

Minutes of the meeting held on 20th March, 2015 with States to review and discuss proposals for Annual Action Plan under MIDH, On Farm Water Management (OFWM) & Vegetable Initiative for Urban Clusters (VIUC) for 2015-16

A meeting was held under the Chairmanship of Shri Sanjeev Chopra, Joint Secretary (MIDH & OFWM) on 20.03.2015 to finalize the Annual Action Plan (AAP) 2015-16 under NHM sub-scheme of Mission for Integrated Development of Horticulture (MIDH), Micro Irrigation component of Pradhan Mantri Krishi Sinchai Yojna (PMKSY) and Vegetable Initiative for Urban Clusters (VIUC) under Rashtriya Krishi Vikas Yojana (RKVY). The progress and Action Plans for States of Andhra Pradesh, Telangana, Karnataka, Kerala, Puducherry, Haryana, Chhattisgarh, Uttar Pradesh and Tamil Nadu were discussed in two sessions. List of participants is at **Annexure**.

At the outset, the Chairman conveyed his appreciation for the achievements under MIDH, during 2014-15, which is reflected in the budget estimates for 2015-16 under the Mission, as compared to other schemes of DAC. The salient points highlighted by the Chairman regarding changed parameters for the Action Plan for 2015-16 are summarized as under:

- With effect from 2015-16 the funding pattern under MIDH and OFWM schemes is under revision to 75:25(GOI:State) as against 85:15 during 2014-15 and the revised pattern of assistance would be intimated, on receipt of approval from the competent authority. Hence, the State Finance Departments should be taken on board for allocating the state share, to be communicated in due course. Action Plans would be revised subsequently, as per the policy guidelines issued by GOI.
- The current procedure for release of funds through the State governments (treasury route) would be continued.
- Direct Beneficiary Transfer scheme to be operationalized for ensuring financial inclusion, through electronic transfer of cash component/funds to beneficiary accounts under CSS/CS schemes, including through Hortnet. Special drive to be organized by the State Horticulture Missions, in NHM clusters, with the involvement of District Magistrates, Lead Banks for facilitating opening of bank accounts and issue of Kisan Credit Cards to

potential beneficiaries, with Aadhar linkages. This exercise need to be completed by the end of April, 2015.

- SHMs need to take proactive steps for organizing seminars/workshops with the participation of local KVKs, State Agricultural Universities SAUs, etc in Sansad Adarsh Gram by allocating of Rs. 2.00 lakh each for such villages.
- SFAC may be requested to forward weekly updates on important horticulture commodities, viz.onion, potato etc to State Horticulture Missions. Further, SHMs were requested to identify horticulture commodities to be included in the central repository (MIS) on the lines of onion and potato reports, undertaken through Agriwatch. A weekly update on top horticulture commodities could be generated and shared on MIDH web site.
- Funds earmarked for PHM and market components in the Action Plan need to be utilized fully. Efforts need to be made to formulate realistic Action Plans for strengthening end to end value chain for horticulture produce, through projectisation of interventions under the schemes.
- Outlay on area expansion should not exceed 20% of total outlay of AAP.
- Time lag in forwarding project based proposals to DAC need to be minimized, after due appraisal of projects. SHMs need to strengthen their project appraisal teams for technical appraisal of projects. A workshop would be organized by NCCD for the purpose.
- Implementation of projects under Indo- Dutch collaboration to be stepped up.
- SHMs need to ensure posting of monthly physical and financial progress on NHM web site. Moreover, the web postings need to be reconciled in accordance with audited statement of expenditure. Status of project based proposals also needs to be reviewed and updated on the web site.
- SHMs need to furnish replies expeditiously, to the audit paras communicated by the Chief Controller of Accounts, DAC.
- Henceforth, VIUC would not be funded as a sub scheme of RKVY. SHMs may explore options as appropriate, to include VIUC component, within the allocated outlay for NHM or seek funding as per RKVY norms.
- Micro irrigation component will henceforth be covered under Pradhan Mantri Krishi Sinchai Yojna (PMKSY). Interventions under PMKSY would include

components of Accelerated Irrigation Benefit Programme of Ministry of Water Resources and Watershed Development Programme of D/o Land Resource under Ministry of Rural Development. All agriculture & horticulture crops will be covered.

