markets and Exchanges	Centre; State
	Export Support	Centre, State, cooperatives, private
Other	WTO related issues	Centre
	Inter-State issues	Centre
	International Co-operation	Centre
	Extension	Panchayati raj institutions

Barring credit and infrastructural support, most of the other services required by the farmer are in the nature of extension services. Ideally, that organisation or level in the hierarchy that is closest to the farmer should provide these services. Viewed in this light, there is little role for the government to play, let alone the central government. The role of the government, particularly the central government, is confined to broad policy issues, provision of certain infrastructure, including marketing infrastructure, research, inter-state issues, international co-operation, and WTO related issues.

2.13 The need of the hour is for all levels (the Centre, the states and the local bodies) to address these issues effectively and in a well co-ordinated manner. The 105 million farm families need to be extended support for maximising output in agriculture and allied areas. The responsibilities of each level need to be set out clearly, without overlap; they should instead be complementary. In particular, the concerned central agencies will have to become professional think tanks and prime movers and doers to impart an ecological, employment and income dimension to farming. These broad issues must underlie the suggestions for restructuring the functions and activities of the Department of Agriculture & Co-operation.

2.14 One other issue that merits serious consideration is the distortion induced by minimum price support, which is the major contributory factor for the steady increase in food grain output. Over the years, the minimum support price has come to be higher than the market-clearing price. Thus, as a buyer of last resort, the government has been saddled with ever increasing food grains stocks. This in turn has led to problems of excessive centralised purchases, causing problems of storage and large-scale wastage of farm output. The entire policy on support price and food grain procurement / purchase would need to be refashioned to address the problems of farmers in a period of surplus production. Likewise, the numerous market intervention programmes would also merit a fresh review.

2.15 Another consequence of the minimum support prices being fixed higher than the market prices is that the government has become the principal buyer of food grains. This has two consequences that may be harmful to farmers' interests: first, the situation is unsustainable; and secondly, role of the private sector has diminished. In the interests of the farmers, therefore, it is imperative that corrective steps are speedily taken.

2.16 Moving from a situation of food scarcity a couple of decades ago to one of surplus today would also call for a re-orientation of production strategies. Agricultural production would need to be more attuned to the demands of the market, including potential export markets if Indian agriculture is to reap the benefits of adherence to the WTO regime.

### **3. Analysis Of Functions And Activities**

3.1. The staff strength in the headquarters establishment is 1351 spread over 25 divisions as listed in **Annex-II**. In addition, in the four attached and 21 subordinate offices (**Annex-II**) there are over 5700 officials. As would be seen from the summary of recommendations of the Right Sizing Committee (RSC) in **Annex-III**, the Plant Protection Quarantine and Storage Directorate (1813), Marketing and Inspection Directorate (1377), Directorate of Economics and Statistics (563) and All India Soil and Land Use Survey (511) account for over 75% of the staff strength of the attached and subordinate offices. The following paragraphs analyse the department's functions and activities.

#### **i. Economic Administration:**

3.2. The Directorate of Economics and Statistics is responsible for collection, compilation, maintenance and publication of statistics on production of different crops and land use pattern. The directorate also collates and analyses market intelligence, particularly in respect of food grains. It advises government of all current issues of agro-economics and food policies. An analysis of this directorate's output shows the need for a sharper focus. Crop forecasting techniques need to be improved with use of satellite imagery being refined in consultation with National Remote Sensing Agency. The impact of the WTO on the agriculture sector needs to be continuously monitored so as to facilitate government taking proactive decisions. Area specific problems need to be studied by the agro

economic research centres, with the findings being widely circulated to facilitate remedial action. Publication work needs to be speeded up.

3.3. Given the nature of its tasks, this directorate is ideally suited to function on an officer-oriented basis with minimum support staff. Further, the Right Sizing Committee has identified 41 posts for abolition. (See also paragraph 6.1 )

**ii. Commission on Agricultural Costs and Prices:**

3.4. Government announces support prices for various crops before the commencement of the kharif and rabi crops, based on the recommendations of the Commission on Agricultural Costs and Prices (CACP). The data from the last 20 years show that at least on 50% of the occasions government has announced higher minimum support prices for rice and wheat than those recommended by the CACP. In particular, in the three years 1997-98, 1998-99 and 1999-2000, the prices announced by the government exceed those recommended by the CACP by more than 10%. The practice of government purchases based on high support price levels has served the country well in earlier years. It encouraged farmers to increase output, and helped to stock adequate quantities for supporting and expanding the public distribution system. However, in the last few years this has resulted in FCI buying quantities far in excess of stocks required for supporting the public distribution system and for ensuring food security. In its report on food subsidy, the Expenditure Reforms Commission has, therefore, underlined the need for purchase operations of food grain being based on *minimum* support price, and for allowing market forces full freedom in wholesale trade as well as export of food grains. The Expenditure Reforms Commission would again urge the government to give serious consideration to these recommendations. As already observed in that report, the rationale of the support price

mechanism has been totally lost over the years. The cost plus pricing principle followed by CACP is no longer practicable. With the minimum support prices for wheat and rice ruling above world market prices, this has led to ever increasing stocks of food grains. Thus, the policy of setting minimum support prices needs review.

3.5. The CACP at present consists of 7 full time members – one chairman, two official members, three non-official members and one member secretary. Given the nature of the task entrusted to it, it should be sufficient to have two full time members (one chairman and one member secretary), with the remaining members being part time. This will also facilitate association of eminent outside experts in the Commission. The office also needs to be made officer-oriented with support staff being kept to the minimum.

**iii. National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED)**

3.6. There are also *ad hoc* market intervention schemes mainly for horticultural and other commodities which are perishable in nature and which are not covered under the price support scheme. The net expenditure devolving on the Central Government by way of sharing of losses on the operations undertaken through the National Agriculture Cooperative Marketing Federation of India (NAFED) is of the order of Rs.8.5 to Rs.9 crore per annum for the last 5 years. The commodities covered in the past include apples, kino, oranges, grapes, onions, potatoes, etc. Given the doubtful impact of such interventions, apart from the potential for abuse, and the extremely limited infrastructure that government organisations have for undertaking such operations, the Expenditure Reforms Commission would recommend that such operations should not be undertaken at all, except in times of great distress. (See also paragraph 4.20)

#### **iv. Rainfed Farming System**

3.7. The division is in charge of National Watershed Development Project in the Rainfed Areas (NWDPRAs), which was launched in 25 states and two union territories in 1991 during the Eighth Plan. The programme deals with treatment of arable and non-arable lands, organising production systems in them, and treatment of drainage lines. The state (and union territories) governments implement these projects, with the external funding being passed on to them directly. However, the division monitors a number of externally aided projects relating to integrated watershed development. Besides, it is also closely linked with soil and water conservation division (now re-designated as National Resource Management division).

3.8. The functions described above truly fall within the domain of states and the project is being implemented in the states. Besides, the external funding is also passed on directly to the states. Moreover, the two divisions have some overlapping functions. They may therefore be merged and re-designated as National Resource Management Division. At present, the National Resource Management Division has 102 officers and staff, and the rain-fed farming division, 51 officers and staff. The combined National Resource Management Division would not require such a large body of officers and staff; it could well be downsized to about 50 to 60% of the present strength.

#### **v. All India Soil and Land Use Survey**

3.9. This subordinate office assists in generating the database on soil and land resources for research as well as development programmes, particularly those related to catchment area treatment. It has a sanctioned strength of 511 spread over the head office at New Delhi, four regional offices at Delhi, Calcutta, Bangalore and Nagpur, and three sub centres at Hyderabad, Ahmedabad and Ranchi.

3.10. No doubt the activities undertaken by this subordinate office are important. Yet the Internal Work Study Unit (IWSU) in a report submitted to the department in September 2000 recommended drastic restructuring. In examining the functioning of the organisation in the context of certain additional posts that were sought to be created, the restructuring proposed by the IWSU envisaged creation of 23 posts, abolition of 254 posts and upgrading / downgrading of certain posts. For the present, the Expenditure Reforms Commission would not wish to go beyond what has been recommended by the IWSU. It would, however, like to urge that a study be made of how useful the data generated by this office has been, the need for regional offices and sub-centres particularly at major state capitals, and to what extent the functions could be transferred over a period of time to the respective states.

#### **vi. Disaster Management**

3.11. Department of Agriculture and Co-operation in the Ministry Of Agriculture has been designated as the nodal agency for administering the Calamity Relief Fund. The National Disaster Management (NDM) Division has a total strength of 19 officers and supporting staff. According to a statement provided by the department, a sum of Rs. 6304.27 crore has been released out of the Calamity Relief Fund during the period 1995-2000. The amount provided in the Calamity Relief Fund for the period 2000-05 is Rs.11007.59 crore. Thus, on the average a sum of Rs.1200 crore per year had been released from the Calamity Relief Fund during the period 1995-2000, and on an average a sum of Rs.2000 crore per year would be released during the period 2000-05.

3.12. It is claimed that with its present staff strength the NDM division is not in a position to monitor relief expenditure to ensure that the amounts released are properly spent, and that, therefore, it is of utmost importance

that it is suitably strengthened. The argument that strengthening the division will necessarily improve the monitoring of proper utilisation of relief assistance does not carry conviction. What would be more effective, on the other hand, would be greater public awareness and the right to information. Wide publicity in the areas where relief assistance is directed, and also through the Internet, of the nature and amount of assistance provided and the purposes for which it is given would bring about better accountability in the use of funds.

