

The 53rd  
National Development Council Meeting  
On  
Food And Agriculture



Views Of The Government Of West Bengal

New Delhi  
May 29, 2007

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We welcome the convening of this 53rd meeting of National Development Council (NDC) on food and agriculture. It gives us an opportunity to express our views on the major items mentioned in the Report of the Sub-Committee of NDC on Agriculture and Related Issues as well as the Paper on Agriculture Strategy for Eleventh Plan agendised for discussion in the meeting today.

## **1. Concerns and Objectives Of Agricultural Policy**

1.1 Due concerns have been noted about deceleration in Indian agriculture with the growth rate of GDP from agriculture slipping from 3.62% during 1984-85 to 1995-96 to less than 2% in the period from 1995-96 to 2004-05. Moreover, a particular concern has been expressed about the fall in the growth rate of production and productivity of foodgrains. Confronted with this situation, the Approach Paper to the Eleventh Five Year Plan has taken, as a challenge, the target of growth rate of GDP from the agricultural sector to be raised to 4% per annum during the plan period. It has been further emphasised that this growth process should be inclusive.

1.2 In our view, a more comprehensive statement of objectives of agricultural policy may be helpful to accommodate our concerns about agriculture sector more completely. Our concern is not only about the fall in rate of growth of production and productivity, but also about food security and employment and incomes of common farmers and agricultural labourers. The objectives of the agricultural policy may, therefore, be stated in terms of

increase in agricultural production in such a manner that self-sufficiency in foodgrains is maintained during the Eleventh Plan period and thereafter. Then, after maintaining this self-sufficiency, crop diversification would be undertaken, and through all these steps, the objective of employment generation of common farmers is to be achieved, with specific target for this achievement in every year over the plan period. Along with this, priority has to be accorded to increase productivity and to post-harvest storage and marketing facilities, so that, along with employment generation for farmers, there is also a sustainable increase in their incomes. Each of these objectives should be translated into State-specific targets in the plan period, so that the concept of growth with equity – of inclusive growth can be given an operational content.

1.3 It may be mentioned that for West Bengal for the Eleventh Plan period we have already set a target of annual rate of growth of Net State Domestic Product from agriculture at 4% per annum, a target of achieving about 2% annual rate of growth of foodgrains to increase the level of foodgrains to 183.04 lakh MT at the end of Eleventh Plan period which would be slightly above the corresponding foodgrains requirement of 179.57 lakh MT. At the same time, a target for additional employment generation in agricultural sector (i.e. agriculture, animal resource development, fishery and forests) of at least 3 lakh has been stipulated in 2007-08, which would then steadily increase to an additional employment generation of at least 4.5 lakh at the end-year of Eleventh Plan.

## 2. Inclusive Growth And Land Reforms

2.1 Given these objectives relating to the overall growth of GDP from agriculture, growth of foodgrains production and employment generation, we can adopt two types of approaches at achieving them. In one approach, we can accept the existing unequal distribution of ownership of land i.e. unequally inclusive ownership of land, with the small and marginal farmers (comprising nearly 90 per cent of rural farming households) owning only 43 per cent of the total agricultural land. We can consequently also accept the resulting monopolistic control by a small rich group in every rural locality over labour market, credit market and trading activities (with these monopolistic distortions often being interconnected). We may also choose not to emphasise public investment in agriculture and rely primarily on technological improvement of stimulating agriculture. This has basically been the approach adopted from the national level during the Ninth and the Tenth Five Year Plan period. As a result of this approach, there has been, to begin with, some agricultural growth, but this growth process, because of unequal land ownership and resulting market imperfection, has eventually become unsustainable, and we have now reached a situation of agricultural deceleration.

2.2 It is, however, possible to have an alternative approach for a more inclusive and sustainable agricultural growth. Since the record of higher production and employment generation per hectare is

obtained from the land of small and marginal farmers (a fact noted in the Report of NDC Sub-committee as well as in the Discussion note), the main basis of agricultural growth, with emphasis on employment generation and inclusiveness, can indeed be provided by land reforms with redistribution of ceiling-surplus land among the poorer farmers. The land reform measures will then need to be simultaneously supported by extension of irrigation facilities, use of improved seeds, a balanced application of fertilisers, credit and marketing facilities, and finally involvement of common farmers in a decentralised manner through the Panchayats as well as in coordination with the concerned Government Departments, Agricultural Universities and research institutes.