A presentation was made by Director (OFWM) about the modalities of implementation of micro irrigation component under the newly launched PMKSY. He highlighted the need for higher contribution by beneficiaries through bank financing for achieving the targets projected by Task Force on Micro Irrigation within a reasonable period of 20 years, which otherwise may take 100 years if the current pace of assistance is continued. PMKSY aims to encourage the states to enhance their spending on irrigation projects, particularly through improved irrigation systems. States will have to prepare District Irrigation Plan (DIP) on the basis of District Agriculture Plans and State Agriculture Plans prepared under RKVY. Moreover, focus will be on those states having large chunks of unirrigated lands.

During the discussions it emerged that there was need to have a Special Purpose Vehicle (SPV) for appraising the projects under PMKSY. Moreover, State Governments need to be given freedom to nominate the Nodal Department which will be responsible for implementing PMKSY.

CEO, NCCD stressed upon the need to adopt an integrated approach for promoting cold chain infrastructure projects, duly linking production clusters with consumption centres. Attempts to create cold storage facilities in isolation need to be avoided. He also stressed upon the need for constituting Technical Committee on cold chain and nominate Nodal Officers and start appraising projects on cold chain.

Highlights of the presentations made by the representatives of State Governments and decisions taken during the course of the meeting are summarized below:

1. Andhra Pradesh

Ms V. Usha Rani, Commissioner Horticulture & Secretary Horticulture, Govt. of Andhra Pradesh, informed that there was good potential for development of horticulture crops in the state, including plantation crops like oil palm and cocoa. As per Cadbury India, productivity of Cocoa in the State was highest. It was suggested that Coconut Development Board (CDB) needs to scale up activities in the State. During 2014-15, an expenditure of Rs. 48.23 crore has been incurred against release of Rs. 64.68 crore. Since total allocation for the State was Rs. 74.59 crore (GOI share), full amount was yet to be released. Hence they are unable to meet the committed liabilities for cold storages approved by EMC during 2014-15.

State proposed an outlay for Rs. 100.00 crore for AAP 2015-16 .

On Farm Water Management (under PMKSY)

Commissioner & Secretary Horticulture informed that the State Government was having an ambitious programme of covering 1.0 to 1.5 lakh ha per year under micro irrigation. For this purpose, annuity model was being considered wherein the micro irrigation companies will be asked to make the initial investment, which will be repaid in installments by the State Government along with interest. Chairman appreciated the concept. He requested to provide a brief write up about the concept for sharing with other states.

Tentative allocation was proposed for Rs 135.00 Cr.

VIUC (RKVY)

Funds for VIUC would be availed within the allocation of MIDH for 2015-16, if funds are not available under RKVY.

2. Telangana

Shri Venkat Ramana Reddy, ED, SHM, Telangana mentioned that SHM has incurred an expenditure of Rs. 29.44 crore against release of Rs. 45.00 crore during 2014-15. Total allocation for the State was Rs. 59.71 crore (GOI share). Committed liabilities to the tune of Rs. 10.00 crore were pending with the SHM. The State proposed an outlay of Rs.80.00 crore for AAP 2015-16.

Programme for beekeeping needs to be included in the AAP.

On Farm Water Management (under PMKSY)

Tentative allocation was proposed for Rs 95.00 Cr.

VIUC (RKVY)

Funds for VIUC would be availed within the allocation of MIDH for 2015-16, if funds are not available under RKVY.

3. Karnataka

Mission for Integrated Development of Horticulture (MIDH):

Dr. Basawaraj, Executive Director, SHM, Karnataka presented the details of AAP. He mentioned that funds to the tune of Rs. 104.5 crore have been spent against release of Rs. 96.08 crore.

State was requested to include the component of Good Agriculture Practices (GAP) for grape with financial provision to the tune of Rs. 15.00 crore during 2015-16. State proposed an Allocation for 2015-16 of Rs. 112.64 crore.

On Farm Water Management (under PMKSY)

State had a potential of 15 lakh ha against which 5 lakh ha has been covered so far. Action Plan for 2015-16 has been proposed with an outlay of Rs. 90.00 crore. Tentative allocation was proposed for Rs 115.00 Cr.

Kerala

Mission for Integrated Development of Horticulture (MIDH):

Dr. K. Prathapan, Mission Director, SHM, Kerala, in his presentation, mentioned that out of total allocation of Rs. 85.00 crore (GOI) for 2014-15, only Rs. 25.00 crore has been released till date. On this, it was informed that a sum of Rs. 15.00 crore has been approved in March, 2015.

Mission Director added that the State Government was promoting protected cultivation in a big way for which additional subsidy of Rs. 25%, over and above GOI subsidy of 50% of cost was being provided on the basis of credit linked back ended subsidy for which the farmer has to avail loan for 25% from the banks. On enquiry by the Chairman about the category of farmers who were benefited from this, Mission Director mentioned that mostly small and marginal farmers are covered.

