



ADDRESS

of

Dr. D. D. LAPANG
CHIEF MINISTER, MEGHALAYA

at the

53rd MEETING

of the

NATIONAL DEVELOPMENT COUNCIL

at

Vigyan Bhavan, New Delhi

29th May, 2007

Esteemed Prime Minister, Respected Deputy Chairman, Planning Commission, Respected Union Agriculture Minister, Distinguished Members of the National Development Council and Friends,

1. I express my gratitude to the Prime Minister for convening the 53rd meeting of the National Development Council to consider the issues relating to food and agriculture. I would also like to express my appreciation to the laudable work done by the NDC Sub-Committee and Working Groups on Agriculture and related issues under the able chairmanship of Shri Sharad Pawar, Hon'ble Union Minister of Agriculture in view of the decline in growth and challenges the agriculture sector is experiencing.

2. The Report of the Sub-Committee has provided an insight to several issues that needs the immediate attention of the Central and State Governments to arrest the decline in foodgrain production and yield rates in the country. However, micro issues of state and region, in particular of the North East region needs to be flagged. I would like to dwell upon some of the important issues which pertain to the North Eastern States and to Meghalaya, in particular.

3. Agriculture continues to play a predominant role in the economy of my State. About 70 percent of the population is engaged in agriculture and its allied activities, which also contribute around 22 percent of the State's Gross Domestic Product. During the Tenth Plan, an estimated 3.09 percent growth rate in agriculture is likely to be achieved in my State. For the 11th Five Year Plan, I propose to give agriculture, irrigation, horticulture, post harvest management and food processing the highest priority and increase the investment substantially in them for both increasing income to farmers and creating local employment based on farm resources. As against 4 percent growth target for agriculture sector nationally, my State has projected a growth figure of 4.7 percent during the Eleventh Plan. Well designed and directed investment needs to be channelised to this sector to achieve the same.

4. Meghalaya is a resource constrained State. Even though, we allocate about 8 percent of the State Plan allocation to agriculture and allied sectors, besides considerable Central Sector assistance, the gaps remain quite large due to poor credit, costly inputs, lack of extension services, knowledge gaps and less investment by private players. We welcome the suggestion in the report of increased Central Sector investment to address regional disparity for agricultural development. We suggest that this

should come as a 100 percent Central Sector/ Centrally Sponsored Scheme or as an ACA which should be additionality to the State Plan.

5. The **national approach** to the problem of infrastructure creation has gravitated towards the Public Private Participation (PPP) model. We welcome this approach but the size of the economy and the quantum of business available in a small State like ours will not prove very attractive to private enterprise. Our experience so far does not encourage us to believe that private enterprise will be forthcoming in areas like agriculture and irrigation in the next few years. Therefore, the **public sector must take a lead in the creation of such infrastructure for the present and major public investment in these sectors will be essential to remove the wide disparities existing between Meghalaya and the advanced States of the country.**

6. Meghalaya has five agro climatic sub-zones. We support the recommendation of the NDC Sub-Committee for a Regionally Differentiated Action Plan with region specific sub-zonal initiatives which will go a long way in arresting the decline of foodgrain productivity and yield rates. This will have to be carried forward in agro-climatic zonal planning and management mode. In Meghalaya, 60 percent of the cultivated

area has been covered by High Yielding Variety and the average productivity of rice has doubled from less than 1 MT per hectare in early eighties to 2 MT per hectare at present. Recent field trials on SRI method of cultivation has shown great promise by average productivity results of more than 6 MT per hectare. We will implement the suggestion for diversifying the agriculture with suggested and proven crops. During the Eleventh Plan, the State Government proposes to follow the cluster approach where the cultivated area of the State is divided into crop-wise clusters as a Crop Development & Marketing Unit (CDMU) in which both the supply and demand side are give due attention.

