

**PM's closing remarks at 53rd Meeting of National Development Council (NDC)  
May 29, 2007**

We have reached the end of a long and fruitful discussion on the problems of our agriculture sector and possible strategies for revitalizing it in the next few years. The discussion was appropriate in many ways. It has focused our collective attention on agriculture and firmly placed it at the top of our priorities –both at the Centre and in the States. This is as it should be, given that over 60% of our people still depend on it for sustenance and livelihood.

I also note that there is a broad agreement on the approach to be taken for improving the conditions of our farmers and the performance of our agriculture. We have covered a large number of issues impacting on all aspects on agriculture. At the end of the day's discussion, I am hopeful that our collective will and resolve can make a positive difference to future of our agriculture. In this room, we have a collection of the most important levels of national leadership in the nation and a wealth of wisdom. I am confident that if we commit ourselves individually and collectively to the task of revitalizing our agriculture, we can certainly transform our agriculture. I am also confident that the goal of 4% annual growth in agriculture and allied activities in 11th Five Year Plan is certainly feasible and achievable if only we are willing to take tough decisions and back it up with concerted action.

During the course of our discussions, a number of very valuable suggestions were made by the Chief Ministers. The Planning Commission has taken note of each of these suggestions and will reflect on them in the coming months. What is striking from your comments is the diversity in views and opinions and the wide variation in priorities between states. This is but natural. We are all simultaneously all united to do everything in our power to get our agriculture once again on the road of prosperity.

There are differences in the requirements of highly irrigated states and those of relatively dry states with very low rainfall. There are states, which have exhausted their groundwater potential whereas there are others, which still have a lot of groundwater to tap. There are states, which are concerned about low institutional credit coverage while there are others worried about high farmer indebtedness. Some states are concerned about diversifying into more remunerative crops while others are bothered about low productivity. This only confirms the prognosis of the NDC Sub-Committee that the problems of agriculture need localized solutions taking into account local resources endowments, capabilities as well as constraints. This, I am even more convinced, is the only way forward. This is reflected in the resolution we have adopted today.

The single biggest message coming out of the today's deliberations and the resolution that we have adopted is to allow states to draw up their own plans for agriculture. I agree that state specific plans taking into account local needs and capabilities should be at the core of any agricultural revamp strategy for our nation. These state plans should build

upon district plans, which must be the basic building blocks and the main vehicle for integrating all available resources at the district level.

The state plans should be comprehensive with both an immediate objective and a medium-term goal for 4-5 years. They should build upon current base line levels of production, yields and investments and must have clear, tangible targets in terms of raising agricultural output and yields. They can take into account all the endowments and constraints in a state and must have credible strategies and programmes for achieving the targeted goals. They should address all supply constraints be they seeds, fertilizers, water or credit.

Such plans can certainly deliver the desired results. The Central Government will commit the necessary funds to finance plans under this programme if states maintain their base line levels of expenditure and contribute to some extent as their share of the plans. This will ensure that public investment in agriculture – both from the states and the Centre – will rise as it must, thus addressing a major complaint from many quarters in the last many years. The Central Government will commit Rs. 25,000 crores in the next four years as its share of funding for this major new programme. The Planning Commission and the Agriculture Ministry will finalise the details of this programme in the next two months. I hope states will make full use of this opportunity and live up to the collective aspirations of our people so eloquently expressed in this hall today itself.

While these plans will impact agriculture generally in all its aspects, there is an additional need to immediately arrest the stagnation in the production of rice, wheat and pulses. Based on the agreement arrived at today, we will initiate steps to launch a Food Security Mission in the coming months. Hopefully, this will reduce our need to import basic food items.

Our resolution touches upon many other important and relevant issues. It lays down in broad terms the direction we should move for improving agriculture research and extension systems, expanding irrigation, and improving credit availability. I will touch on a few of these and on some others as well.

Many Chief Ministers have raised the issue of greater emphasis on irrigation and the need for more funding. The Planning Commission will certainly look into this issue and finalise an approach for utilizing our irrigation potential both more effectively and efficiently.

We will also look at the problems of water deficit states and the possibility of transferring water from surplus areas to deficit areas. On credit, the problem of having a large number of farmers outside any institutional coverage needs to be redressed soon. I urge the Union Finance Minister to expand the programme of financial inclusion so that we can achieve universal coverage in a definite time span of 4 years.

I would be failing in my duty if I do not address the issue of subsidies and equity in land holdings. We must reflect whether subsidies, though necessary, are being delivered in the

best possible manner. Are input subsidies better delivered directly to farmers or by subsidizing the input itself? We need to question both the quantity and the manner in which subsidies are delivered – whether it is fertilizer subsidy or drip irrigation subsidy or any other subsidy. I request Chief Ministers to apply themselves to coming up with improved models of subsidy delivery, which can show the way forward for others. We must also ensure that small landholders and women who work in farms are adequately protected against risks and benefit from all our efforts to improve agricultural performance.

We have taken today important decisions here – decisions which are vital to our national goals of becoming a prosperous, equitable and inclusive nation. Your collective political leadership and will are capable of transforming our agricultural economy and in the process help rid the country of chronic poverty and disease. I am confident that after today's meeting, we will put all our might in achieving the goals we have set for ourselves.

With these words, I bring to a close the 53rd Meeting of the National Development Council. I thank each one of you for your contribution to our debate today.