An outlay of Outlay for Rs. 91.50 was proposed for 2015-16.

On Farm Water Management under (under PMKSY)

Tentative allocation was proposed for Rs 5.00 Cr.

VIUC (RKVY)

Funds for VIUC would be availed within the allocation of MIDH for 2015-16, if funds are not available under RKVY.

4. Puducherry

Mission for Integrated Development of Horticulture (MIDH):

Representative from SHM, Puducherry informed that an expenditure of Rs. 24.78 lakh has been incurred till Feb, 2015 against release of Rs. 55.63 lakh. State has proposed an outlay of Rs. 2.56 crore for AAP 2015-16.

VIUC (RKVY)

Funds for VIUC would have to be availed within the allocation of MIDH for 2015-16, if funds are not available under RKVY.

5. Haryana**Mission for Integrated Development of Horticulture (MIDH):**

Dr. Arjun Saini, DG, SHM Haryana informed that against outlay of Rs. 112.20 crore, expenditure to the tune of Rs. 91.00 crore has been incurred including state share. As more than 80% of the area of the state is under vegetable crop in the state, focused attention is being given for protected cultivation of vegetables. CoE at Gharonda has given a boost to vegetable production in the State.

SHM proposed an outlay of Rs. 101.01 crore for AAP 2015-16.

On Farm Water Management (under PMKSY)

Tentative allocation was proposed for Rs 35.00 Cr.

VIUC (RKVY)

DG, SHM Haryana mentioned that they would require more funds under VIUC, as substantial area was under vegetables in the state. Chairman pointed out that the SHM needs to follow an integrated approach, including aggregation of farmers into FPOs and tieup with market aggregators. SHM, may accommodate the outlay for VIUC within approved outlay for MIDH during 2015-16.

6. Chhattisgarh**Mission for Integrated Development of Horticulture (MIDH):**

Shri Bhuvanesh Yadav, Mission Director, SHM, Chhattisgarh mentioned that mapping has been done for horticulture crops in the State. Protected cultivation and beekeeping has picked up in a big way during the last two years. Tribal Development

Department is also extending assistance in the Tribal areas. Good progress has also been achieved in 10 Left Wing affected districts. He suggested the need for sample design for pack house, preservation units and low cost evaporation units. On this, Shri S. P. Josh, MD, SHM, Uttar Pradesh agreed to share the sample designs developed by them with Chhattisgarh. CEO, NCCD was of the view that design should be location specific and product specific.

State has incurred an expenditure of Rs. 109.39 crore under MIDH against release of Rs. 111.88 crore during 2014-15. An outlay of Rs. 185.00 crore has been projected for AAP 2015-16.

OFWM (under PMKSY).

An amount of Rs. 100.00 crore was released. No expenditure has been reported. Tentative allocation was proposed for Rs 7.50 Cr.

VIUC (RKVY)

Funds for VIUC would be availed within the allocation of MIDH for 2015-16, if funds are not available under RKVY.

7. Uttar Pradesh

Mission for Integrated Development of Horticulture (MIDH):

Sri S.P. Joshi, Director of Horticulture, U.P informed that an expenditure of Rs. 28.09 crore has been incurred till February, 2015 against the release of Rs. 37.32 crore. Action Plan for 2015-16 has been proposed with an outlay of Rs. 50.00 crore (GOI) share.

State proposed an outlay of Rs. 80.00 crore for AAP 2015-16.

On Farm Management (PMKSY): During 2014-15, an expenditure of Rs.2.15 crore has been incurred against release of Rs. 3.00 crore. Tentative allocation was proposed for Rs 5.00 Cr.

VIUC (RKVY)

Funds for VIUC would be availed within the allocation of MIDH for 2015-16, if funds are not available under RKVY.

8. Tamil Nadu**Mission for Integrated Development of Horticulture (MIDH):**

Joint Director of Horticulture, SHM, Tamil Nadu highlighted that an expenditure of Rs. 53.59 crore has been incurred, till Feb 2014 against release of Rs. 55.11 crore during 2014-15. Total outlay for 2015-16 has been projected at Rs. 130.81 crore .

On Farm Water Management (and PMKY)

Tentative allocation was proposed for Rs 75.00 Cr.

VIUC (RKVY)

Funds for VIUC would be availed within the allocation of MIDH for 2015-16, if funds are not available under RKVY.