

**Minutes of the meeting held through Video Conference on 15.02.2010 to review the preparation of Strategy/Perspective Plan and Annual Action Plan for implantation under National Horticulture Mission during 2010-11.**

A video Conference was held under the Chairmanship of Shri Ashish Bahuguna Additional Secretary, to review the preparedness of various States for formulation of Strategy/Perspective Plan and Annual Action Plan 2010-11 under the National Horticulture Mission (NHM). Representatives from the States of Andhra Pradesh, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Tamil Nadu, and West Bengal participated in the deliberations. Shri Atanu Purkayastha, Joint Secretary & Mission Director (NHM), Officers and Chief Consultants in the Horticulture Division of DAC were also present.

The Chairman welcomed the participants. He informed them that the Video Conference has been organized to apprise the State Governments regarding the issues to be addressed while preparing the Annual Action Plan (AAP). The NHM scheme has been under implementation for the part 4-5 years. The approach during the initial years of implementation has been oriented towards area expansion. The AAPs as formulated by the States, had hitherto been approved by DAC without much modification. The time has now come to ensure that AAPs promote the holistic development of horticultural crops in a cluster approach, so that there is discernible increase in productivity of crops and price realization by the farmers. In this context it is necessary to formulate a Strategy/Perspective Plan (PP) which should contain information about past performance and its impact in terms of production, productivity improvement, infrastructure development and linkages in areas of post harvest management and marketing. Gaps need to be identified and a strategy defined to fill the gaps. The States need to prepare a plan of action for the next 2-3 years, which would be useful for approving the Annual Plans beyond 2010-11. The AAP-2010-11 should fit into the PP. The AAP 2010-11 should have seamless integration of all the activities involving planting material, production & productivity improvement, HRD, Post harvest management and marketing. Interventions aimed at production enhancement alone will be counter productive, if proper linkage with markets is not provided. In this context, at least 20% of the outlay needs to be earmarked, for PHM and marketing activities. Henceforth, no funds will be provided

to the States for setting up new markets which do not take up market reforms (APMC Act). Reforms should facilitate the farmers to sell their produce without paying levy or cess. While user charges can be levied in the market yards and mandies, markets run by Govt. bodies should not levy any cess from the farmers in case of transactions outside the mandi yards. Besides, private players need to be encouraged to set up markets. The broad outlines for preparing the PPs and AAPs have been circulated to the State Governments with the request to furnish the same by 15<sup>th</sup> and 25<sup>th</sup> of February, respectively. He reiterated the need to adhere to this time schedule. Thereafter, group of States would be called for discussion before finalizing the Strategy & Action Plan.

It was found desirable to focus on the development of crops based on the agro climatic conditions of the area. It is not necessary to include all the crops and all the components. Seed & planting material sub plan should also form the part of the AAP.

During the deliberations, some of the State Govt. representatives raised doubts about the revised cost norms and modalities of preparing the AAP; which are enumerated as follows:

### **Maharashtra**

Managing Director, Maharashtra State Horticulture & Medicinal Plant Board mentioned that the States were told to formulate AAP-2010-11 with a step up of about 20% over the AAP for 2009-10. However, in view of enhanced cost norms and focus on infrastructure, the plan size may have to be enhanced further. On this, the Chairman clarified that States need to focus on quality rather than quantity. In fact the AAP size needs to be restricted to the level of 2009-10. He, further, added that the outlay for Rashtriya Krishi Vikas Yojana (RKVY) is likely to be enhanced considerably next year. Therefore, the State Governments should tap RKVY to fund activities which cannot be funded under NHM.

**Orissa**

Mission Director, SHM Orissa enquired whether revised cost norms circulated are valid for Tribal areas also. The Chairman clarified that higher pattern of assistance provided for PHM & marketing in Tribal and Hilly Areas, will also be applicable in the Scheduled Areas in Orissa. However, for activity such as protected cultivation and creation of water resources, the higher norms will be applicable in notified hilly areas only.

**Kerala**

Mission Director, Kerala State Horticulture Mission enquired about the cost norms for cultivation of loose flowers. It was clarified that the available assistance for cultivation of loose flower is 50% of the cost for S & M farmers subject to a maximum of Rs. 12,000 per ha and Rs. 7,920/- per ha in the case of other category farmers.

**West Bengal**

Secretary, Agriculture, Government of West Bengal mentioned that they had already discussed the matter with JS& MD(NHM) during his visit to Kolkata recently. Accordingly, they are in the process of finalizing the Strategy and AAP 2010-11.