3.13. Preparation of plans for disaster prone districts, for prevention of disasters and their management, would lead to better administration of disaster relief and also go a long way in reducing the financial burden on government. Coupled with this should be promotion of the culture of self-help in relief operations and encouraging voluntary agencies to assume a positive role in organising relief. These aspects must also form an integral part of the tasks of this division. (However, when disasters actually strike, it is 'protocols' more than plans that are of greater relevance). The newly set up National Centre for Disaster Management (NCDM)<sup>3</sup> can provide the much-needed professional approach in the preparation and implementation of disaster management plans for disaster prone districts.

**vii. Crops:**

3.14. The Crops Division in the department is responsible for the development and production programmes of crops of all varieties. This division deals not only with crops like rice, wheat, oat, cereals, pulses and oil seeds but also with cotton, sugarcane, jute and tobacco. This division also monitors weather and crop prospects in different states and assists

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<sup>3</sup> It is learnt that the NCDM has been set up within the Indian Institute of Public Administration (IIPA) with the Centre supporting the faculty (in other institutes too.)

the government in formulating policies leading to food security and management of natural calamities such as floods and drought.

3.15. Introduction of high yielding varieties, hybrid and genetically modified (GM) seeds is also part of the responsibility of this division. Not much progress appears to have achieved in hybridisation of seeds and in their use for increasing food grains production. Only 8 varieties of hybrid paddy seeds have reportedly been released so far, and, it is said, their production levels are low and costs of production high. Genetically modified (GM) seeds are now being introduced in the agriculturally advanced countries. It has already been decided to take up field trials of GM seeds in respect of cotton, soyabean and maize. Field trials of transgenic cotton are also reported to be in progress but the results are yet to be evaluated. Large-scale field trials of transgenic cotton are yet to be cleared by the Ministry of Environment & Forests. However, some clearances have already been given for field trials of soyabean and maize. But procedures are yet to be harmonised between the departments of biotechnology, environment, agriculture and ICAR to ensure that the introduction of GM seeds takes place on the right lines and without delay.

3.16. All these are important functions that would continue to engage the attention of this division.

3.17. There are 7 Crop Directorates functioning under the Crops Division. These cover rice, wheat, millet, sugarcane, cotton, jute and tobacco. Each directorate is headed by an officer, who is comparatively junior in rank to the Commissioners / Directors of Agriculture and their principal staff officers in the states. The ability of these directorates therefore to interact fruitfully with the state government officers is considerably limited. Some of these directorates also cover a number of states, which again limits their usefulness. For instance, the Rice

Directorate located at Patna covers not only Bihar but also Assam, West Bengal, Orissa as well. As a result, these Crop Directorates are used mostly for collecting and forwarding reports to the Crop Division, a task that could as well be handled directly by the Crops Division, at a much lesser cost. **Under these circumstances, the Expenditure Reforms Commission would suggest the winding up of all the 7 crop directorates.**

3.18. There are also two other crop directorates dealing with oilseeds and pulses, areas covered by technology missions. These directorates are reportedly used for monitoring the progress of cultivation of oilseeds and pulses. It would save both time and money, if the technology missions could directly interact with the state governments, instead of using the two crop directorates as an intermediary. **These two crop directorates would also therefore need to be wound up.**

3.19. While these technology missions have been in existence for several years now, a new technology mission has been introduced in 1995 for maize, with a view to enhancing the production and productivity of this crop. By definition technology missions should have a time limit; once the objectives are achieved they need to be wound up. On the expiry of the time limit, it should be reviewed whether the technology mission should continue or be wound up. The department should therefore clearly spell out the objectives of these technology missions, and the timetable within which the results are to be achieved. Simultaneously, mechanisms for monitoring progress also need to be put in place.

3.20. The **mini-kit programme** was introduced with a view to popularising new and high yielding varieties of seeds when these were introduced for the first time. In the absence of commercial production of these new varieties of seeds on a large scale, the continuance of the mini-

kit programme cannot contribute significantly to popularising these new varieties. **This programme could therefore be wound up.**

### **viii. Inputs**

#### **A. Seeds:**

3.21. The Indian seeds programme largely adheres to the limited generation system for seed multiplication. It recognises three generations, namely breeder, foundation and certified seeds. In 1999-2000 the breeder seed production was over 50,000 quintals, foundation seed production over 7,000 quintals while the certified / quality seed distribution was over 9 million quintals. The crops covered are wheat, paddy, maize, sorghum, bajra, gram, peas, urad, moong, lentil, arhar, soyabean, sunflower, cotton, sesamum and toria. The National Seeds Corporation produced nearly 2,000 quintals of foundation / breeder seeds in its three farms, while its total procurement was over 2,000 quintal of breeder seeds, 16,000 quintals of foundation seeds, and 350,000 quintals of certified seeds. Another corporation, the State Farm Corporations of India Limited had a total production of 570,000 quintals, including 210,000 quintals of seeds in 1999-2000 in its 12 farms with a total cultivated area of 26,703 hectares. The state agricultural universities are also another source for breeder seeds.

3.22. Action has been initiated to promote seed production in the private sector. A bill dealing with protection of plant varieties and farmers' rights is before the Joint Select Committee and its enactment will promote research and development in the seed sector through private initiative. It is also proposed to amend the Seed Act, so as to set up a National Seed Board to promote seed industry in the private sector in a big way. There is also a proposal to set up a seed bank in every state to meet the unforeseen requirement of seeds following floods or drought. The seeds corporations at the state level have been allowed to set up seed banks to

cover 3 to 5% of the normal seed requirements. A seed insurance scheme is also expected to provide insurance cover to the growers of certified seeds.

3.23. While ICAR and the state agricultural universities have a major responsibility for providing breeder seeds, the responsibility for their multiplication, foundation seeds and then certified seeds would rest largely with private initiative.

3.24. At present, private initiative tends to be confined to low volume high value seeds such as hybrid vegetable seeds. They need to be encouraged to produce all other certified seeds including high volume low value seeds. Considering that most farmers produce their own seeds for food crops, the demand for high volume low value seeds may not however be high. There are two corporations in the seed sector under the department.

3.25. The present scheme of subsidy for certified seeds can be discontinued. The amounts of subsidy in relation to the total cost are quite insignificant. Moreover, most of the labelled seeds are not 'certified' seeds and thus do not anyhow qualify for this subsidy.

3.26. Of the two corporations, the National Seeds Corporation which has been currently showing a small profit in recent years has a accumulated loss of nearly Rs.12 crore, while the States Farm Corporation ended up with a loss of under Rs.14 crore in 1999-2000. Its accumulated losses till date are Rs.45 crore compared to its paid up capital of Rs. 24.2 crore.

3.27. Discussion on whether these corporations are making profits or losses only serves to confuse the issue, though as it happens both these corporations have incurred huge losses except that in recent years National Seeds Corporation has turned some profits. **Given the presence**

**of state seed corporations and initiatives referred to in paragraphs 3.22 and 3.23 above, which pave the way for larger private participation in seed production, there is little justification for the continued existence of both these corporations.** One of the conditions of disinvestment of the State Farms Corporation could be that whoever purchases the farms should use them only for production of certified seeds. As for the National Seeds Corporation, its three farms at Nandikotkar (AP), Bangalore and Sainj (HP) where foundation / breeder seeds of tropical and sub tropical crops are produced should be brought under the control of ICAR.

3.28. With seed production largely passing into the private sector, there may be need, however, for strengthening the seed certification process in order to maintain quality and standards. In the interests of ensuring uniform standards and quality, initially this responsibility may rest with the Centre but passing to the states over a period of time.

***B. Fertilisers:***

3.29. The work relating to the payment of subsidy on P&K fertilisers has recently been transferred to the fertiliser ministry / department. Thus, the focus of attention in the agriculture ministry is now only on monitoring availability and use of various types of fertilisers and on promoting balanced use of chemicals, fertilisers and also bio fertilisers. There are 514 soil testing laboratories<sup>4</sup> in the country, including 118 laboratories set up by the fertiliser industry. This is a task that is best undertaken by the private sector, NGOs or panchayati raj institutions. The existing laboratories could well be transferred to self-help groups or NGOs or

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<sup>4</sup> In addition, the department has given grants to set up 16 more laboratories (Rs.10 lakh each) under the scheme. Further, for strengthening 273 state laboratories the department has given grants @ Rs.5 lakh per laboratory under the scheme Balanced and Integrated use of Fertilisers.

panchayati raj institutions. Until then full user charges should be recovered.

***C. Machinery:***

3.30. This division deals with all matters relating to farm mechanisation programme and promotion of improved agricultural implements through crop specific schemes. The division also administers the Dangerous Machines (Regulation) Act, 1983 for providing safety and relief to farmers and machine operators. It is seen that of the 41 items of farm implements reserved for the SSI sector, 26 have already been de-reserved. The issue of de-reserving more items would need to be examined with reference to ensuring availability of better quality machines and at a lower price to the farming community.

3.31. There is no need to continue this division, except that the Dangerous Machines (Regulation) Act, 1983 has to be administered. Whether this could be entrusted to some other agency or department may be examined.

3.32. The farm machinery training and testing institutes incur a total expenditure of Rs.5 crore of which a good part (Rs.3.5 crore) is met from the budget and only the balance is recovered by way of testing charges. The private sector should be encouraged to set up such training testing institutes of their own. The existing government units should be sold off or closed down; meanwhile, they should try to become competitive and to recover their costs in full.

3.33. In all three areas – seeds, fertilisers and machinery – the residual/coordinating work can be handled by a cell headed by a Director/Deputy Secretary functioning directly under the Additional Secretary concerned, without there having to be a separate division.