2.3 It should be noted that land reform is not an exercise in charity. With the higher record of production and employment generation, redistributive land reform is inherently a productive move – a move towards more equal competition in the agricultural sector. The process of this productive land reform can certainly be rejuvenated even within the existing ceiling laws, by at least distributing among the poorer farmers the ceiling-surplus agricultural land which has already been vested in the different State Governments, but not yet been distributed (estimated at 12.08 lakh acres for the country as a whole till September, 2006). This should then be followed up by sincere efforts at further vesting of ceiling-surplus land and its distribution.

2.4 Regarding leasing out and tenancy, we are, again, for reasons of production growth and employment generation, in favour of ensuring the security of share and tenure of share-croppers by recording the names of share-croppers on the strength of law and its enforcement by administrative and organisational steps by involving the Panchayats. Land can be resumed only for personal cultivation, with proper care about the legal definition of personal cultivation.

2.5 We are not in favour of any contract farming which may alienate land of poorer farmers and increase their landlessness. At the present stage of development, we are also not in favour of corporate farming and formation of land share companies.

2.6 In West Bengal, a special emphasis has been placed on redistributive land reforms and on ensuring security of share and tenure of share croppers. It may be mentioned with modesty that in the distribution of ceiling-surplus land to the poorer farmers, West Bengal has been ranked in the first position among the States. Of the total ceiling-surplus agricultural land distributed among the poorer farmers in the country till September, 2006, about 21% has been distributed in West Bengal although the State's share in the total cultivable area of the country is only 3%. Of the total number of beneficiaries of redistributive land reforms in the country, nearly 53% is again from West Bengal. According to the latest National Sample Survey data on ownership distribution of land holding (2003), it has been found that

with implementation of land reforms, the small and marginal farmers in West Bengal (constituting about 90 percent of rural farming households) have now come to own 84% of the total agricultural land, as against 43% for the country as a whole. The total number of beneficiaries of agricultural land distributed in this State is now 29.14 lakh . Moreover, with a special emphasis on gender equity and empowerment of women, 5.35 lakh joint patta and 1.57 lakh female patta have been distributed. For ensuring the security of share and tenure, a priority has also been accorded to the recording of names of share-croppers on the basis of law and its implementation involving administration and the Panchayats. The total number of recorded share-croppers has now reached the figure of 15.08 lakh in the State.

2.7 In our view, land reforms, for reasons of agricultural growth and meaningful inclusiveness of ordinary farmers, should be an important part of agricultural strategy for Eleventh Plan. In order to encourage and support the States for implementing land reforms, it is strongly urged that a special Additional Central Plan Assistance be extended to the States for providing non-land inputs (such as irrigation, improved seeds, a balanced package of chemical, organic and biofertilisers) to the beneficiaries of land reforms.

### **3. Irrigation Facilities**

3.1 As already mentioned, along with land reforms, provision for all the critical non-land inputs need to be simultaneously augmented in the agricultural strategy for



the Eleventh Plan. One of the most important non-land inputs relates to irrigation facilities.

3.2 In the sphere of irrigation, for achieving an expeditious and positive impact on agricultural production, a special emphasis may have to be placed on minor irrigation facilities, and within minor irrigation, on increased use of surface water through reclamation of ponds, lakes, canals etc. With a massive excavation programme, not only will there be an expansion of surface water-based irrigation facilities and fishery, but through augmentation of holding capacity of excess rain waters in these water bodies in a decentralised manner, effects of flood can also be moderated. In the sphere of ground water-based minor irrigation, extension of facilities need to be made on the basis of assessment of aquifer position and socially balanced use for avoiding overdrawal.

3.3 In the surface-based minor irrigation there are schemes with Central financial support, such as NREGS, CADWM, and pilot projects for repair, renovation and restoration of water bodies. But in the sphere of ground water-based minor irrigation, except for loan-based RIDF and State sector schemes, there is no comprehensive scheme with sharing of expenditure between the Centre and the States. It is urged that a programme for development of ground water minor irrigation facilities be considered on 75 (Centre) : 25 (States) cost sharing basis in the agricultural strategy for the Eleventh Plan.

