



SPEECH OF

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AT

VIGYAN BHAWAN, NEW DELHI

GOVERNMENT OF PUNJAB

Respected Prime Minister, Hon'ble Deputy Chairman, Planning Commission of India, Esteemed Members of National Development Council, Ladies and Gentlemen,

At the very outset, I would like to compliment Hon'ble Prime Minister of India Dr. Manmohan Singh ji for convening the meeting of National Development Council for discussing the issues relating to agriculture development and thank him for providing an opportunity to express my views in the matter. I must also congratulate Sh. Sharad Pawar, Union Minister of Agriculture and Consumer Affairs, Food and Public Distribution who chaired the NDC sub-committee on 'Agriculture and Related Issues', for preparing a policy frame work to rejuvenate the agriculture sector. I also convey my appreciation to Chairmen and members of the various sub-groups for in-depth analysis of problems Indian Agriculture is facing and suggesting an implementable action plan. The endeavour of NDC is to prepare a roadmap of

agricultural development, where farmers are expected to be the main beneficiaries in medium and long term.

2. After moving on a higher growth path, agriculture in the country is faced with serious problems like stagnation in productivity and increase in cost of cultivation, thereby squeezing margins of farmers. The private capital investment in agriculture is also increasing due to reduction in farm size and huge investments on land development, agricultural machinery and irrigation. Because minimum support price is not keeping pace with the increasing cost of cultivation, the economic condition of a vast majority of farmers has deteriorated and indebtedness in rural areas is increasing. The deceleration of agricultural growth has led to decline in real per capita incomes in rural India.

3. The public investment in agriculture is on the decline and the recent initiatives taken in

the form of Agriculture Market Reforms, future trading and risk management have not led to the desired results. The private investment in warehousing, cool chain infrastructure and agro-processing has not been adequate to trigger a higher growth in agriculture sector. The support system required by the farmers viz. input supply, extension and opportunities for assured and remunerative marketing are in different stages of disarray.

4. Agricultural research, development and its dissemination have played a key role in improving agricultural productivity and food security as well as in reducing poverty during Green Revolution. However, predicting the impacts that future agricultural knowledge, science and technology will have on food security, rural development and sustainability is not simply a matter of extrapolating past performances. Future decisions and their impacts are inherently uncertain. However, a scientific analysis of different options can help

us to be better prepared for changing circumstances. There is no option except to produce more food and other agricultural commodities under the conditions of diminishing per capita arable land and water resources.

5. Besides many other problems, the country needs to address three major issues immediately (a) Food and fiber security; (b) poor economy of small and marginal farmers; and (c) heavy indebtedness which is a result of poor farm incomes. Food security is the major concern of the country. A new technology became available in mid 1960s which resulted in the breakthrough in the production of foodgrains. Recently Bt cotton technology has boosted the production of cotton in areas suitable for its cultivation in India. This breakthrough was a result of coordinated agriculture research and government policies which ensured marketing and remunerative prices of the produce. The country achieved

food security, making it even food surplus for some time. In Punjab and many other states like Haryana, western UP, Gujarat, Andhra Pradesh, Tamil Nadu etc., it has been achieved by over exploitation of soil and water resources. Future growth in crop production will depend largely on new technology which helps improve soil fertility, conserve ground water and development of higher yielding varieties which are pest tolerant and adapted to the changing climate. Intensive agriculture research is absolutely essential. The state agricultural universities need to be properly funded and scientists need to be retrained in biotechnology, soil and water conservation etc. The training should be arranged within India and abroad at the centers which have achieved excellence in a particular subject. Funding of research at present is not satisfactory, therefore, this needs to be given top priority in the Eleventh Five Year Plan.

6. It is absolutely essential that the available

production potential is exploited to meet the immediate needs of the country. Punjab was in the forefront of contributing to the central foodgrain stocks and help India achieve food security. Punjab has been contributing more than 50% of the total foodgrains to the central pool for the last four decades. The state will continue to give high priority to make appreciable contribution to the central foodgrain stocks. There was intensive investment in irrigation and machinery by the farmers which helped them not only adopt high yielding crops but also achieve a higher cropping intensity of almost 190%. At the cost of repetition it may be stated that development of new technology is essential to achieve higher growth rate in crop production.