#### **ix. Agriculture Extension:**

3.34. The thrust of the agriculture extension division is to provide extension functionaries and farmers continually with information, training and other extension support regarding improved production technologies. The Directorate of Extension undertakes these activities through four technical units – Extension Management, Extension Training, Farm Information, Farm Women Development Programme. Extension Management includes strengthening of agriculture extension services, supporting voluntary organisations, strengthening of research extension, farmers linkages, supporting farmers organisations and so on. While extension is important, the respective roles of the Centre and States have to be clearly recognised. It is States that should appropriately have a major role in extension, with the Centre only helping in formulation of policy guidelines and provision of funds. The Plan schemes in this area ideally qualify to be included in the “cafeteria” approach (of the Macro-Management Scheme – see paragraphs 3.56 and 3.57), without the Centre needing a large compliment of staff for administering these activities at the state level. This work along with that of coordination of extension work and laying down of broad guidelines can be vested in the Agriculture Commission, thus obviating the need for a separate division for this purpose.

3.35. On the training side, there is a National Institute of Agricultural Extension Management (MANAGE) [see also paragraphs 4.10 and 4.11], 15 centres of excellence for training at ICAR / SAUs (state agricultural universities) and other central institutes. In addition, state agricultural universities, gramsevak training centres, extension training centres, farmer training centres also provide training to middle and grass root level extension functionaries. There are also programmes for training of personnel, higher training of subject matter specialists, exchange visits of

extension functionaries, and exchange visits of farmers within the country. The Farm Information Unit is the outreach wing of the Directorate of Extension, which provides information support in the form of agriculture extension, print media, exhibition shows, production of video films, organisation of exhibitions etc. The fourth area, Farm Women Development Programme focuses on organisation of viable groups of women farmers, training of women in agriculture and implementation of state projects in Karnataka, Tamil Nadu, Orissa, Madhya Pradesh, Gujarat, Andhra Pradesh etc.

3.36. In all, the total number of personnel in this division, as on 31.12.99 was 384 while the total budget of MANAGE in the current year (2001-2002) is Rs.6.67 crore, including grants of Rs.4 crore from the Department of Agriculture and Cooperation.

3.37. As part of the extension work, so far ICAR has set up krishi vigyan kendras (KVK) in over 270 districts in the country. Eventually each district is expected to have one KVK. Each KVK consists of 20 agricultural scientists. The KVKs are under the direct control and technical supervision of ICAR. But these centres have to be area and crop specific and also have to work closely with the farming community and the local bodies in the districts. It will therefore be desirable to put in place arrangements that will facilitate KVKs' working in close collaboration with zilla parishads / district development authorities for selecting research programmes and their extension. While financial support will be extended by ICAR and the technical control will also rest with them, the local bodies / institutions will have a useful role in ensuring that the research work is aligned more closely to the requirements of the local areas and their problems.

3.38. As the thrust of the extension work has to be on propagation of new ideas and 'inventions', there is need for greater co-ordination

between the ICAR and the extension organisations in the states rather than with the Department of Agriculture & Co-operation. The National Agricultural Technology Project being implemented by the ICAR has an extension work component of Rs.148 crore to be implemented by the extension wing of the Department of Agriculture & Co-operation. *It would be more effective if the project were implemented through the extension machinery of the states, rather than through the extension wing of the Department of Agriculture & Co-operation.* This project is being implemented in two districts each in Maharashtra, Andhra Pradesh, Assam, Himachal Pradesh and Bihar. A proper mechanism for periodical consultations and interactions between the experts at different levels would therefore need to be put in place to maximise the effectiveness of the extension work.

#### **x. Co-operation and Credit**

3.39. The co-operative movement as it is structured today functions basically as an extension of government. In almost all co-operatives the government is (directly or indirectly) the largest shareholder and the contribution of members of co-operatives towards share capital is minimal. This situation has to change and the governments both at the centre and the states, should disengage themselves from the control and functioning of the co-operatives and allow them to be run by their members and their elected boards of management.

3.40. Within the department, Co-operation Division and Credit Division have overlapping functions. While the Co-operation Division is in charge of co-operation, education and training, national level co-operatives and NCDC, the Credit Division monitors the flow of credit through co-operative institutions to the agriculture sector. The Credit Division is also in charge of crop insurance and assistance to land development banks at the state level. *The two divisions can be merged; and the total strength of officers*

*and staff for the two divisions, which is at present 105 (credit-36 and Co-operation-69), can be reduced by half or more in the light of what follows.* The work relating to crop insurance can be transferred to the disaster management division, as suggested in the revised organisational structure. If the government is to disengage itself from the management of co-operatives and allow them to be run by their members and elected boards of management, there would be no need for a large number of plan schemes relating to Co-operation and Credit Divisions. Those schemes that are not relevant in the changed context may be dropped from the Tenth Plan. It has also been suggested elsewhere that the NCDC Act should be reviewed. Further, in the context of disengaging the government from co-operatives and instead giving co-operative institutions full autonomy, the agriculture minister and agriculture secretary should cease to be associated with the management of the NCDC. (See paragraph 4.5)

#### **xi. Directorate of Plant Protection**

3.41. Plant protection measures aim at minimising crop losses due to ravages of insects, pests, diseases, weeds, nematodes, rodents, etc. The enforcement of Destructive Insect and Pest Act, 1914 and Insecticides Act, 1968, promotion of integrated pest management (IPM), monitoring and control of desert locust are also part of the tasks entrusted to the Plant Protection Directorate. The directorate is also running 26 plant quarantine stations at various international airports, seaports and land frontiers. Issuance of phyto sanitary certificates (PSC) as per International Plant Protection Convention (IIPC) 1951 of the Food and Agriculture Organisation and undertaking post entry quarantine inspections are also part of the quarantine responsibilities of the directorate. UNDP assistance is also available to modernise quarantine services in India through the Directorate of Plant Protection.

3.42. The locust warning organisation, established in 1939 is fully responsible for monitoring locust activities over an area of 200,000 sq. kms of the scheduled desert areas in parts of Rajasthan, Gujarat and Haryana. It has 5 circles and 23 out posts with its field headquarters at Jodhpur. To strengthen locust monitoring and forecasting a remote sensing laboratory has also been set up to prepare vegetation maps based on satellite imagery. A close liaison is being kept with the FAO and other agencies through periodical exchange of locust information.

3.43. The Directorate of Plant Protection and quarantine has a total strength of 1813 as on 31.12.1999. The Rightsizing Committee of the department has identified 123 posts for abolition. The revised strength of the directorate after review of the Rightsizing Committee is 1690. It is, however, not clear whether the Rightsizing Committee has taken into account the recommendations of the work-study unit on the locust warning organisation before recommending 123 posts for abolition. As already explained, the wide range of activities of the directorate cover integrated pest management, prevention of exotic pests and diseases, plant quarantine, locust control and enforcement of the two acts. Some of these activities, such as, locust control and plant quarantine, involve international commitments and protocols. These are all areas that call for increasing emphasis in the years to come, both for minimising loss of production and improving the quality of the output as also making the production globally acceptable. As integrated pest management and plant quarantine would necessarily have to cut across both state and national boundaries, the thrust of these measures has to be more at the national level while the responsibility for implementation would rest with the states.

3.44. The need for proper chemical residue analysis and certification are areas that would call for sharper focus. This acquires importance particularly in the context of WTO and many western countries blocking

imports of dairy products, cotton fabrics, etc. on the ground that chemical residue levels are well above acceptable threshold levels. For instance, extensive use of plant protection chemicals in cotton cultivation is already tending to limit the export prospects of cotton and cotton fabrics. This is an aspect that the technology mission on cotton has already taken up for necessary remedial action. Second, there has also to be concerted effort in promoting use of bio-pesticides and environmental friendly pesticides. Third, there is need for an efficient network of plant quarantine stations and services in India. In this context, the work on the 5 major laboratories being set up with UNDP assistance would need to be expedited so that these facilities would become available earlier. The working of laboratories at Chandigarh and Karnataka and the Central Insecticides Laboratory at Faridabad would also need to be reviewed and their functioning so designed as to provide assurance of quality for pesticides and insecticides used by farmers.

3.45. Clearly, there is a need for improving the quality and coverage of all these services. At the same time, the Internal Work Study Unit of the department also pointed to the need for making this directorate a lean and efficient organisation, in a study conducted on the Locust Warning Organisation in September 1997. It has drawn attention to the need for creation of 4 new circle offices by up gradation of existing outposts; transfer of the field staff for investigation to the ICAR so as to secure effective co-ordination; and the creation inter alia of 5 additional posts of plant protection officer, 2 additional posts of additional plant protection and 1 cartographer. On the other hand, adducing several reasons, the study has also recommended the abolition of 101 posts, including 17 posts of technical officers Grade-II, 25 drivers, 25 locust mukkadams and 19 posts of messengers and peons. The implementation of these proposals would

lead to a net saving of Rs.59 lakh per annum even after providing for the creation of 17 additional posts and up gradation of four offices.

## **xii. Agricultural Marketing**

3.46. The Royal Commission on Agriculture set up in 1928 identified agricultural marketing as the crux of food and agricultural development in the country. Based on its report a central marketing organisation was set up in January 1935 headed by the Agricultural Marketing Advisor. Even though the Directorate of Agriculture Marketing had a strength of 1803 posts in 1985, in the past 15 years 426 posts in the directorate have been abolished. The Rightsizing Committee of the department has suggested a further reduction of 94 posts. The total strength of the directorate after review by the Rightsizing Committee is expected to be 1283.