3.4 In the sphere of large and medium irrigation, main priority has to be given on speedy completion of the on-going major projects. Within large irrigation, there are projects which are, because of international implications or major inter-State beneficial effects, are of national importance. For completion of these national level projects, recommendations of NDC Sub-committee should be accepted, and share of Centre and States in expenditure in the proportion of 90 (Centre) : 10 (State) should be considered.

3.5 For fuller utilisation of irrigation potential, main emphasis needs to be placed on participatory water management, with formation of appropriate beneficiary committees by involving the local Panchayats, and every attempt should be made to recover the operation and maintenance cost of working of the relevant schemes.

3.6 National Resource Management and Watershed Development provide an important additional dimension to agricultural growth and employment generation, and we endorse the recommendation of the NDC Sub-committee on the need for an integrated and participatory approach in formulation and implementation of the programme. Here, the elected Panchayats can play an important role in ensuring the involvement of local common people in the entire programme.

3.7 There is a very special problem relating to massive floods, drainage and also erosion of rivers, particularly for the States like West Bengal which is a tail-end State of

the Ganga basin. In recent years, as a result of flood alone, on an average 5 to 8% of total foodgrain production of the State has been lost, apart from the widespread infliction of human misery. Central support to the tune of at least 75% of the cost is urgently necessary to execute significant basin-specific drainage schemes and flood protection schemes. A comprehensive Central support is also necessary for anti-erosion schemes of mighty rivers, such as Ganga-Padma for reasons of special international implications.

3.8 In West Bengal in the sphere of irrigation, a target has been set to increase the ratio of net irrigated area to net cropped area from its present level of 70% to 80% during the Eleventh Plan period, with emphasis on minor irrigation, large or medium irrigation projects, basin-specific drainage and flood protection schemes and anti-erosion schemes in a prioritised manner as indicated in paras 3.2, 3.3, 3.4 and 3.7.

3.9 As mentioned above, in implementing these projects, Central support in the sphere of groundwater minor irrigation schemes on 75 (Centre) : 25 (State) cost sharing basis will be specially helpful.

3.10 In the sphere of large irrigation project, the Teesta Barrage Project with its international implications is truly a national-level project. However, till now, of the total amount spent on this project (Rs.1,085.04 crore), nearly 76% (Rs. 829.40 crore) has been borne by the State Government. The State Government has, therefore,

justifiably raised the demand for treating this as a national project, with the Government of India bearing 90% of the remaining cost of implementation. Similarly, Subarnarekha Barrage Project, with additional potential of more than 1 lakh hectares and benefiting the States of West Bengal, Jharkhand and Orissa would also qualify as national project, according to the guidelines recommended by the NDC Sub-committee with appropriate Centre-State sharing of expenditure. In addition, for reasons of protection against floods and protecting agricultural production, the major basin-specific drainage projects of the State (such as, Kandi Master Plan, Keliaghyee-Kapaleswari Drainage Basin Schemes, Ghatal Master Plan etc.), Ichamati resuscitation scheme and anti-erosion scheme of Ganga-Padma (for international implications) should be considered for Centre (75) : State (25) sharing of expenditure.

3.11 Regarding water management, the State Government has already adopted the policy of participatory management through the beneficiary groups and by involving the Panchayats in the minor irrigation sphere. It is now intended to extend this participatory management practice at the appropriate level for the large and medium irrigation projects as well as during the Eleventh Plan period.

3.12 On Watershed development, 84 projects were completed in the State and physical achievement under NWDPRAs during the Tenth Plan period was 36,133 hectare as against the target of 38,796 hectare. In the

Eleventh Plan period a target of developing 1 lakh hectare has been fixed for achievement in the State.