7. In the 5th Report of the National Commission on farmers, it has been **rightly stated that agricultural progress should be assessed in terms of net income of farm families** rather than in million tonnes of farm commodities produced. Agriculture in the State is predominantly hill farming without the use of fertilizers and pesticides. Amongst other things related to improvement of farm incomes, the importance of **organic farming** in Meghalaya and other tribal States of the North East cannot be over emphasized. Because of lack of technological guidance, poor knowledge of and access to affordable certification facilities and effective market support, organizing organic farming also requires greater scientific and technical inputs than chemical farming

calling for a high level of multidisciplinary attention. **Thus, Government of India is requested to create a mission for the organic farming** so that special support is available for creation of infrastructure and other linkages for organic food items.

8. Due to the terrain, the gross cropped area of the State is only about 12 percent of the total geographical area of which only about 18 per cent of the total cropped area in the State is under irrigation. **Since the area under cultivation can at best be marginally increased we have to evolve a strategy to increase cropping intensity** and improve the productivity of land.

9. We welcome the recommendation of the Sub-Committee to relax norms in AIBP funding. We propose that the norms of AIBP in respect of command area in the case of minor irrigation projects be reduced from 20 hectares to 10 hectares and the cost norms be enhanced from Rs. 1.00 lakh per hectare to Rs. 1.5 lakh per hectare. To promote participatory irrigation management (PIM) we have 114 water user associations out of 218 completed projects. The User charges based concept needs to be modulated to State and intra state specific designs.

10. We welcome the suggestion of micro irrigation and sprinkler based technology. Group participation such as cooperatives, SHGs, societies and traditional bodies may also be

encouraged to participate in such schemes and incentives may be given to these entities.

11. In Meghalaya, we have traditional tribal institutions at the village level and elected District Councils at the regional/district level. The 73rd Amendment of the Constitution does not apply to our State. In order to ensure the participation of the people at the grassroot level in planning process, we are in the process of evolving a model of development which will be a combination of the traditional tribal institutions and elected representatives at the village level. A beginning has been made in the implementation of the National Rural Employment Guarantee Act (NREGA) in such districts where it is under implementation.

12. In spite of heavy rainfall, Meghalaya still faces scarcity of water especially in dry seasons. A Water Harvesting Mission is being created in my State to encourage sustainable water harvesting on a large scale through community participation. We have already earmarked Rs. 8.50 crore during 2007-08 for this Mission. The mission will start its work during the current financial year. This could also be coordinated with the National Rainfed Area Authority as mentioned in the Sub-Committee report. It has been established that smaller storage tanks with suitable catchment areas are more efficient in storing water than large reservoirs. We propose to build appropriate water harvesting

structures in the villages for this purpose. We intend to build about 5000 reservoirs to cover most of our villages for drinking water, irrigation and other purposes. While we will meet the requirement from state plan, we would request the Government of India to help us in this endeavor. We are also leveraging the Rural Employment guarantee programme being implemented in five districts in the State in which we have stipulated that 60% of the funds should be spent on Water Management.

13. We agree with the Watershed plus approach in the case of already completed irrigation and watershed projects. The implementation of National Watershed Development Project for Rainfed Areas (NWDPR) and Watershed Development Project for Shifting Cultivation Areas (WDPSCA) has greatly benefited the State and these projects should continue to be implemented and larger allocation should be given to these programmes.

14. Shifting cultivation has been one of the traditional practices in my State. In order to improve productivity and limit damage to environment we are working on soil conservation and watershed development measures. IFAD funded community resource management and Livelihood Improvement Programmes for the Himalayas have provided alternative models of natural resource management based on livelihoods. This need to be expanded and additional support in these projects to encourage

farm and non-farm activity leading to entrepreneurship is required. We suggest that these should be supported by another ACA or Externally Aided project for my State to uplift the conditions of rural poor.

15. Since land and natural resources are largely private or community owned, there is no wasteland or degraded land which is at the disposal of the State Government for redistribution. In this connection, the State Government will also have to provide legal framework to enhance the efficient use of natural resources in the State and undertake sustainable reforms measures in consultation with the communities.