3.47. There are two organisations dealing with marketing – the Directorate of Marketing and Inspection (DMI) and the National Institute of Agricultural Marketing (NIAM), Jaipur.

3.48. The Directorate of Marketing and Inspection has its head office in Faridabad, a branch office at Nagpur, 11 regional offices and 375 sub offices. Twenty-two regional agmark laboratories assist the central agmark laboratory. These laboratories are responsible for harmonising central agmark standards with international standards. The directorate is in charge of promotion of standards and grading, and creating awareness of quality among consumers. The directorate has already notified 111 grading and marketing rules under the Agricultural Produce (Grading and Marketing) Act, 1937, covering 159 agricultural and allied commodities. As many as 6820 authorised packers and 778 laboratories in private, public and state sectors have been operating under agmark. Grading at producers' level is undertaken throughout the country through 1064 units located at different places for grading cereals, pulses and oil seeds. Six

cotton-classing centres have also been organised for cotton classing of producers. A test of the usefulness of the services offered by DMI would be whether and to what extent farmers are willing to pay for them. Where some of these services are offered both in the public and private sector, it might also be revealing to have an assessment of how farmers gauge them as reflected by their preference of service provider.

3.49. The directorate also organises market surveys and publishes investigation reports. The role of the directorate must be restricted to creating awareness of quality and enforcing uniformity of standards, including harmonisation of central agmark with international standards. Conducting market surveys and publishing investigation reports should be left to the private sector. Viewed thus, whether the directorate needs so many offices and laboratories calls for detailed scrutiny, which could perhaps be entrusted to the SIU.

3.50. In the context of WTO, the directorate should be so organised to focus more on agricultural exports. It should also concentrate on improving the grading and packaging of agricultural commodities and collaborate with the National Horticulture Board in containing post harvest losses, which are as high as 37% of total production in some horticulture crops.

3.51. The primary role of National Institute of Agricultural Marketing (NIAM) is training of senior and middle level executives of agriculture and headquarter departments, agro industries and training of farmers on marketing management. (See also paragraphs 4.12 and 4.13) The institute has also taken up long term projects for formulation of master plans for the development of agricultural marketing in the states of Madhya Pradesh and Tripura; formation of integrated action plan for promotion of handicrafts and handlooms in UP and West Bengal; and

organising online marketing information system in Maharashtra and UP. The fees for the training courses and the charges for the project work would have to be so fixed as to make the institute fully self-supporting.

**xiii. Horticulture:**

3.52. The Horticulture Division deals with a large variety of crops like fruits, vegetables, mushrooms, flowers, spices, cashew nuts, coconut, arecanut, root and tuber crops, and medicinal and aromatic plants. The division is also promoting development of horticulture through plasticulture, drip irrigation and green house technology. Most of the schemes of the division are administered through the National Horticulture Board, which is one of the autonomous organisations under the department.

3.53. Considering that post harvest losses range from 6% to 37%, issues relating to post harvesting management and marketing arrangements would merit greater attention. Associations of growers on the lines of Maharashtra Grape Growers Association could be encouraged to promote cohesion among growers and to take care of their production and marketing needs. The growers' associations could be organised by commodity to provide for vertical integration of all production and marketing activities; they should also address the issue of proper storage and marketing arrangements.

3.54. Promotion of bee keeping helps in improving crop productivity through honeybee pollination, apart from generating rural employment. It has come up in a big way in Punjab. It is also coming up in Bihar. Bee keeping could be encouraged as a subsidiary occupation, in other states as well.

3.55. The activities outlined above call for extension work at the state and sub state levels rather than an organisation at the central level.

Moreover, as stated above most of the schemes of the Horticulture Division are administered through the National Horticulture Board. In the circumstances, there is no justification for a separate Horticulture Division in the ministry. The residual work in the Department can be vested in the Agriculture Commissioner.

**xiv. Plan Coordination:**

3.56. Recognising the enormous diversity of agricultural operations in the country — there are as many as 15 agro climatic zones and 126 sub zones in the country — the Department of Agriculture and Co-operation has recently introduced a “Macro Management Scheme” covering 27 centrally sponsored schemes with an outlay of Rs.760 crore. Instead of adopting ‘one-size-fits-all’ approach the state governments were requested to prepare schemes and work plans that are more relevant to their local needs, resource endowments and agro climatic variations. These work plans were then discussed with the Planning Commission and the package of schemes for each state finalised for inclusion in the Macro Management Scheme. The funds are released to the states, though some suggest that it would be better to release them to a designated authority at the district level as in the case of DRDAs. While release of funds directly to the district level might help to eliminate delays inherent in routing of the funds through the states’ budget, such arrangements tend to undermine the accountability of the states to their own Assemblies. The ideal procedure would therefore be for states to draw up district-wise plans — this has already been done by a few states — and once these district-wise plans are got approved to release the funds directly to the designated district agencies, if the state governments so desire. In all other cases, the appropriate thing to do would be to release the funds to the states.

3.57. The Macro Management Scheme is a step in the right direction. Though it has been on the anvil for quite sometime it has been possible to

introduce it only in the last two years of the Ninth Plan. The Expenditure Reforms Commission would recommend its continuance in the Tenth Plan period. In addition, it would suggest that its ambit be enlarged considerably by bringing together all centrally sponsored and central schemes that are implemented in a number of states (as distinct from central schemes that are implemented through central agencies themselves). But in doing so, a recent assessment by the Project Appraisal and Management Division of the Planning Commission that it should be possible to combine or compress the existing 27 programme elements of the Macro Management Scheme into 10 should be borne in mind. The objective should be to reduce the number of centrally sponsored schemes to an absolute minimum.

**xv. Finance:**

3.58. The Finance Division deals with the budget and centrally sponsored and central sector schemes. The accounts wing deals with all the accounts of the department. An internal work-study unit is also attached to the Finance Division.

3.59. Agriculture is a season bound operation, which requires that funds be released well in time if they are to be purposefully utilised. Any delay in agricultural operations will affect productivity and substantial delay will mean the loss of an entire cropping season. For kharif season, which starts with the onset of monsoon in June, funds have to be released by April. Under the present system of budgeting and approval of Vote on Account by Parliament in March, funds only to the extent of 1/6th of the Budget provision can be released in April. It has been pointed out that as a result bulk of the funds earmarked for the kharif seasons get released after kharif cultivation is well under way. To get over this problem it would be necessary to release about 50% of the total budget provision in the month of April itself. It appears that in the Ministry of Youth Affairs and

Sports, there is a special arrangement by which funds required by NSS in the month of May for taking up activities during the summer vacation, are provided in the budget for the previous year. To meet the situation in DAC (Department of Agriculture & Co-operation), two options suggest themselves. There should be a special dispensation by which 50% of the budget allocation can be released in April instead of the customary 1/6<sup>th</sup>. Alternatively, the requirement of the funds for the kharif season may be provided in the budget for the previous year and funds released in March itself. Ministry of Finance should examine the various options available and devise a suitable system by which the requirement of funds of DAC for kharif season is fully met.

3.60. Computerisation and setting up of a data bank will considerably help reduce the time taken for processing of proposals in this division.

#### **4. Analysis Of Other Offices In The Department**

4.1 There are seven autonomous bodies and eleven national level co-operative organisations in DAC:

##### **A. Autonomous Bodies:**

4.2 The following are the autonomous bodies under the department:

- (1) National Co-operative Development Corporation (NCDC), New Delhi;
- (2) National Oilseeds and Vegetable Oils Development (NOVOD) Board, Gurgaon;
- (3) National Institute for Agricultural Extension Management (MANAGE), Hyderabad;
- (4) National Institute of Agricultural Marketing (NIAM), Jaipur;
- (5) National Horticulture Board, Gurgaon;

- (6) Coconut Development Board, Cochin; and,
- (7) Small Farmers Agri Business Consortium (SFAC)

**i. NCDC:**

4.3 Established in March 1963 by an Act of Parliament, NCDC has emerged as a development financial institution for the co-operative sector in the country. Though the corporation may have rendered excellent service by promoting programmes of agricultural inputs, processing, storage and marketing of agricultural produce, and supply of consumer goods in rural areas, its continued existence within the government system calls for urgent review.

4.4 Out of the annual disbursements of about Rs.500 crore by NCDC about 20% is funded through budgetary support of the government. It is time that the budget support from the government is discontinued. NCDC should be able to meet its requirement of funds through internal generation and from the market. Government should fully withdraw from NCDC, both financially and from its management.

4.5 There is a proposal to amend the NCDC Act. Under the provisions of the Act as it exists at present, the agriculture minister is chairman of the board of management of the corporation and agriculture secretary is the chairman of the executive council. This is antithetical to the position that government should disengage itself from co-operatives and instead give co-operative bodies full autonomy. Therefore, there is no need for Minister of Agriculture and Secretary, Agriculture to continue to be associated with the management of the NCDC.

4.6 Currently NCDC is risk-averse and lends to co-operative institutions only against state government guarantees. It thus assumes little or no risk itself. NCDC should endeavour to lend directly to co-operatives on the

merits and profitability of individual schemes / projects without seeking the cover of (state) government guarantee.

4.7 The present staff strength of NCDC is 798 of which the Rightsizing Committee proposed abolishing 82 posts. It is not proposed to make any recommendation about restructuring and downsizing NCDC since it is being recommended that NCDC should be totally independent of government and that it should be self-supporting, without any budget support from the government. In the circumstances, it is for the NCDC itself to determine its optimum strength.