7. The timely availability of quality inputs is essential for optimum crop production. However, every year the availability of fertilizers particularly phosphatic fertilizers remains constrained during rabi for sowing of

wheat. The gap between the indigenous production and the requirement is increasing every year and the Country is becoming more and more dependent on imports. Even though the Phosphatic Fertilizer (mainly DAP) are decontrolled, the State Govt. requests that imports of the same be monitored by the Govt. of India as per the prevalent practice rather than asking the State Govt. to make their own arrangement. The timely availability of Fertilizer is a must. The shortage in availability leads to panic buying thereby further aggravating the situation. Since the MRP, amount of subsidy and rates of freight reimbursement are fixed by Govt. of India, it is suggested that the required quantity of various fertilizer should be made available to the States in time by the Govt. of India.

8. The development of irrigation facilities has made a great contribution in making Punjab food bowl of the country. However, in the process, the State has badly depleted its

water resources. The canal irrigation system in the State which is one of the oldest in country is in dire need of modernization to achieve better utilization of created irrigation potential. Since the water productivity of food grains in the State is highest in the country, the State needs to be treated as a special category State for funding the irrigation development. The existing stipulation of one for one under AIBP should be removed and further Punjab should be re-designated as a Special Category State in view of its depleting water table and allowed to avail 75% grant/assistance under AIBP. Similarly the condition of one for one under CADWM should also be dispensed along with the increase in grant under CADWM for construction of field channels/water courses from 50% to 75%.

9. Cooperatives in Punjab have already taken various measures for providing relief to the indebted farmers in the State by way of enhancing the flow of agricultural credit, reducing the rate of interest and providing an

opportunity for settlement of old loans. Interest relief to the extent of Rs. 172.00 Crores has been given to the farmers and further to encourage good pay masters an interest rebate of 1.5% for long term loans is also provided. Notwithstanding the same, it is further suggested that crop loans which are being presently advanced @ 7% need to be advanced @5% to reduce the interest burden of the farmers for which Govt. Of India may provide an additional subvention @2%. In addition, in cases where the short term agricultural loan is converted into medium term loans due to damage to the crops exceeding 50% on account of natural calamities, the Govt. of India should provide interest waiver to the farmers. NABARD should increase the refinance for short term agricultural loans from 40% to 70% to enable the Cooperative banks to provide more agricultural credit and further the interest on this refinance should not be increased from the present rate of 2.5%.

10. The livestock sector has tremendous potential for growth. In Punjab, this sector already accounts for more than 1/3rd of the total income from the agricultural sector. We lead the State in per capita availability of milk and productivity of poultry. Projections made by our livestock experts show that this sector can grow at a substantially faster rate than crop production so that in about two decades the value of production from livestock may exceed the value of production from crops. Realizing this potential requires putting in place a forward looking package of policies. Income from crop production is free of income tax. However, income from dairy, poultry and other livestock sectors is taxed even at the farm level. This distortion needs to be corrected immediately. The Union Government's policies on Dairy do not encourage farm units of more than two milch animals. We feel that we should encourage units of 10 to 15 animals to be run on professional lines. A small farmer with land

of one to two hectares can support such a unit and earn substantially more per unit area than conventional agriculture. However, to make this a success the policy of Government of India should provide incentives like capital subsidy and expenses on insurance for units of this size.

11. There is an urgent need to attend to the deteriorating basic resources in terms of depleting ground water over large parts of the country and even worse in terms of emerging soil nutrient deficiencies. Diversification for sustainability will be necessary. To ensure future economic security of the state, efforts are being made to diversify a part of the area from rice to other crops including maize, oilseeds, pulses, fruits, vegetables, fodder etc. Soil and water quality testing facilities need to be strengthened and provided operational expenses.