#### **4. Seeds, Fertilisers And Cropping Pattern**

4.1 In order to increase the productivity of the major crops, it is essential to increase the use of improved seeds and also ensure a balanced application of fertilisers on the basis of preparation of a soil fertility map of the State. In the use of seeds, the coverage of improved variety of seeds in the State for paddy, the most important crop, has steadily increased to reach 96%, and for all crops, to an average of 83% in 2006-07. On the basis of existing trend, the target for coverage in the Eleventh Plan period has been fixed at 99% for paddy and for all crops, at an average of 95%. The Seed Replacement Ratio (SRR) of our State in 2006-07 has been 28% which is much higher than the all-India average of about 15%, and the SRR in the State has been targeted to increase to 30% in 2007-08 and further towards its optimum level during the Eleventh Plan period. In the application of fertilisers, for ensuring steady returns, instead of diminishing returns, an emphasis has been placed on a balanced use of chemical, organic and bio-fertilisers. For this purpose, in the year 2006-07, steps have been taken to use, along with chemical fertilisers (14.94 lakh MT), enhanced quantities of organic fertilisers (137.29 lakh MT) and also bio-fertilisers (452.40 MT). The targets for application of these fertilisers have been fixed at the end of Eleventh Plan at 23.50 lakh MT, 220 lakh MT and 3,700 MT. It may be mentioned that application of N.P.K. fertilisers in the

State is in the ratio of 2.3 : 1.3 : 1 which is now considered to be the best in the country. The cropping intensity in the State has also steadily increased to reach the level of 182 in 2006-07, which is much higher than the all-India average of about 138. During the Eleventh Plan period, the cropping intensity in the State has been targeted to be raised to 200. In collaboration with the National Bureau of Soil Science and Land Use Survey, the Department of Agriculture has also taken the work of fertility mapping of the soil of the State.

4.2 In our State, the total production of rice, despite the adverse effects of floods, has been estimated to reach 144 lakh MT in 2006-07 which is higher than the requirement of the State (presently 139.6 lakh MT), and West Bengal occupies the first position among the States in production of rice. Moreover, the production of potato is also estimated to reach 77 lakh MT which is again much higher than the requirement of the State (43.4 lakh MT), and in this regard, the State's position is second among the States. In addition, the total production of vegetables is estimated to increase to 125 lakh MT which is substantially higher than the State's requirement (86.7 lakh MT), and in this case also, West Bengal occupies the highest position among the States. However, it is also necessary to mention that there are deficits in the production of wheat, oilseeds and pulses in the State.

4.3 In order, therefore, to strengthen self-sufficiency in the production of foodgrains, and to reduce the deficit in the production of important crops, it has been decided

to increase the production of foodgrains from 169.62 lakh MT in 2006-07 steadily to reach 183.04 lakh MT at the end of Eleventh Plan, surpassing the State's foodgrains requirement as mentioned earlier. Regarding the other crops, a special priority has been assigned to enhance the production level, so that at least 60% of the State's requirement of wheat, oilseeds and pulses can be met from the State's production at the end of Eleventh Plan.

4.4 In order to achieve these targets, it will be specially desirable to attain self-sufficiency in the production of improved seeds as well. After attaining at present self-sufficiency in seed production for paddy and oilseeds, it is now important to reach such self-sufficiency in the seed production of other major crops (particularly, for potato and wheat). To this end, after remaining careful about preserving bio-diversity of the State, it has been decided that on the basis of breeder and foundation seeds, and in coordination with the State Agricultural University, the State agricultural research centres, the State agricultural farms, and the Comprehensive Area Development Projects (CADP), farmers and also the self-help groups of women under each block will be encouraged by involving the extension workers and the Panchayats to expand production of certified seeds. To this end, vacant posts of extension workers of Agriculture Department are being filled up in a planned manner. At the same time, massive improvement in the infrastructure of State Agricultural University, the State's agricultural research centres, agricultural farms and CADPs will be necessary. It is urged that sharing of cost by the Central

Government in the proportion of 75 (Centre) : 25 (State) be considered for purposes of this infrastructural development and improved inputs programme for enhancing the productivity of agriculture. It may also be noted that although West Bengal is the second largest producer of potato in the country, yet there is no sub-station of Central Potato Research Institute (CPRI) in the State. It is again urged that sub-station of CPRI be set up in the State at the earliest.