**ii. NOVOD BOARD:**

4.8 NOVOD Board was set up to open up new areas and to promote non-traditional seasons for cultivation of oilseeds. The Board has been in existence for a number of years and its programmes are being implemented through state agriculture departments, agriculture universities, state forest departments, oil federations, co-operatives, NGOs and other research institutions.

4.9 In the changed situation, there is no justification for the existence of the Board and the work so far being done by the Board may be integrated with the oilseed development programmes of the concerned states.

**iii. MANAGE:**

4.10 MANAGE has been organising training programmes for agricultural extension functionaries from different states. It has also been organising national level workshops on formulation of plans for extension of strategic research, in the context of the National Agricultural Technology Project. The Institute has been recognised as an institution of excellence and has also received international recognition.

4.11 The Expenditure Reforms Commission would recommend that over a period of time, say a maximum of 5 years, government totally disengage itself from MANAGE, including any funding that it may be providing or representation in its management. Any financial support to the institute should be phased out during this period, so that at the end of 5 years, it becomes self-supporting and self-financing.

**iv. NIAM:**

4.12 NIAM has been imparting training to senior and middle level officers of agriculture and horticulture departments, agro industries corporations, commodity boards and export houses recognised by APEDA. Apart from training programmes, NIAM has also taken up long-term projects for the formulation of master plans for development of agricultural markets. The Institute has also taken up a few research projects.

4.13 Like in the case of MANAGE, it is recommended that government fully disassociate itself from the funding and management of NIAM, over a period of 5 years at the most, in case there is any government involvement at present. (See also paragraph 3.51)

**v. National Horticulture Board:**

4.14 The Board has been set up to promote horticultural development in the country with emphasis on post-harvest management and marketing. It has been doing useful work in post-harvest management of horticultural crops through identification of appropriate technologies and their transfer. Consistent with the discussion in part 3-section xiii and paragraph 3.55 above, *it is recommended that the National Horticulture Board continue. However, some of its activities that are in the nature of extension work are best left to sub national levels and co-operative institutions to handle.*

**vi. Coconut Development Board:**

4.15 The Board has been in existence since 1981 having for its objective the integrated development of coconut culture and coconut industry in the country. The Board has taken up a number of schemes for development of coconut cultivation in non-traditional areas. In the present context, there is no justification for a separate board to promote coconut cultivation and hence it may be wound up. The work can be integrated with the normal work of the agricultural departments in the concerned states.

**vii. Small Farmers' Agri-business Consortium, New Delhi**

4.16 The Small Farmers' Agri-business Consortium (SFAC) has been set up recently and consists of only the Managing Director and supporting staff. There may be need for a catalytic agency to promote agri-businesses, bring them together and set up mechanisms for running them, skills that individual farmers may not have. However, this is an activity that should be undertaken by associations, groups, or co-operatives of farmers, without any financial or other support from government.

**B. National Level Co-operative Organisations:**

4.17 There are eleven national level co-operative organisations in DAC. They are as follows:

- (1) National Co-operative Union of India (NCUI), New Delhi.
- (2) National Agricultural Co-operative Marketing Federation of India (NAFED), New Delhi.
- (3) National Federation of Co-operative Sugar Factories, New Delhi.
- (4) National Heavy Engineering Co-operative, Pune.
- (5) National Federation of Urban Co-operative Banks and Credit Societies, New Delhi.
- (6) All India Federation of Co-operative Spinning Mills, Mumbai.
- (7) National Co-operative Agriculture and Rural Development Banks Federation, Mumbai.

- (8) National Federation of State Co-operative Banks, New Mumbai.
- (9) National Federation of Fishermen's Co-operatives, New Delhi.
- (10) National Federation of Labour Co-operatives, New Delhi.
- (11) National Co-operative Tobacco Growers' Federation, Anand.

4.18 Leaders of the co-operative movement argue that government should withdraw from co-operative organisations and allow them to be run by the members and the elected boards of directors of the organisations. As a logical corollary to this, government should also phase out its assistance to co-operative organisations.

4.19 The central government is providing cent per cent grant-in-aid to the National Council for Co-operative Training for running the Vaikunth Mehta National Institute of Co-operative Management (VAMNICOM), Pune. The government is also providing 100% grant for special co-operative education programmes in states where the co-operation movement is under-developed and 20% grant for approved activities. Consistent with the approach outlined earlier, these grants should be phased out over the Tenth Plan period, if not earlier, and the co-operatives should take over the entire liability. However, if these are purely training institutes with little or limited scope for generating revenues, then government could continue to subsidise them, considering that they are helping human capital formation.

4.20 There is a plan scheme in DAC for providing assistance to national level co-operative federations. The scheme, which has been in operation since 1974-75, is meant to help and strengthen the base of the weaker national level federations. There is another plan scheme for strengthening the financial position of NAFED for increasing its business activities and also to enable NAFED to undertake price support operations, market interventions and market purchases so as to play an effective role in providing market support, both internally as well as for promotion of

exports. The plan schemes providing assistance to national level co-operative organisations / federations should be phased out by the end of the Ninth Plan and they should be asked to finance their activities out of their own resources and without any budgetary support from the government. (See paragraph 3.6 )

4.21 Government should totally disengage itself from co-operatives both financially and from their management. This would be in keeping with the demand from the co-operative institutions that they should have greater autonomy and freedom in the running of these institutions. But the regulatory role of government may need to continue with safeguards, however, against supersession of cooperative institutions for political ends and take-over of their management and administration. It is learnt that a model co-operative law is under formulation, which may address some of these issues.

4.22 As far as credit is concerned, this should be entirely through the banking system including co-operative banks.

## **5. Other Issues**

5.1 Many of the larger issues listed in the first part have considerable relevance not only for sustainable high growth of the agricultural sector but also have major implications for restructuring of the ministry's functions and activities. An in-depth examination of these issues does not, however, fall within the remit of the Expenditure Reforms Commission. It is therefore recommended that the Department of Agriculture & Cooperation should urgently undertake this exercise, associating some outside experts also in the task. This study would benefit from the recent analysis undertaken by Planning Commission's Project Appraisal and Management Division of the Department of Agriculture & Cooperation covering subsidy, evaluation, manpower and convergence. The study should be sharply focussed, with

say no more than half a dozen specific issues, and be completed in six month's time. Some of the issues that could be addressed are discussed below:

**i. A Co-ordinated or Integrated Approach:**

5.2 Agriculture figures in the State List and through the Constitutional Amendment of the XI Schedule, responsibility has also been assigned to the local bodies in the field of food and agriculture. Moreover, the spread of knowledge-intensive and ecology-friendly activities calls for group endeavour and co-operation among the farming community in a water shed or command area of an irrigation project or village. Local bodies thus have an effective role to play in facilitating this co-ordination and extending support to these families. Any strategy for optimising developments in this sector has to recognise these ground realities. Further, the last three decades have witnessed a gradual erosion of the Ministry of Agriculture's capability to serve as a flagship for sustained agricultural advance and agrarian prosperity in the country. Unless there is convergence of activities relating to land and water resources, it will be difficult to address the felt needs of both the state governments and farming communities. An integrated approach in decision-making process of several ministries (particularly those relating to water, land and bio-resource fertilisers, food processing, home and external trade) is thus called for.

5.3 Evolving an appropriate structure in which the central government, the state governments and the local bodies could play their role effectively and complement each other becomes a paramount need.

**ii. Capital Formation:**

5.4 One factor that effectively inhibits sustainable high growth of the agriculture sector is the totally inadequate levels of capital formation. The investments in this sector, which steadily rose in the earlier decades,

started falling and in the last 10 years have been stagnant at around 1.5% of GDP. While there has been some increase in private sector investments this has not been large enough to offset the steady decline in public sector investments. As far as private sector investment is concerned, it will be necessary to examine the various factors that tend to inhibit it and suggest necessary remedial action. These could be rigidities in land holdings and ownership, restrictions on storage, movement and processing of produce, etc. As far as public sector is concerned, while there has been a sharp increase in the total flow of funds to rural areas and agricultural sector in the last two decades, an increasing proportion of such funds is absorbed by current expenditure — subsidies, etc. Thus, while examining the question of increasing public sector investments in the agriculture sector the extent to which consumption expenditures could be diverted to more productive investment expenditures would merit attention. However, the limitations imposed by fiscal consolidation measures may have to be borne in mind.

### **iii. Structural Problem:**

5.5 The agriculture sector in India is dominated by small and marginal holdings. According to the available statistics, in 1990-91 marginal holdings constituted 59.4% and small holdings 18.8% of the total number of holdings. They, however, cover only 15.1% and 17.4% respectively of the total area under cultivation. Thus, even though small and marginal holdings constitute 78.2% of the total holdings, the area covered by them is only 32.5%. The problems faced by small and marginal farmers are getting more and more complicated as the size of the holdings is getting reduced over time and are also getting fragmented. These holdings are by and large becoming uneconomical and non-viable. The latest developments in technology do not reach the small and marginal farmers and they have limited access to credit facilities. Their holding power is

also limited, as they have to sell their produce to meet the minimum needs for cash. Most of them do subsistence farming with limited or no marketable surplus. The present organisational structure is not in a position to serve the interests of the smaller and marginal farmers. It is, therefore, imperative to think in terms of alternative production structures that will give a fair deal to the small and marginal farmers.

5.6 One of the alternatives tried earlier was co-operative farming. A number of co-operative farming societies were started in different parts of the country but none of them could succeed, as there was no vertical integration of all activities from land preparation to agro processing and marketing. There was also no professional management of co-operative farming societies with the result that all of them have gone into liquidation. The experiment has thus failed in the country. The real value of co-operatives is in marketing and lobbying. Vertical integration is irrelevant.