**Andhra Pradesh**

Mission Director, SHM, AP mentioned that discussion have been held with Shri Shivarama Reddy, DC (NHM). They are in the process of finalising the Strategy and AAP 2010-11. They would be focusing on convergence with NREGA and establishment of PHM infrastructure through entrepreneurs. She mentioned that the AAP size is likely to go up. She, further enquired whether the four districts, which have been left out so far, could be included during 2010-11. The Chairman clarified that it would be too late in the day to include new districts under NHM. If they so desired, States could fund horticulture activities in non-NHM districts through RKVY, State Plan etc. He mentioned that during a recent review of the NHM Scheme it emerged that the productivity level of most of the horticultural crops taken up for development under the Scheme has remained stagnant, despite huge investment having been made. Moreover, price of horticultural produce, particularly vegetables

has increased, thus pinching the consumers, whereas the farmers are unable to get the benefits due to inadequate markets reform and high inter mediation cost. The States, therefore, need to pay more focus on the holistic development of the identified crops in a cluster. The interventions could be converged under different Schemes like NHM, RKVY, NAREGA, Macro Management etc.

### **Karnataka**

Secretary, Horticulture, Government of Karnataka enquired whether cluster based approach should be on the basis of activity or area? Further, whether, the subsidy cap would apply after convergence of Schemes? On this, the Chairman clarified that the cluster approach should be area based for the holistic development of the identified crops in the area. Further, the subsidy cap will apply. The farmers cannot be assisted for the same activity under different Schemes. The State should focus on strategies like integrating micro irrigation with irrigation projects as being done in Andhra Pradesh and provision of assured electricity connections on priority. While water resource tanks could be created out of NREGA funds, the lining could be carried out under NHM and micro irrigation could be provided under Micro Irrigation Scheme.

Executive Director, SHM enquired about the cost norms to be followed in the case of new gardens taken up during the previous years and whether new gardens could be taken up in some of the coconut growing belts in the dry land areas where farmers are switching over to other horticultural crops. He also suggested that individual farmers need to be permitted to import planting material, particularly for grapes. It was clarified that the maintenance of gardens developed during previous years will be in accordance with the old norms. Further, planting material can be imported for trial purpose through growers associations, etc. The SHM was requested to send their doubts in writing to the DAC.

### **Gujarat**

Mission Director, SHM, Gujarat mentioned that crops like papaya and date palm seem to have been left out. Besides, some new districts like Gandhinagar, Rajkot and Jamnagar, having potential for development of horticultural crops, need

to be included. On this, the Chairman clarified that papaya cultivation can be included under NHM scheme. However, planting material for date palm require huge investments, which may not fit into the NHM norms. The programmes, could however, be continued in the identified district of Kutch under RKVY. He further stated that inclusion of new district may not be feasible at this stage.

### **Madhya Pradesh**

Secretary, Agriculture, Horticulture of Madhya Pradesh mentioned that four districts identified under the Bundelkhand package need to be included. He further mentioned that out of the allocation of Rs. 80.00 crore for 2009-10, GOI share is Rs. 68.00 crore. So far only 24.45 crore has been released and the balance amount of Rs. 43.55 crore is yet to be released. He added that due to elections in the State, the expenditure was slow. Many bills are likely to be cleared shortly. Hence, the balance amount of Rs. 43.55 crore may be released.

The Chairman clarified that the districts, which are not covered under NHM under the Bundelkhand package, could be included under ACA. The State Govt. may submit their proposal in this regard to the National Rainfed Area Authority (NRAA) with a copy to the Department of Agriculture & Cooperation. With regard to release of funds, he was requested to send a formal proposal with progress, utilization certificate etc, which will be put up to IFD.

### **Tamil Nadu**

Mission Director, SHM, Tamil Nadu mentioned that they are in the process of formulating the AAP. He enquired whether component of Precision Farming could be included in the AAP. The Chairman clarified that precision farming is largely the integration of different components such as protected cultivation, micro irrigation & fertigation. The State, therefore, needs to integrate these activities, as per the approved cost norms. With regards to fertigation, cost of fertigation tank is provided under the MI Scheme. However, the cost of liquid fertilizer needs to be born by the farmers.

**Jharkhand**

Secretary, Agriculture, Government of Jharkhand mentioned that they are in the process of preparation of the AAP. One of the Chief Consultants has visited the State. He added that there is huge expenditure involved in the maintenance of the gardens raised during the past two years. He therefore suggested the need to keep separate provision for maintenance activity. The Chairman clarified that States have been increasing the production base without any realistic assessment of the demand and linkage with PHM and market infrastructure. This needs to be avoided in the future. The Plan needs to be prepared with a view to achieve its objectives, over a period of 3-4 years. The cost of maintenance, which is a part of the area expansion programme, has to be taken up within the available resources.

**Chhattisgarh**

Deputy Director of Horticulture, SHM, Chhattisgarh mentioned about the need for including papaya. He was requested to send a written request as well as details of the sanctioned project on organic farming to the DAC.

While concluding the deliberations, the Chairman mentioned that the State Governments need to submit the Strategy/Perspective Plans and AAP-2010-11 in accordance with the format circulated vide letters dated 27.1.2010 and 8.2.2010. Two rounds of discussions are likely to be held, commencing from the 2<sup>nd</sup> week of March, 2010 before the AAP is formally approved. The States need to prepare the AAP in a realistic manner and should adhere to the time schedule for enabling DAC to approve the plans by April, 2010.