4.5 As a part of crop-diversification programme (along with ensuring food security), steps have been taken to enhance production of horticultural crops (particularly apple, litchi, mango and vegetables) and also floriculture. Keeping in view the high level of production in these areas of horticulture, and the possibility of exports after meeting the State's requirement, initiatives have been taken to set up special export zones for these crops.

## **5. Fishery, Animal Resource Development And Forestry**

5.1 In the sphere of fishery, with the objective of enhancing production and employment generation, the Department of Fisheries, in coordination with the Panchayats, has taken initiative for reclamation of water bodies, increasing water areas, use of improved seeds, training of fishermen and development of infrastructure. As a result of these steps, the total production of fish in the State has been estimated to reach 13.59 lakh MT in 2006-07, which is more than the State's requirement of



fish (12.99 lakh MT). On the basis of this trend in production, the target for enhanced total fish production has been fixed at 15.58 lakh MT at the end-year of Eleventh Plan. With this increase in production, efforts will also be made, in the interest of generation of employment and income, to export a part of the fish production after adequately meeting the internal requirement of the State.

5.2 The main objective in the sphere of animal resource development has once again been to increase employment generation and reduce the State's deficit in the production of milk, egg and meat. To this end, particularly in milk production, along with improvement in infrastructure, a new initiative has been undertaken in recent years to train the unemployed youth in rural areas for assisting rural people in artificial insemination and health care of animals. As a result of these initiatives, the total milk production in the State has been estimated to reach 40 lakh MT in 2006-07, and is targeted to increase to 44.25 lakh MT at the end of Eleventh Plan which would be nearly 75% of the State's requirement. A similar approach has been adopted in the production of eggs and meat as well.

5.3 In the sector of forestry, as a result of involving the local people through the Panchayats in social forestry and forest protection, the forest cover as a proportion of the total area of the State has increased from 14.97 in 1991 to 15.68 in 2006. If tree-cover is added, then the total forest and tree-cover as a proportion of the total area of the State

would reach 27% in 2006 which exceeds the national-level target of 25%, set for the year 2006. On the basis of this experience, and augmentation of infrastructural facilities, this proportion of forest and tree-cover in the State has been targeted to increase steadily to 33% at the end of Eleventh Plan period.

5.4 For achieving all these targets in fishery, animal resource development and forestry, there is again a need for appropriate sharing of costs for relevant infrastructural development between the Centre and the State in the proportion of 75 (Centre) : 25 (State).

## **6. Credit Facilities**

6.1 The annual requirement of credit for agriculture and allied activities in the State, consistent with the targets of production and employment generation, has been assessed to be at least Rs. 10,000 crore. However, the actual credit disbursement by the nationalised commercial banks, RRBs and cooperative banks has been only about Rs. 3,720 crore in 2006-07. Considering the significance of growth of agriculture and allied activities, the target for credit disbursement in 2007-08 has been fixed at Rs. 5,000 crore, with at least 50% of this disbursement earmarked for the small and marginal farmers, and for coverage of one lakh of beneficiaries of land distribution and one lakh of recorded share croppers at a low rate of interest (of 4%). However, at the end of Eleventh Plan period, it is essential that for keeping pace with targeted agricultural expansion as well as to

compensate for the existing credit gap, the credit disbursement from the organised banking sector should cross Rs.10,000 crore and reach at least Rs. 15,000 crore, with prioritised earmarking for the small and marginal farmers as well as beneficiaries of land reforms.

6.2 In order to achieve these objectives, it is essential to have universal coverage of banking facilities of nationalised commercial banks, RRBs and the cooperative banking sector within the Eleventh Plan period. A specially targeted OTS facilities for the small and marginal farmers and full extension of KCC facility will be essential for the purpose. At the same time, universal coverage of cooperative membership should be aimed at, and implementation of the Vaidyanathan Committee recommendations on cooperative banking structure should be implemented with clearance of formalities without any further delay. Along with these efforts at extension of credit facilities of the organised banking sector, it would also be essential to ensure 100% coverage of farmers under crop insurance scheme against natural calamities over the Eleventh Plan period.

## **7. Marketing Facilities**

7.1 In order to ensure increase in the income of the common farmers along with increase in production and employment generation in agriculture, it is important to provide improved marketing infrastructure (godown, cold storage, market yard etc.) to which common farmers can have access, and at the same it is essential to ensure remunerative prices for their produce as well.