5.7 Another alternative is corporatisation of the agriculture sector and running it like an industry. Four different models of corporatisation of the agriculture sector could be thought of:

- (a) In the first model joint stock companies will be registered under the company law for taking up agricultural operations. Compact blocks of 1000-5000 hectares will be identified and farmers will be motivated to become stakeholders in the joint stock company set up for managing agricultural production. Share certificates will be issued to the farmers to the extent of the value of their land holdings. Cultivation of land will be taken up by the joint stock company, which will vertically integrate all operations relating to land. They will start with land levelling, land shaping and take up soil testing, preparation of appropriate cropping patterns, provision of irrigation facilities, application of

appropriate technology, and inputs. Along with setting up of proper harvesting and storage facilities, the company will also introduce post harvest management through agro processing and marketing. The company will arrange for requisite credit support for the operations from financial institutions. The company will not only provide proper land and water management but also save losses through proper handling of agricultural produce and appropriate value addition from agro processing and marketing. Farmers who are stakeholders will get dividend income and wage employment from time to time.

- (b) In the second model, the joint stock company will take the land on lease from the farmers and take up cultivation on its own. The farmers will be buying shares from the company and derive income from the lease amount to be paid by company and also dividend income on the basis of shares held by them. They will also get wage employment from time to time.
- (c) Under the third model, the joint stock company will not take up any cultivation on its own. The company will provide only services, relating to technology support, credit support, input support, marketing support and set up facilities for processing and marketing value added products. The farmers themselves will do the cultivation. They will also have the freedom to lease additional land and enlarge the size of their holdings. For all intents and purposes, the farmers will take up contract cultivation through the joint stock company and their income will consist of the sale proceeds received from the company for their produce and the dividend income, which will accrue to them on the basis of the shares held by them in the joint stock company.

- (d) The fourth model envisages setting up of producer companies on the basis of the recommendations of the committee headed by Dr. Alagh. The Company Law is proposed to be amended to provide for the setting up of producer companies, which will incorporate co-operative principles in Company Law. The details of this model will have to be worked out after the new chapter on producer company is added to the Company Law.

5.8 There has been a general demand that the agriculture sector should receive the status and benefits that accrue to the industrial sector. By corporatising agriculture and introducing professional management combined with proper infrastructure and credit support, it should be possible not only to bring about a significant change in the agriculture sector but also ensure that small and marginal farmers get a better deal. By setting up joint stock companies to take care of all farming activities, the entire approach to agriculture sector will change. Subsidising the farming sector may become a thing of the past. By providing proper storage and handling, including cold chains in the case of perishables, loss and wastage will be minimised and a better return ensured to the farming community. It goes without saying that this will mean a change in the mindset of policy makers and also changes in the land ceiling laws, which are in force in various states.

5.9 It is quite possible that there are other alternative organisational structures that will take care of the problems of small and marginal farmers. It is necessary to consider the subject in depth and evolve an organisational structure that is fair and equitable to small and marginal farmers, which at the same time improves production and productivity through knowledge intensive and ecology friendly activities.

#### **iv. Land and Water Use Management**

5.10 Given the limitation of land and water availability on the one hand and the increasing demand and biotic pressure on the other, usar lands and water use management become critical. First, from the point of view of ecological security of the country; and secondly, and even more importantly, for the economic security of the people, particularly those dependent on usar lands for their livelihood. In fact, most of the acute problems in rural areas and in the agriculture sector today can be traced to the lack of consistent and well thought out policy and programmes in the country on usar lands and water use management. Villages going dry for long periods during summer without even enough drinking water and water for cattle have become a regular phenomenon. In drought prone areas, there are no arrangements for water harvesting, while at the same time the traditional systems that have been in existence from time immemorial have gone into disuse. On the other hand, in the command areas of irrigation projects, large tracts are laid waste by flooding and rising water levels leading to formation of usar lands in millions of hectares.<sup>5</sup> In Punjab and Haryana, intensive rice cultivation as a cash crop in over 25 lakh hectares is lowering the water table at such a fast rate that all these usar lands are in danger of becoming waste land within even the next two decades. There is definitely no awareness in the country in general and the farming community in particular that usar lands and water resources need to be managed prudently and efficiently.

5.11 Efforts have been made in the last few decades to put in place necessary mechanisms to address these issues. Land use boards have been set up at the centre and state levels but these do not appear to have

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<sup>5</sup> **The total estimated Sodic/Alkaline soils (usar) including those in the command areas is 35.80 lakh hectares.**

held any meetings in the last ten to fifteen years. The need for better water management and harvesting technologies has been discussed time and again without any action being taken to implement any of the suggestions that emerge.

5.12 It has therefore been recommended, while dealing with the Department of Land Resources that not only should the high-level policy making and direction giving Councils and Boards be revived, but also that the various programmes for addressing the problems of degraded lands as well as soil and water conservation programmes should be brought under one department. In the circumstances the following programmes, now under the Department of Agriculture & Cooperation should be transferred to the Department of Land Resources.

- (1) National Watershed Development Project for rainfed areas.
- (2) Centrally Sponsored Scheme of Soil Conservation in Catchment of River Valley Projects.
- (3) Centrally Sponsored Scheme of Soil Conservation in the catchment of flood prone rivers.
- (4) Centrally Sponsored Scheme of Reclamation of Soil
- (5) Scheme of Watershed Development Project in shifting cultivation areas.

#### **v. Second Green Revolution**

5.13 The first Green Revolution ushered in the 1960s made the country self-sufficient in food grains. Production of food grains went up from 50 million tonnes to the present level of 200 million tonnes. In recent years, food grains production is hovering around 200 million tonnes and there has been no significant breakthrough in production or productivity in the agricultural sector. A plateau appears to have been reached. It is worth

noting that the National Commission on Agriculture in its report in 1974 had suggested a target of 230-240 million tonnes by the turn of the century for food grain production!

5.14 It is time to think in terms of ushering in a second green revolution, which can come about only through gene manipulation and application of biotechnology to the agriculture sector. Other countries such as USA, European Union and even China have achieved significant progress in the application of biotechnology to the agriculture sector. The progress achieved in India in this regard has been tardy and insignificant. It appears that some agricultural scientists and policy makers have reservations about application of biotechnology in the agriculture sector.

5.15 Apart from general reservations regarding genetic manipulation and application of biotechnology to the farm sector, there are organisational problems. In the present set up, 3 departments, namely, biotechnology, environment and agriculture are involved, apart from ICAR. It is becoming very difficult to bring the concerned departments together and make them agree on any programme for field trials and harmonisation of procedures. It is reported that in China genetically modified (GM) seeds were introduced on a large scale after 18 months of field trials. In India, it is estimated that it may take about 7 years to complete the various trials and evolve a set of guidelines for genetic manipulation and application of biotechnology in the farm sector.

5.16 In view of the conflicting opinions on the subject and the complexities involved, it has become necessary to study the subject in depth and formulate an agreed policy and programmes, so that the second green revolution could be ushered in the country with the least possible delay.

**vi. World Trade Organisation**  
**WTO Regulations & Challenges for the future:**

5.17 The removal of quantitative restrictions (QR) under WTO regulations and freeing of all import controls with effect from 1 April 2001, have given rise to a lot of apprehensions among the farming community. Agriculture has become a highly contentious issue in the WTO framework and there is a feeling that agricultural imports will flood the country thereby destabilising Indian agriculture and impoverishing Indian farmers. This is a challenge to be met with suitable strategies for converting it into opportunities for growth and development. The problems faced by the farming community on account of WTO commitments and regulations need to be analysed in depth and suitable strategies formulated to meet the situation. The problems that are likely to arise are quite complex in view of the intellectual property rights (IPR) regime and patent laws, and call for expert handling. It is doubtful whether the requisite expertise is available within the government.

5.18 In these circumstances, action will have to be taken on two fronts. First, all these issues have to be examined in depth in advance to enable government to take preventive action rather than reacting after being overtaken by events. Second, the implementation of the WTO measures and the action being taken by government to protect Indian farmers' interests would need to be given wide and continuous publicity, so that there are no panic reactions to ill informed reports. Towards this end it may be necessary to set up a 'think tank' to advise government in these matters. The think tank should be of sufficient stature to attract the best talent, both from within the country and outside, on a part time or even on a short-term basis. For it to have the necessary flexibility in this regard the think tank should be outside the normal government framework and

should have very few permanent staff to service it. This is one area where it may be necessary to initiate action straightaway.

## **6. Recommendations for Restructuring**

6.1 Following the instructions for effecting a 10% cut in staff strength issued at the beginning of the last decade, the Department of Agriculture and Co-operation had taken a series of measures that resulted in the total staff strength coming down from 7606 as on 1.1.1992 to 7059 as on 31.12.99. This figure represents the net effect of the abolition of 747 posts and creation of 200 posts during this period. More recently, the department had set up a Right Sizing Committee to examine the scope for further restructuring. This Committee has recommended abolition of a further 385 posts, with major cut in the Plant Protection Quarantine & Storage (PPQ&S) Directorate (123), Crop Directorate (47) and Economics & Statistics Directorate (41) and Headquarters (38). The implementation of these recommendations will reduce the staff strength to 6674. The Department of Agriculture and Co-operation will have to take action for implementing these recommendations without delay. While abolishing the posts first preference should be given to abolishing those vacant posts that will cause minimum dislocation of serving officials.