12. The economic growth rate of 8-10% of

the country has not helped the farm sector in general and the small and marginal farmers in particular-neither to get out of low income agriculture nor to have sufficient capacity to grow high value crops, adopt commercial dairy farming, poultry, fisheries etc.

13. The small farmer holdings are uneconomical for traditional crop production. The income of farmers is very low. The rural urban income gap has widened. The share of agriculture in total GDP has sharply declined from about 44.8% in 1973-74 to only 20.8% by 2004-05. In contrast, agriculture share in total employment has declined only marginally from 73.9% in 1973-74 to 56.5% by 2004-05. With 56.5% of work force producing 20.8% GDP, the per capita GDP of an agriculture worker has been significantly reduced to only about one fifth of those in non agricultural occupation and is continuously declining. It is essential to shift an appreciable number of farming population. For this it is essential that (i) heavy investment is made for vocational training to unemployed/under employed youth of the country. This training should be given jointly by the government and industry/service sector in such trades which provide employment. State governments should provide stipends to the trainees during the duration of the training. (ii)

Future growth in agriculture will mostly come from fruits and vegetables, milk, meat and egg production etc. However, to adopt these enterprises heavy financial investment and technical support is essential. Small farmer's access to loans should be increased appreciably and they should also be provided capital investment subsidy as is being currently done in the National Horticulture Mission. (It may be pointed out that for a commercial dairy farm with 10 high yielding cows an investment of Rs.6.00 lakh is needed).

14. For value-addition and also providing employment to the rural population agro processing industry should be encouraged. The industry will have to set up cool chains, grading and packaging facilities. It is necessary to provide agro-industry some incentives as are being provided in the hilly areas of UP, Uttrakhand, Himachal Pradesh and Jammu & Kashmir.

15. For profitable agro processing, it is essential that the supply of raw material is ensured. Processing industry should be encouraged to take up contract farming. However, the State is not in favour of corporate farming as it may lead to alienation of farmers from land. A contract between farmer and the processing industry is desirable for the production of quality produce of a particular variety for sale at a pre determined price. Further, legal mechanism needs to be developed which helps in the redressal of disputes in a short period, say one month. For easy marketing of the processed goods within the state or outside, development of communication particularly roads and air cargo would be essential.

16. The remunerative prices and assured marketing in the initial stages attracted the farmers to invest heavily in agriculture. However, the prices did not keep pace with the increased cost of inputs. During first five years

of the 21st century, the prices were almost frozen. This resulted in reduced net income of the farmers and inability to pay loans. Therefore, it is essential that the prices are fixed keeping in view the whole sale price index ensuring adequate profit margin.

17. Although, the MSP has been fixed for a large number of crops, however, the procurement has been effective only in case of wheat and rice. At least maize, pulses and oil seeds should also be added to this list and their marketing should be as efficient as that of rice and wheat to increase the area under these crops. The Price Stabilization Fund should be created at the national level for the crops prone to heavy fluctuation in prices.

18. Insurance of crops should be taken up but it should be related to rainfall and its distribution. Longer pauses between two showers cause heavy loss and the Punjab farmers have to use costly diesel to irrigate and

maintain the productivity. The current system of insurance linked to productivity does not reflect a true picture.

19. Practically 90% of the farmers are indebted. Nearly half of this loan was obtained on a very heavy cost from the non institutional lending agencies. The main reason is its easy availability. When some members of the family suddenly fall ill and needs large sum of money for treatment, the farmers get loan from these money lenders and pay very heavy rate of interest. To meet such emergencies lending by the multi purpose cooperative service societies be made easier. This will ensure availability of credit at reasonable rate of interest against what is paid (about 30%) to the non-institutional agencies.

20. Group health insurance of the farm families and agriculture labour should be introduced and a major portion of the premium be paid by the government.

21. The response of the State Government to the various recommendations made by the Sub-Committee is annexed and may be read as part of this speech.

22. The State Govt. is committed to take various measures for implementing different suggestions made by the NDC and will formulate a realistic plan for achieving the targeted growth rate in agriculture sector. Sir, we fully share the vision of development with social justice with inclusive growth outlined in the draft approach paper for 11th Five Year Plan.

