

Minutes of the meeting held on 19th 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 19.03.2015 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 representatives from States of Maharashtra, Gujarat, Goa, Rajasthan, Punjab, Bihar, Odisha and West Bengal were present in two sessions and AAP of these States were discussed. Besides, Action Plan of Coconut Development Board (CDB) was also discussed. 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.

After the initial remarks by the Chairman, Director (OFWM) made a presentation 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 un-irrigated 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.

Principal Secretary Horticulture, MP stressed the need for reducing the subsidy levels under micro irrigation scheme ,while also rationalizing the unit cost of micro irrigation systems. Further, subsidy needs to be disbursed to the beneficiary's bank account directly. He suggested 100% coverage for micro irrigation under PMSKY, without any component of Command Area Development. It was mentioned that in MP, cost of solar powered micro irrigation system is about Rs.71,000 /ha for 20 m draw down and Rs. 90,000/ha for a 40 m draw down system.

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 needs to be avoided. He also stressed the need for constituting Technical Committee on Cold Chain, nomination of Cold-chain Nodal Officers and due diligence in apprising projects.

GM, APEDA stressed upon the need for encouraging farmers in production clusters for adopting scientific package of practices as well as post harvest interventions for ensuring quality products oriented for exports. He also stressed upon the need for training the farmers for adopting improved technologies.

Highlights of the presentations on Action Plan(2015-16) made by representatives of the State Governments and decisions taken during the course of the meeting are summarized below:

1. Punjab

National Horticulture Mission (NHM):

Dr. Gurkanwal Singh, Mission Director, SHM Punjab informed that expenditure of Rs.28.63 crore has been incurred till February, 2015 against release of Rs.58.50 crore. COE for vegetables has been made functional under Indo-Israel project. Beekeeping activities have been undertaken in the state in consultation with PAU, Ludhiana.

The state proposed an outlay for Rs 76.01 Cr for NHM in 2015-16. State was advised to earmark 25% of the total outlay for PHM interventions.

On Farm Water Management (under PMKSY)

After discussions, it was decided to prepare Action Plan with tentative GOI share of Rs.10 crore. Attempts to be made to saturate 2-3 blocks first.

VIUC (RKVY)

State does not require funds during 2015-16 under VIUC.

2. Rajasthan:

National Horticulture Mission (NHM):

Shri Sitaram Jat, Joint Director Horticulture, Rajasthan, informed that an expenditure of Rs.23.83 crore has been incurred against release of Rs. 37.66 crore during 2014-15. The state proposed an outlay for Rs 80.45 Cr for NHM in 2015-16. State was requested to expedite nomination of Technical committee on cold chain and Nodal Officer.

On Farm Water Management (under PMKSY):

Tentative allocation for Micro Irrigation was proposed at Rs. 108.00 Cr.

VIUC (RKVY)

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

3. Madhya Pradesh:

National Horticulture Mission (NHM):

Principal Secretary, Agriculture, GoMP highlighted that SHM has incurred an expenditure of Rs.25.11 crore against release of Rs 32.22 crore during 2014-15. Since balance amount to the tune of Rs 57.03 crore is yet to be released, he requested for expediting the same. He, further, added that looking into change in pattern of assistance w.e.f. 2015-16, states need to be allowed to clear the pending liabilities as per the existing pattern of assistance during 2014-15. On this, it was agreed to take up the matter with Policy Division, DAC.

The state proposed an outlay of Rs. 100.00 crore. State was suggested to provide token provision of Rs.1.00 crore for CoE in the Action Plan for 2015-16. SHM, MP was requested to strengthen the facility created at Chindwara by Nafed. Chairman suggested that a meeting with STC, MMTC, Nafed, Spices Board may be convened for facilitating preparation of integrated project on export related horticultural products.