6.2 In the part of the report on functions and activities (Part 3) a number of recommendations have made that will lead to downsizing of staff strength. These include:

- (i) Introducing an officer oriented system in the Directorate of Economics and Statistics and in CACP; and reconstituting CACP as a high level commission with only two full time members, with the other members being part time experts. (See paragraph 3.5)

- (ii) Implementing the IWSU recommendations in respect of the All India Soil and Land Use Survey. (Paragraph 3.10)
- (iii) SIU to study the offices and staff strength of the Plant Protection Quarantine Storage Directorate (Paragraph 3.45) as also the Directorate of Marketing and Inspections (Paragraph 3.49)
- (iv) Downsizing in the various wings of the headquarters establishment following the introduction of Macro Management Scheme.
- (v) Restructuring of the agriculture extension work etc.

6.3 These downsizing measures together with vast improvements arising from the adoption of computerisation and communication technologies should result in the reduction of the total number of administrative support staff in the department from the present level of 107 sections / desks to about 70 sections / desks. Some of these might already be reflected in the assessment made by the Right Sizing Committee.

6.4 The implementation of all these various suggestions will lead to the total staff strength of the department dropping to less than 5500. In line with these reductions there will be need for downsizing at the senior levels in the department. The lines on which the department's organisation may be restructured after such a downsizing are set out in the subsequent paragraphs.

6.5 At present, at the top, one Special Secretary, three Additional Secretaries and the Agriculture Commissioner (also of the rank of an Additional Secretary) assist the Secretary. The position of Special Secretary in any ministry or department is indeed an anomalous one as

long as the Secretary's accountability for the efficient functioning of the ministry / department is not to be diluted. In such a situation, the Special Secretary ends up functioning virtually as an Additional Secretary, except when deputising for the Secretary in the latter's absence. In the circumstances, the post of Special Secretary needs to be abolished.

6.6 It was noted in paragraph 3.52 that most of the schemes of the Horticulture Division are administered through the National Horticulture Board, which is one of the autonomous organisations under the department. It was also noted in paragraph 3.55 there is no justification for a separate Horticulture Division to continue. The residual work in the Department can be vested in the Agriculture Commissioner. Simultaneously, states should be encouraged to intensify their extension efforts relating to horticulture.

6.7 Consistent with the earlier discussion on inputs [Part 3; section (viii)], agriculture extension [Part3; section (ix)] and Co-operation and credit [Part3; section (x)], there is no justification for separate divisions for seeds, fertilisers, machinery, agriculture extension, and Co-operation and credit. The work relating to inputs can be handled by a cell headed by Director/Deputy Secretary, functioning directly under the Additional Secretary, and the division headed by Joint Secretary (Inputs) surrendered. The unit headed by Director/Deputy Secretary looking after extension could be brought under the Agriculture Commissioner. Further, while discussing agricultural marketing [Part 3; section (xii)] it was observed that the role of the Directorate of Marketing should be restricted to creating awareness of quality and enforcing uniformity of standards. It was also recommended that NIAM should become fully self-supporting. (See paragraph 3.51) In the light of these observations the justification for a large Directorate of Marketing and a division in the ministry to deal with it also disappears. Further, with the introduction of the Macro Management

Scheme and the recommendation to enlarge its ambit (paragraph 3.57) there would be added scope for compressing the functions and activities of the ministry, particularly if the number of centrally sponsored schemes is drastically reduced.

6.8 With the suggested transfer of the Land and Water Management Schemes to the Department of Land Resources, and with extension work being brought under the Agriculture Commissioner, the Division headed by Joint Secretary (Land and Water Management and Extension) and supported by Director/Deputy Secretary (Land and Water Management) can be abolished.

6.9 In view of the foregoing, of the existing 10 posts of joint secretary in the department it would be necessary to continue only six and the remaining four, along with the supporting staff could be surrendered.

6.10 The department has at present 3 posts of additional secretary and one agriculture commissioner, also of the rank of additional secretary. *In line with the recommendations made in the preceding paragraphs, one post of additional secretary could also be abolished.*

6.11 Some of the downsizing measures suggested above may overlap with the earlier recommendations of the SIU and the Right Sizing Committee.

6.12 While, it shall be open to the department to decide how best it should reorganise its functions and activities in the light of the measures proposed above, a suggested organisation chart is given at **Annex-IV**.

6.13 There are too many technical officers in the department. There are 153 posts of gazetted technical officers (96 temporary and 57 permanent). In addition, there are 174 posts (52 temporary and 122 permanent) of non-gazetted technical officers in Group B & C. Thus, the total strength of

technical officers and supporting staff in DAC is 327. There are 19 posts of Additional Commissioner, 36 posts of Deputy Commissioner, 30 posts of Assistant Commissioner and 32 posts of Assistant Director on the technical side. The present strength of technical officers and staff cannot be justified when the workload of the department would reduce considerably as a result of the foregoing recommendations. Division-wise scrutiny is required to ascertain the actual workload of technical officers in different categories. SIU can take up this work, and on the basis of its report suitable adjustments should be made in the strength of technical officers of the department.

**DEPARTMENT OF AGRICULTURE & COOPERATION**

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**DISTRIBUTION OF SUBJECTS AMONG THE  
DEPARTMENTS (VIBHAG)  
MINISTRY OF AGRICULTURE (KRISHI MANTRALAYA)**

A. DEPARTMENT OF AGRICULTURE AND COOPERATION (KRISHI AUR SAHKARITA VIBHAG)

Part I

The following subjects which fall within List I of the Seventh Schedule of the Constitution of India :

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|--|--|
| <p>1. Liaison with international Agri-Organisations like Food and Agriculture organisation of the United Nations, handling of CARE goods concerning agriculture etc.</p> <p>2. Participation in international conferences, associations and other bodies concerning agriculture and implementation of decisions made thereat.</p> <p>3. Convention on Locust Control.</p> <p>4. Plan Quarantine.</p> <p>5. Industries, the control of which by the Union is declared by Parliament by law to be expedient in Public Interest; as far as these relate to:-</p> <p>(a) Development of agriculture industries including machinery, fertiliser and seeds but excluding cotton, ginning and pressing with the limitation that in regard to the development of agriculture industries, including</p> | <p>machinery and fertiliser, the functions of the Department of Agriculture and Cooperation (Krishi aur Sahakarita Vibhag) do not go further than the formulation of demands and the fixation of targets;</p> <p>(b) Shellac Industry</p> <p>6. Agricultural Census.</p> <p>7. All India-Service-Indian Agricultural Service.</p> <p>8. Sugarcane Development Scheme.</p> <p>9. Matters relating to damage to crops due to natural calamities.</p> <p>10. Co-ordination of relief measures necessitated by natural calamities, other than epidemics</p> <p>11. Matters relating to loss of human life and property due to all natural calamities, other than epidemics.</p> <p>12. Indian People's Famine Trust.</p> |
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## Part II

The following subjects which fall within List III of the Seventh Schedule to the Constitution of India (as regards legislation only):-

13. Adulteration of agricultural products other than foodstuffs.
14. Economic Planning (Agricultural Economic and Statistics)
15. Professions (excluding Veterinary Practice)
16. Prevention of the extension from one State to another of infectious or contagious

diseases or pests affecting plants including locusts.

17. Price control of agricultural commodities except foodgrains, sugar, vanaspati, oilseeds, vegetable oils, cakes and fats, jute, cotton and tea.
18. Production of oil seeds.
19. Administration of the Dangerous Machine (Regulation) Act, 1983 (35 of 1983).

## Part III

For the Union Territories the subjects mentioned in Parts I and II above, so far as they exist in regard to these territories and, in addition, to the following subjects which fall within List II of the Seventh Schedule to the Constitution of India.

20. Agriculture (Other than agricultural education and research) protection against pests and prevention of plant diseases.
21. Co-operation in agricultural sector, agricultural credit and indebtedness.
22. General Policy relating to the marketing of agricultural produce including pricing, exports etc.

23. Insurance (Crop)
24. General Policy in the field of Co-operation and Co-ordination of co-operation activities in all sectors. (The Ministries concerned are responsible for Co-operatives in the respective fields).
25. Matters relating to National Co-operative Organisation.
26. National Co-operative Development Cooperation.
27. Incorporation regulation and winding up of Co-operative societies with objects not confined to one State.

28. Training of personnel of co-operative departments and co-operative

institutions (including education of members, office bearers and non-officials).

#### Part IV

##### General and Consequential: \_

29. All matters relating to foreign aid received from foreign countries and international organisations in so far as agricultural and allied subjects are concerned, including all matters relating to assistance afforded by India to foreign countries in the field of agriculture and allied subjects but excluding such matters in the field of agricultural research and education and allied subjects as are specifically assigned to the Department of Agricultural Research and Education (Krishi Anusandhan aur Shiksha Vibhag).

30. Agriculture and horticulture.

31. Bio-aesthetic Planning.

32. Agricultural Production-Grow more food and fodder.

33. Land Reclamation.

34. National Land Use and Conservation Board.

35. Development of Cotton and Jute.

36. Soil Survey in connection with development programmes.

37. Financial assistance to State Soil Conservation Schemes.

38. Fertilizers and Manures projection of demand all India Zone of region fixation of targets and allocation, nutrient-wise for zones or regions.

39. Administration of the Fertiliser (Control) Order, 1957.

40. Administration of Insecticides Act, 1968 (46 of 1968).

41. Agricultural Implements and Machinery.

42. Organisation and Development of extension education and training in the country.

43. Intensive Agricultural District Programme.

44. Intensive Agricultural Areas.

45. Crop campaigns, crop competitions and farmers organisations.

46. Schemes received from States and Union Territories for the settlement of landless agricultural labourers.

47. Machanised Farms.
48. All attached and Subordinate Offices or other organisations concerned with any of the subjects specified in this list except the Directorate of Agricultural Aviation.
49. Public Sector Projects falling under the subjects in this list except such projects as are specifically allotted to this Department.
50. Offences against laws with respect to any of the subjects allotted to this Department.
51. Inquiries and Statistics for the purposes of any of the subjects allotted to this Department.
52. Fees in respect of any of the subjects allotted to this Department except fees taken in a court.
53. Quality control of fertilizers.