7.2 For developing the marketing infrastructure, we assign a special emphasis on the cooperative structure including the role of self-help groups. We are prepared to amend the State APMC Act in an appropriate manner, without however allowing for contract farming.

7.3 For ensuring a sustained growth of foodgrains, it is essential to ensure remunerative foodgrains price for the farmers. To this end, MPS for foodgrains, particularly for paddy/rice need to be properly accommodative. Keeping these needs in view in our State in the case of rice, the State Government, the Food Corporation of India and the Cooperative Societies have drawn up a joint programme in coordination with the Panchayats so that the paddy produced by the farmers can be procured from them by the Self-help groups of local women at a remunerative price, converted to rice and then supplied to the consumers through the Public Distribution System and for other social programmes. However, this entire programme is now facing an obstacle because, unlike in the previous procurement year, distribution cost has not yet been allowed by the Government of India in the current procurement year. If this correction is made, and distribution cost is included as a part of economic cost, then an innovative and decentralised programme of procurement and public distribution can be adequately carried out in this State which will not only ensure remunerative price for the farmers for foodgrains (paddy) production, but will also ensure additional employment and income generation for the Self-help groups of poorer women in an extensive manner.

## 8. Financial Issues And Achievement of Targets

8.1 As per suggestion of the Ministry of Agriculture & Cooperation, Government of India, an investment proposal has been prepared for enhancing the food grains production as well as the total production in agriculture. To this end, the total requirement of fund for development of infrastructure in agricultural spheres as well as augmentation of facilities of irrigation (minor, medium and major) has been assessed at Rs. 12,768.73 crore over the Eleventh Plan period.

8.2 On the basis of existing resource availability, however, the plan for agriculture and allied activities as well as for irrigation and flood control has been curtailed at Rs. 3,384.35 crore over the Eleventh Plan period.

8.3 It may be carefully noted after necessary correction of data in Table 2.1 of the NDC Sub-committee Report that due to the alternative approach to agricultural policy followed in West Bengal, with its basis on land reforms as well as on provision of non-land inputs by involving the people through the Panchayats, the compound rate of growth of foodgrains production has, unlike in other States, actually increased from 2.50% in the period from 1990-91 to 1999-2000 to 2.80% in the period from 2000-2001 to 2004-2005, and that growth of productivity of foodgrains also has increased from 2.02% to 2.13% over this period.

8.4 Similarly, regarding the compound annual growth rate from Net State Domestic Product from agriculture,

the rate of growth of agriculture in West Bengal has increased from 4.99% in the period from 1980-81 to 1989-90, to 5.37% in the period from 1990-91 to 1999-2000, and then fallen to 2.88% in the period from 2000-2001 to 2004-2005. However, if adverse effects of severe flood damage are removed, then even for the period from 2000-2001 to 2004-2005, the rate of growth of Net State Domestic Product for agriculture will reach nearly 3%.

8.5 In this situation, if the investment need for the State is not curtailed but adequately provided for with appropriate sharing between the Centre and State in a manner indicated in earlier sections, then it is indeed possible to increase the rate of growth of agricultural SDP to 4% per annum during the Eleventh Plan period, with the targeted growth of foodgrains production and employment generation fully achieved.

8.6 In formulating this agricultural plan for the State, it is essential to start not only from the level of each district, but also from each block of the districts. At the level of each block, on the basis of interaction on overall priorities of agricultural production at the open meeting with the local farmers by involving the Panchayats at the village levels, a block agricultural plan can be formulated by integrating resource flows at the block level from each department of the State Government, Central funds as well as the block level credit plans of the banks. These block plans can then be integrated at the district level to formulate the District Agricultural plans, which will finally be integrated into the State Agricultural Plan.

After this formulation of the agricultural plan from the grassroot level, it will also be implemented by involving the departments as well as the local farmers and common people through the Panchayats at the same basic level.

8.7 Such an approach to agricultural plan, due to its inclusiveness on the basis of land reforms and support of non-land inputs as well as decentralised participatory formulation, will not be a technocratic plan on paper, but a plan to which the common farmers can relate – a plan which will be their plan for agricultural development.