In the end, I would like to once again thank the Hon'ble Prime Minister and his esteemed colleagues for giving me an opportunity to express the views of Punjab Government on important aspects relating to the development of agriculture in country and in the State, the specific problems being faced by the State and steps required to be taken to bring the State out of present crisis. Whereas, improving the food

security of Nation is of considerable importance, it is of equal importance to improve the ability of people to access food and to utilize it effectively to lead a healthy life.

Before I conclude, let me emphasize that the intervention strategies being discussed today constitute a sequential pathway following the broad acceptance of National Agricultural Policy, 2000, which was presented to the Parliament on 28th July, 2000. While endorsing most of the intervention strategies, we must request the Ministry of Agriculture to document a Programme of action, with in built time targets and mechanisms of monitoring and evaluation. The matter is of utmost urgency and time is of essence.

Thank you for a patient hearing.

**Subject: MAJOR RECOMMENDATIONS OF NDC
SUB- COMMITTEE ON AGRICULTURE AND
RELATED ISSUES.**

The major recommendations of NDC sub-committee and the prevailing situation in this regard are as under:

S. No.	Recommendations	State's Observations
1.	<p>Agro - Climatic Zonal Planning And Management: The committee recommends the adoption of action plan based on agro-climatic zones for which the implementation strategy may be worked out by Department of Agriculture and Cooperation in consultation with concerned states.</p> <p>The funding arrangements for the plan could be made through special ACA to be operated through Ministry of Agriculture.</p>	<p>The State Government agrees with the recommendations that action plan be prepared by Govt. Of India. (Department of Agricultural and Cooperation) in consultation with the State Government and that funding arrangements be made through special ACA by the Govt. of India.</p>
2.	<p>Up-Scaling Of Public Investments And Addressal Of Regional Imbalances: Agriculture primarily being a state subject the states will have to make higher investment in agriculture.</p>	<p>The public investment in the agriculture is declining due to poor financial resources available at the disposal of State Govt. The Govt. of India should provide more resources to the States for agricultural development, particularly to</p>

	<p>In the incremental investment envisaged in agriculture the center and the states will have to contribute almost equally.</p>	<p>the States where agriculture is the major occupation of the people and it is in distress. Excessive emphasis to produce more food for the nation has resulted in the deterioration of soil health as well as the depletion of ground water in the State. As the Punjab State has been a major contributor to National pool, there is need for funding from Govt. of India to address problems relating to soil health and availability of ground water.</p>
<p>3.</p>	<p>Irrigation Coverage And AIBP Funding: Speedy completion of large number of on-going irrigation projects taken-up by states has been emphasized. It has been recommended to cover the selected projects under AIBP funding and restructuring of AIBP with a view to better monitoring and quicker returns on the investments.</p>	<p>The existing guidelines of the Government of India under AIBP should be amended as follows: -</p> <ol style="list-style-type: none"> a) the condition of one for one project under A I B P should be removed; and b) Punjab should be re-designated as a Special Category State in view of its depleting water table and allow it to avail 75% grant/ assistance to strengthen and expand its canal systems.
<p>4.</p>	<p>Utilization Of Irrigation Potential: For improving the utilization of irrigation</p>	<p>The State Government has prepared a draft utilization legislation entitled, 'Punjab</p>

potential, the legal framework for PIM (Participatory Irrigation Management) approach may be provided and Water Users Associations (WUAs) may be strengthened by involving them in collection of water charges and allowing its part/full retention.

Farmers Participation and Management of Irrigation System Act', which would be enacted soon.