**LIST OF FUNCTIONAL DIVISIONS IN THE  
DEPARTMENT OF AGRICULTURE & COOPERATION**

**DIVISIONS**

1. Administration
2. Agricultural Census
3. Agricultural Implements and Machinery
4. Budget, Finance and Accounts
5. Cooperatives
6. Credit
7. Crops
8. Economic Administration
9. Extension
10. Fertiliser
11. General Coordination
12. Hindi
13. Horticulture
14. International Cooperation
15. Natural Disaster Management
16. Policy and Plan Coordination
17. Plant Protection
18. Rainfed Farming System
19. Seeds
20. Soil and Water Conservation
21. Trade
22. Vigilance
23. Information Technology
24. Agricultural Marketing
25. Technology Mission on Oilseeds and Pulses

**LIST OF ATTACHED/SUBORDINATE OFFICES, PUBLIC SECTOR  
UNDER TAKINGS AND AUTONOMOUS BODIES**

**I. ATTACHED OFFICES**

1. Directorate of Economic & Statistics, Shastri Bhawan, 'B' Wing, New Delhi
2. Commission for Agricultural Costs and Prices, Shastri Bhawan, 'F' Wing, New Delhi
3. Directorate of Plant Protection, Quarantine and Storage, N.H.IV, Faridabad (Haryana)
4. Directorate of Marketing and Inspection, N.H.IV, Faridabad

**II. SUBORDINATE OFFICES**

1. Central Farm Machinery Training and Testing Institute, Budni (Madhya Pradesh).
2. Northern Regional Farm Machinery Training and Testing Institute, Hisar (Haryana)
3. Southern Regional Farm Machinery Training and Testing Institute Garladine, Distt. Anantpur (A.P.)
4. Regional Farm Machinery Training and Testing Institute, Distt. Sonitpur (Assam)
5. Directorate of Cotton Development, 14, Ramjibhai Kamani Marg, Ballard Estate, PB No. 1002, Mumbai-400030 (Maharashtra)
6. Directorate of Jute Development, 234/4, Acharya Jagdish Bose Road, Nizam Palance Campus, Calcutta-700020
7. Directorate of Millets Development, Mini Secretariat Building, Room No. 710, 6<sup>th</sup> Floor, Bani Park, Jaipur (Rajasthan)
8. Directorate of Tobacco Development, 26 Haddows Road, 3<sup>rd</sup> Floor, Shastri Bhawan Annexe, Chennai-600006 (Tamil Nadu)
9. Directorate of Sugarcane Development, B-1/C-896/6, Rahim Nagar Chauraha, Mahanagar, Lucknow (U.P.)
10. Directorate of Rice Development, 191, Patliputra Colony, Patina-800 013 (Bihar)

11. Directorate of Wheat Development, CGO Building, Hapur Road Chauraha, Kamla Nehru Nagar (Ghaziabad), UP
12. Directorate of Extension, Krishi Vistar Bhawan, Dr. K.S. Krishna Marg, IASRI Campus, Pusa, New Delhi-110012
13. Directorate of Oilseeds Development, Telhan Bhawan, Himayat Nagar, Hyderabad-500029 (A.P.)
14. Directorate of Pulses Development, 8<sup>th</sup> Floor, Vindhyachal Bhawan, Bhopal, Pin-462004 (M.P.)
15. Central Fertiliser Quality Control and Training Institute, N.H. IV, Faridabad (Haryana)
16. National Bio-fertiliser Development Centre, CGO Complex, Kamla Nehru Nagar, Hapur Road Chungi, Ghaziabad (UP)
17. Directorate of Cashewnut and Cocoa Development, M.G. Road, Cochin-682011 (Kerala)
18. Directorate of Aracanut and Spices Development, Cannanore Road, Calicut-673005
19. Office of the Minister (Agriculture), Embassy of India, Rome (Italy)
20. All India Soil and Land Use Survey, IARI Campus, Pusa, New Delhi-110012
21. Soil Conservation Training Centre, Hazaribagh, Bihar, Headquarters-Damodar Valley Corporation (DVC) DVC Towers, VIP Road, Calcutta-700034.

### **III. PUBLIC SECTOR UNDERTAKINGS**

1. National Seeds Corporation Beej Bhawan, Pusa Complex, New Delhi-110012
2. State Farm corporation of India, Farm Bhawan, 14-15, Nehru Place, New Delhi-110019

#### **IV. AUTONOMOUS BODIES**

1. Coconut Development Board, Mahatma Gandhi road, Ernakulam, Cochin – 682011 (Kerala)
2. National Horticulture Board, 85, Sector-18, Institutional Area, Gurgaon 122001 (Haryana)
3. National Cooperative Development Corporation, Siri Fort Institutional Area, Hauz Khas, New Delhi-110016
4. National Oilseeds and Vegetable Oils Development Board, 85, Sector-18, Institutional Area, Gurgaon-122 001 (Haryana)
5. Small Farmers Agri Business Consortium (SFAC), Krishi Bhawan, New Delhi-110001
6. National Institute for Agricultural Extension Management (MANAGE), Hyderabad
7. National Institute of Agricultural Marketing, Jaipur (Rajasthan)

#### **V. NATIONAL LEVEL COOPERATIVE ORGANISATIONS**

1. National Cooperative Union of India, 3, Siri Institutional Area, Khelgaon Marg, New Delhi-110016
2. National Agricultural Cooperative Marketing Federation of India Limited, NAFED House, Siddhartha Enclave, Ashram Chowk, New Delhi
3. National Federation of Cooperative Sugar Factories limited, Vaikunth (3<sup>rd</sup> Floor) 82-83, Nehru Place, New Delhi-110019
4. National Heavy Engineering Cooperative Limited, 16, Mahatma Gandhi Road, Pune-400001 (Maharashtra)
5. National Federation of Urban Cooperative Banks and Credit Societies, Limited, B-14, 3<sup>rd</sup> Floor, Naraina Shopping Complex, Naraina Vihar, New Delhi-110028
6. The All India Federation of Cooperative Spinning Mills Limited, 14, Muzaffur Road, 2<sup>nd</sup> Floor, Mumbai-400001 (Maharashtra)

7. National Cooperative Agriculture and Rural Development Banks Federation Limited., Takshila, 2<sup>nd</sup> Floor, G.M. Pasta Road, Dadar (East) Mumbai-400014 (Maharashtra)
8. National Federation of State Cooperative Banks Limited, J.K. Chambers, 5<sup>th</sup> Floor, Plot No. 76, Sector-17, Vashi, New Mumbai
9. National Federation of Fishermen's Cooperative Limited, Sahakari Bhawan, 66, Tughlakabad Institutional Area, M.B. Road, New Delhi-110062
10. National Federation of Labour Cooperatives Limited, 3, Siri Fort Institutional Area, Khelgaon Marg, New Delhi-110016
11. National Cooperative Tobacco Growers' Federation Limited., Anand (Gujarat)

**SUMMARY OF RECOMMENDATIONS OF RIGHT-SIZING COMMITTEE (RSC)**

Office	Strength as on 1.1.92	Abolished/ Reduced after 1.1.92 upto 31.12.99	Creation/ Addition after 1.1.92 upto 31.12.99	Other reductions (-)/ increases (+)	Strength as on 31.12.99 {(2-3)+4}	Additional posts identified by RSC for abolition	Total cut {(3) + (7)}	Strengt after re
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Crop Directorates	247	97	56	(+) 04	210	47	144	
TMPO Directorates	72	23	16	(-) 04	61	2	25	
Extn Directorate	441	73	19		387	3	76	
Cashew Directorate	32	0	0		32	8	8	
Spices Directorate	46	0	0		46	10	10	
PPQ&S Directorate	1832	34	15		1813	123	157	
AISLUS	536	27	2		511	2	29	
SCRTDC Chhatra	39	39	0		0	0	39	
CFQCTI	105	14	12		103	1	15	
NBDC	141	23	0		118	0	23	
CFMTTI, Budni	167	13	2		156	3	16	
NRFMTTI, Hisar	126	6	0		120	6	12	
SRFMTTI, A'pur	40	0	49		89	4	4	
NERFMTTI, S'pur	38	16	1		23	0	16	
E&S Directorate	654	99	24	(-)16*	563	41	140	
CACP	113	15	0		98	3	18	
AM, Rome	1	0	0		1	0	0	
Headquarters	1445	32	2	(-)64**	1351	38	70	
<b>Total</b>	<b>6075</b>	<b>511</b>	<b>198</b>	<b>(-) 80</b>	<b>5682</b>	<b>291</b>	<b>802</b>	
Dte. Of Mktg. & Inspection	1531	156	2		1377	94	250	
<b>Grand Total</b>	<b>7606</b>	<b>667</b>	<b>200</b>	<b>(-) 80</b>	<b>7059</b>	<b>385</b>	<b>1052</b>	

\* Reduction in strength owing to reorganisation of cadres of LDCs/UDCs and Stenographers/PSs.

\*\* Net reduction in strength owing to (a) transfer of staff to DAHD and (b) transfer of staff from M/o Rural Development

**REVISED ADMINISTRATIVE  
STRUCTURE OF DAC**