On Farm Water Management (OFWM) (under PMKSY)

Tentative allocation for Micro Irrigation was proposed at Rs. 85.00 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. Gujarat

Mission for Integrated Development of Horticulture (MIDH):

Shri B.R Shah, Director of Horticulture, SHM, Gujarat, in his presentation highlighted the increasing trend of expenditure under protected cultivation and PHM with decreasing trend in area expansion, over the years. He mentioned that SHM has incurred an expenditure of Rs. 82.10 crore against allocation of Rs.130.90. An outlay of Rs. 160.00 crore was proposed by the state for expenditure under NHM.

It was also agreed to nominate Technical Committee for cold chain.

On Farm Water Management (under PMKSY):

Tentative allocation for Micro Irrigation was proposed at Rs. 150.00 Cr.

VIUC (RKVY):

There was no programme during 2014-15. State was requested to undertake VIUC activities under MIDH, as informed by JS9MIDH).

5. Maharashtra

Sh. Kolpakar Executive, Director, MSHMPB, Maharashtra, SHM highlighted the progress during 2014-15 and the programme for 2015-16. He mentioned that an expenditure of Rs. 63.75 (GOI share) has been incurred till Feb 2015 against release of Rs. 75.00 crore. State proposed an outlay of Rs. 143.30 crore in AAP 2015-16. State was requested to communicate name of Nodal Officer for cold chain.

On Farm Water Management (under PMKSY)

Tentative allocation for Micro Irrigation was proposed at Rs. 180.00 Cr.

VIUC (RKVY)

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

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

Dr. Arvinder Singh, Mission Director, SHM, Bihar highlighted that 90% of funds released during 1st installment, amounting to Rs. 7.00 crore has been utilized. Another Rs. 9.90 crore has been released recently. He stated that focus during 2015-16 would be on strengthening activities under PHM. An outlay of Rs 38.81 crore has been proposed for 2015-16. An outlay of Rs. 10.70 crore has been earmarked for CoE, for which tender has been finalized and MoU signed with the vendor.

On Farm Water Management (PMKSY)

Tentative allocation for Micro Irrigation was proposed at Rs. 15.00 Cr.

VIUC (RKVY)

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

7. Goa

Mission for Integrated Development of Horticulture (MIDH):

Mission Director, SHM ,Goa informed that during 2014-15 an expenditure of Rs. 1.36 crore was incurred out of unspent balance available with them. Annual Action Plan for 2015-16 has been prepared for Rs. 10.00 crore.

On Farm Water Management (PMKSY)

Tentative allocation for Micro Irrigation was proposed at Rs.0.15 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. Odisha

Mission for Integrated Development of Horticulture (MIDH):

Sh. Sushanta Namba, Mission Director, SHM, Odisha highlighted that an expenditure of Rs. 44.47 crore has been incurred during 2014-15 against release of Rs. 71.75 crore. It was informed that state proposes to bring in additional area under horticulture crops in high and medium terrain, in the tribal areas of the State. A provision of 22% of the total outlay has been earmarked in AAP 2015-16 for the activity.

State proposed total outlay of Rs. 84.29 crore for AAP 2015-16.

On Farm Water Management (under PMKSY)

After discussions, it was decided to prepare Action Plan for 2015-16 with tentative GOI share of Rs.12 crore.

VIUC (RKVY)

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

9. West Bengal

Mission for Integrated Development of Horticulture (MIDH):

Dr. P.K. Paramanick, Director (Hort.), SHM, West Bengal mentioned that SHM has incurred an expenditure of Rs. 30.87 crore as on Feb, 2015 against release of Rs. 18.74 crore during 2014-15, which included unspent balance available with SHM as on 01.04.2014. State proposed total outlay of Rs. 57.62 crore for AAP 2015-16.

On Farm Water Management (under PMKSY)

Tentative allocation for Micro Irrigation was proposed at Rs. 0.50 Cr.

VIUC (RKVY)

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

Coconut Development Board (CDB)

Chairman, CDB informed that the Board has incurred an expenditure of Rs. 104.50 crore during 2014-15 against the release of Rs. 105.00 Crore, with committed expenditure of Rs. 25.00 crore for Rejuvenation and replanting programme. An outlay of Rs. 175.00 crore was proposed for 2015-16.