Further, the Government of India should amend the guidelines of Command Area Development and Water Management Programme (CADWM) as proposed below to enable the State to enhance and optimally utilize its irrigation potential: -

- (a) the condition of one for one project under CADWM should be dispensed with;
- (b) The Central grant under CADWM for construction of feederchannels/ watercourses should be increased to 75%;
- (c) CADWM should be expended to cover reconstruction of feeder channels/watercourse, which are more than 25 years old; and
- (d) the expenditure norms for construction of feeder channels/ watercourses

		should be revised from the existing Rs.10000 per hectares to Rs.15000 per hectares in view of the recent increase in general price level.
5.	Enhancing Water Use Efficiency: Micro irrigation techniques such as sprinkler and drip may be pro-pagated and community sprinklers may be promoted through WUAs.	In Punjab about 75% Irrigation is through tubewells and therefore it is more practical to install sprinklers & drip by a individual farmers rather than as the community project as proposed by the sub committee. The State is also enhancing water use efficiency by resorting to land leveling through laser levelers.
6.	National Irrigation Projects: The parameters for National Projects should be reviewed and liberal grants for national projects be provided but the prime responsibility of resource generation should rest with board responsible for planning execution and O & M of projects. Interlinking of intra-state river basins needs to be encouraged and funded.	The parameters of National Irrigation projects should be reviewed in consultation with the States. Also the National projects should be finalized in consultation with effected States. Regarding interlinking of rivers, a national consensus should be arrived at, though to begin with, greater thrust should be given on interlinking intra-State river basins.
7.	Productive Use Of Waste Lands/ Degraded Lands: Such land should be	In the State of Punjab only negligible land (about 2 lac ha) is under the category of

	<p>brought under productive use by development and distribution of such land to landless for productive uses for their economic upliftment or some community plantation may be tried.</p>	<p>wastelands. Even most of these lands are individual ownership and therefore distribution of such land to landless is not possible. However, efforts are being made to enhance the productivity of these lands through various programmes</p>
8.	<p>Sustainable Rainwater Harvesting And Management: Improve agriculture system based rural livelihoods in rainfed areas through efficient and sustainable rain water management technologies for increasing productivity. The watershed development projects should be implemented in association with village community.</p>	<p>The State Govt. agrees with the recommendations. About 10% area (about 5.4 lac ha) of the State is severely degraded having fragile ecosystem. The Watershed Management Programmes are already being implemented under various State/Centre Programmes. The Watershed Plus activity such as Dairy Development, Fisheries and High Value Crops are being promoted. To put more focus on these activities, additional resources from Govt. of India are required for which the Watershed Programmes should have inbuilt financial provisions so that the programmes are implemented in an integrated way and these activities are not left for want of financial resources.</p>
9.	<p>National Rainfed Area Authority: NRAA may be set-up and states should</p>	<p>The State Govt. agrees with the recommendation.</p>

	develop a coordination mechanism to avail guidance from it.	
10.	Participatory Watershed Management: The involvement of community may be ensured in project planning stage. The implementation, monitoring and post project maintenance may also be entrusted to community to address the sustainability aspect. The states need to ensure the integration of district plans with participatory watershed development programmes.	The State Govt. agrees with the recommendation. The Participatory Watershed Management is being done in the State under all Watershed Programmes. The areas where more focus is required for community participation will be identified and strengthened. The decentralization of District Planning proposed in the 11th Plan by Planning Commission will help enhance the people participation in the watershed Development Programme.
11.	PPP for development of wasteland: The policy for development of wastelands in PPP mode may be formulated and such lands should be provided to PPP partners as well as to cooperatives on a liberalized long term lease basis.	In Punjab 95% of the total geographical area is under agriculture, almost negligible area is lying as a wasteland that to in the form of village, lands for village ponds, grazing lands etc. There is very limited scope of PPP in the development of wastelands in the State.
12.	PPP to attract higher investment in agriculture: PPP (Public Private Partnership) mode may be strengthened to attract higher investment in areas such as agriculture	The State Govt. agrees with the recommendations. Some mega projects in PPP mode with Reliance, Godrej, Bharti etc. are being implemented to attract private investment in agriculture. The investment in