16. In order to safeguard the tribal population of my State, the issue of contract farming will have to be thoroughly examined so as not to encourage vested interest to amass wealth at the expense of the rural poor. We, however, support and encourage the cooperative societies and SHGs for their involvement in marketing, post harvest management and enter into joint venture without involving land alienation.

17. The State has given high priority to the horticulture. Under the Technology Mission and the State Plan, the State Government has implemented successful schemes for improving the production of traditional crops like pineapple, orange,

bananas, ginger, turmeric, etc. and for growing non-traditional crops like strawberries and flowers. I am glad to report that our success with roses and anthurium have been favourably commented upon by the Ministry of Agriculture.

18. I am happy to inform you that my State is rich in production of certain horticulture products like potato (1, 45,000 tonnes) ginger (47,000 tonnes), pineapples (92,000 tonnes), bananas (68,000 tonnes), oranges (35,000 tonnes) and turmeric (9,000 tonnes) and also grows substantial quantity of cashew nut, arecanut and some tea and rubber. Certain high-value low-volume non-traditional crops such as strawberry, roses and anthurium are fast establishing themselves as revenue-spinners. We will be adopting a cluster approach to accord the desired focus on the high value low volume potential horticultural crops. What is most wanting in this area is post harvest management, like cold chain for perishables, marketing and fruit processing.

19. There is urgent need to ensure proper post harvest management, processing and marketing for horticulture produce to avoid distress to the farmers. **Food processing industry is labour intensive. So we propose to concentrate on this sector for the generation of employment.** The Government of India has provided several incentives for the food processing industry. We support the liberalization of statutory regulations of the food

processing industry as suggested by the Sub-Committee. **The state will also consider suitable added incentives for this sector.** We support the recommendations on food safety standards.

20. The **'Rural Business Hubs'** approach recommended by the National Commission on Farmers should be implemented to improve livelihood opportunities in rural areas. Various agencies, both Central and State, concerned with the development of agriculture, animal husbandry, fishery, sericulture and weaving, plantation crops, forestry, medicinal herbs, etc. should meet at a common forum for an integrated approach to livelihood development in our villages. There should be a suitable mechanism established to integrate the activities of all these allied departments so that optimum utilisation of available resources can be achieved through convergence and cluster approach.

21. Understanding the vulnerabilities of farmers, a social security system is necessary. The **5th Report of the National Commission on farmers** has indicated agriculture as a high risk economic activity where credit without insurance may lead to a greater risk. There is a need to establish an **Agriculture Risk Fund** and to expand the scope of agriculture insurance facility to all agriculture and horticulture crops. Such risk fund could have small contributions from stakeholders. It will cover repayment risk over and above the insurance coverage. As suggested in the

Farmer's Commission report user-friendly insurance instruments covering production and marketing for all crops are necessary. We support such advice. **We also strongly support recommendation in para 7.26 of the Sub committee's report where a new integrated micro insurance product to cover life, health and non life assets of the small and marginal farmers at reasonable cost could be adopted in the mode of group premia approach on a village wise basis. The Central Government's guidance and financial support will be essential for this scheme.**

22. In respect of **credit**, and particularly agricultural credit, the outreach of formal banking has not been encouraging and the CD Ratio has been averaging around 35 percent only in the last 5 years. The efforts of the Reserve Bank of India and NABARD as brought out in the North East Financial Sector Plan need to be supported and carried forward vigorously. **A more proactive and sensitive approach of formal banking towards the NER is of paramount importance. The financial Sector Plan for the North East should provide incentives for SHGs/ Cooperatives and community based organizations to act as facilitators or correspondents of formal banking structure.**

23. **The Co-operative Credit structure is to be revived with relaxed norms for the North Eastern States and other tribal areas under the Vaidyanathan Committee report. We have given**

our in principle agreement to implement the recommendations and a suitable proposal for MOU based on State's realities are under process which will be finalized soon. I understand that the modalities for relaxed norms worked out by NABARD needs approval of Government of India which may please be expedited to realize the revival objectives early in the region. I would, however, suggest that this revival plan should be fully financed by the Central Government as a one time measure and the State Level Implementation Committee should be given flexibility in respect of Share Capital norms in the State Cooperative Banks and PACs to be reduced gradually over 10 years.