	produce marketing, development of degrade lands, setting up of post harvest facilities etc. etc.	agro-processing, marketing, research and extension is forthcoming through these ventures.
13.	Market driven growth: The state should adopt comprehensive approach suggested in the model APMC Act to promote direct marketing, contract farming and setting-up of markets in private and cooperative sectors.	The State Govt. agrees with the recommendations that there is need to amend the APMC Act in order to give boost to promotion of direct marketing, contract farming and setting up markets in private/corporate Sector.
14.	Contract Farming: The model of contract farming where a local body controlling the agriculture land enters into the contract as a "producer" for supply at pre-determines prices may be promoted.	The State Govt. agrees that contract farming should be promoted between individual farmers and sponsors. The sponsors will provide inputs, and extension services and buy back arrangements whereas the actual cultivation will be done by the farmer himself. However, the State Govt. does not support corporate farming as it fears that in the long run this will lead to alienation of land from the small farmers.
15.	Dispute resolution under contract farming: A quasi-judicial quick dispute resolution mechanism may be set-up to settle the disputes between the sponsoring companies and the farmers.	The State Govt. agrees with the recommendations for setting up of a quasi judicial dispute resolution mechanism to settle disputes between the sponsoring companies and the farmers under contract farming arrangements.

16.	<p>Agro-processing:</p> <p>Restrictions and statutory regulations on food-processing industries may be liberalized to provide employment on large scale and in a dispersed manner.</p>	<p>Agro-processing industry needs to be encouraged for value addition and employment generation. However, initially capital assistance for setting up such industries is necessary to make these economically viable. Further, the incentives such as exemption from corporate tax and excise duty etc. may also be given to this industry.</p>
17.	<p>Livestock Resources:</p> <p>Policy guidelines should be evolved by Govt for developing state and area specific breeding policies. The development of small ruminant and backyard poultry should be encouraged in agriculturally distressed districts.</p>	<p>We welcome development of state specific policies and development of small ruminants. In Punjab the breeding policy will include continued improvement in dairy cows by artificial insemination with exotic semen; while taking special measures to develop indigenous breeds like Sahiwal cows and Murrah and Neeli-Ravi buffalos. It will also include development of Beetal goats in the sub-montane area of the state. Back-yard poultry, however, will be only an income supplementing measure; while the main thrust on poultry will be on professionally managed farms of 5000 birds or more.</p>
18.	<p>Feed and Fodder availability: The availability of good quality feed and fodder for animal husbandry sector may be ensured.</p>	<p>We agree with this recommendation. The state's seed farms are already doing a lot to address this issue.</p>

19.	Animal Health: State should take a major share of responsibility in the field animal health care.	State already has a major share of this responsibility.
20. & 21.	Poultry/ Development of small animals: Increasing cost of production mainly on account of high cost of feed requires attention. The disease outbreak also needs proper surveillance and monitoring.	The state is in favour of development of poultry in a horizontally and vertically integrated manner to address the issue of cost. Surveillance of disease is being done very effectively in Punjab, and its effort has been appreciated at the National level.
22	Fisheries Development: Fish Farmers Development Agencies should be effectively linked to National Fisheries Development Board (NFDB). The problem of availability of quality seed may be addressed.	We welcome these suggestions. Punjab leads the country in productivity of in land fishery. This sector is growing very fast in the state. We need a college of fishery science in the state to prepare trained manpower and to conduct research. GOI should help us in this.
23.	Improving Credit Outreach: The legal impediments to improve outreach of credit to the farmers may be removed and the law may be amended to provide for alienation absolutely as suggested in draft Model Law.	The Punjab Cooperative Societies Act, 1961 has adequate provisions for recovery of agriculture credit and other loans advanced by the Cooperative Banks. State Govt. is extending all help to the Commercial Banks for recovery of agricultural credit advanced to the farmers in the State.