24. Cooperation sector has suffered in the N.E. States in the absence of proper supportive schemes from the Central Government. We demand a separate macro management programme for cooperative development in the North Eastern Region on the lines of the macro management programme for agriculture.

25. Meghalaya is an ecological hotspot and rich in biodiversity. The State has nearly 300 orchid varieties, about 700 odd varieties of medicinal plants, home to some of the rare varieties of paddy, banana, citrus plants and a storehouse of diverse germ-plasm reserves which can be a rich resource for crop

and plant improvement programmes. **There is a need to strengthen the Bio-resources Development Centre (BRDC) at Shillong.** The BRDC should be incorporated under the Department of Bio Technology of the Government of India as originally envisaged under the PM's package. It should also be expanded to provide application-based research for production of quality planting materials and provide support for frontier biotechnological research and applications as mentioned in the Sub Committee's report at para 11.31. This will go a long way in improving the productivity of various crops.

26. Like the rest of the north east, Meghalaya has abundance of bamboo and it is an integral part of our people's lives. Our State has already made some progress in the manufacturing of such products as bamboo boards, roofing materials and composites. We have four bamboo based industrial units in the State and they are doing well. We are in the process of setting up of a Bamboo Development Agency in the State so that we can improve the productivity of bamboo and promote bamboo based units.

27. Majority of the people in my State are meat eaters. The State is presently deficient in production of meat. From the present anticipated level of 37 thousand tonnes of meat production, we intend to increase it to 42 thousand tonnes of meat

production during the Eleventh Plan. There is considerable potential to expand the production of poultry, piggery and goatery. We will emphasise the taking up of programmes in these activities which will also help employment generation. Therefore, adequate investment by central government for infrastructure in respect of Animal health, disease control, Production systems, and extension services would be necessary. Further, support for pasture, feed and fodder development to the community should be launched with appropriate incentives in order to enhance dairy, meat and egg production activities.

28. From the anticipated 5.5 thousand metric tonnes of fish production during the Tenth Plan, we intend to enhance production to 6.5 thousand metric tonnes of fish by the end of the Eleventh Plan. We have an ambitious programme for fishery development called the **1000 pond scheme** under which farmers are encouraged to have half to one acre ponds in a cluster so that all necessary inputs and technical advice can be provided to them efficiently. Besides the watershed, minor irrigation and water harvesting mission structures could also be utilized for intensifying fish production activity.

29. 12 out of 39 Development Blocks in Meghalaya abut the **Indo-Bangla border**, constituting about 22 percent of the land area of the State and 23 percent of its population. This population

has been traditionally dependent on formal and informal trade with Bangladesh. **A complete policy framework is required to work out to increase formal trade with Bangladesh including sizeable import at least to our State since our State exports goods worth about Rs. 180 crores to Bangladesh while there is hardly any import.** Besides, with a fence being erected all along the Indo-Bangladesh border, informal trade is likely to dry up. The nature of the commodities exported and imported informally and their quantity will also inhibit export through formal channels. As a result, **we anticipate a severe economic crisis in the border villages when the fencing is fully in place. A special livelihoods, infrastructure and security based engagement of border villages** is urgently required to be put in place. We have proposed that border haats should be revived along the border with Bangladesh so that the local residents can exchange their local produce with Bangladeshi counterparts in a legal manner, based on barter.

30. My State lacks expertise on the issue of protection of intellectual property rights. Meghalaya, as also the NER is an ecological hotspot of biodiversity. The region also boasts of a wide variety of local knowledge, traditional wisdom and traditional systems. Therefore, a multi disciplinary cell under NEC needs to be set up to advise the States of the North East on all aspects of changing global trade regime and intellectual property rights issues.

31. I am sure the deliberations of this eminent body would be successful one to ensure that the food security of our great country is not compromised in any way. Once again, I thank the Hon'ble Prime Minister for affording this opportunity to place my views before this august Council.

THANK YOU

JAI HIND