24.	<p>Debt Settlement Forum: Independent Debt Settlement Forums/ Boards at district level may be constituted to settle debts taken from money lenders at usurious rates.</p>	<p>Cooperative Banks in the State are implementing One Time Settlement scheme which provides for settlement of overdue loan by way of constitution of District Level Committees comprising of Officers from the Department of Cooperation and representatives of the concerned Cooperatives. State Govt. is in favour of a uniform policy which may be adopted by all Commercial Banks for settlement of overdue loans. Govt. of Punjab is already in the process of formulating a law in order to check the money lenders advancing loan at usurious rates and settlement of such debts at reasonable rate of interest.</p>
25.	<p>Cooperative Credit: A MoU may be signed with GoI/Nabard for implementation of Vaidyanathan Committee (VC) recommendations.</p>	<p>The revival package offered by the Vaidyanathan Committee report provides for Rs. 13,596.00 crores for credit cooperatives in the country from out of which only Rs. 84.00 crores will be available to the short term credit cooperatives in the State. This meager assistance requires amendments to the Punjab Cooperative Societies Act, 1961. Govt. of Punjab on 22-09-06 has conveyed its consent in principle subject to</p>

		<p>minor reservation against some provisions of the MOU which may have long term adverse effect on the credit cooperatives in the State. As the revival package favours poorly performing cooperatives and rather discriminates against the better performing credit cooperatives of the State, a special package of Rs. 544.15 crores</p> <p>It is further suggested :-</p> <p>(1) that the crop loan which is being advanced @ 7% needs to be advanced @ 5% to reduce the interest burden of the farmers for which Govt. of India may provide additional subvention @ 2%.</p> <p>(2) that in case of conversion of short term agriculture credit into medium term agricultural credit due to damage to the crops exceeding 50% due to natural calamities Govt. of India should provide for interest wavier to the farmers.</p>
26.	<p>Agricultural Insurance: The states should develop and adopt their own models of risk management in agriculture which can be State Insurance Agency Driven and Govt. of India supported initiative. The</p>	<p>The state Govt. is in favour of agriculture insurance. However, the farmers are not in a position to pay part of the premium of the insurance. Till a proper State specific agricultural insurance is finalized, the State Govt.</p>

	present NAIS will be continued on non-plan side.	recommends that there should be full compensation for damage to the crop on account of natural calamities and the same is to be given to farmers whose fields have actually been effected by the natural calamity without co-relating to the damage in the entire village or the entire block.
27.	Land Leasing: Land Leasing should be legalized within the overall ceiling fixed for various categories of land. Land rent should not be regulated and market forces should prevail.	The State Govt. agrees with the recommendations .
28.	Food Safety Standards: An awareness campaign should be launched amongst the farmers and other stake holders on various food safety standards. A proper surveillance and quality control system should be put in place for import of products in domestic market.	The State Govt. agrees with the recommendation. A small project under NHM has been sanctioned to provide for traceability and quality of horticulture produce. However, the awareness campaign needs to be launched to educate the farmers regarding international food standards.
29.	Institutional Mechanism As Per WTO: A mechanism should be put in place to take advantage of new flexibilities being	The State Govt. agrees with the recommendations that there should be institutional mechanism both at the Govt. of India level as well as the State

	<p>negotiated to safeguard the producers from a surge in import or decline in international prices.</p>	<p>Govt. level which will advice the stake holders regarding consequences/repercussions of various issues under the WTO regime.</p>
<p>3C.</p>	<p>Fiscal Support to Agriculture: The subsidies that result in market distortions, resource use inefficiency and environment degradation should be reviewed and more resource should be made available for agricultural research, extension, IPM, infrastructure development and agriculture insurance.</p>	<p>The State Govt. does not agrees with the recommendations of the sub committee and strongly oppose reduction of subsidy for the fertilizer as this will effect the productivity/'economic status' of small and marginal farmers. Similarly, the price support operations are also necessary to watch the interest of the small and marginal farmers as well as consumer. More funds should be made available for agriculture research and extension and infrastructure development.</p>
<p>31</p>	<p>New Technology: The state of art institutions in different fields of biotechnology may be established along with enabling policy environment for recruiting and retaining talented manpower with competitive package and performance linked incentives</p>	<p>The development of new technology in agriculture as well as use of bio-technology is a must to improve the economic viability of farming. However, alongwith setting-up of new institutes, the biotechnology departments of State Agricultural Universities may be strengthened for evolving the region specific package for agricultural development.</p>