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**Conference of State Ministers of
Agriculture/ Agriculture Marketing on
Development of Agriculture
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**Speech by
Thiru. VEERAPANDI S. ARUMUGAM,
Hon'ble Minister for Agriculture ,
Government of Tamil Nadu.**

Hon'ble Union Minister for Agriculture Shri. Sharad Pawarji, Hon'ble Ministers for Agriculture/ Agriculture Marketing from various states of India, Senior officers of Government of India and various State Governments and eminent Scientists.

GOOD MORNING TO ALL

Since the Tamil Nadu Legislative Assembly session is going on, I express my inability to attend this important meeting. Thiru. Surjit K. Chaudhary, I.A.S, Agricultural Production Commissioner and Secretary to Government, Agriculture Department, Government of Tamil Nadu will deliver my speech on behalf of the Government of Tamil Nadu.

First, I express my immense happiness for having invited me to participate in this conference. In Tamil Nadu, 56% of the population is depending on Agriculture and allied activities for their livelihood. The standard of living of the rural people depends on the agricultural development. The standard of living of the people depending on agriculture needs upliftment on par with the people depending on industrial sector, whose life standard is being improved because of dynamic industrial growth in Tamil Nadu. The Government of Tamil Nadu is taking all the efforts to attain sustainable agricultural development by bringing agriculture as a commercial venture by changing over from the present method of cultivation through adoption of new scientific method of cultivation to increase the productivity to manifold, value addition, processing and utilization of marketing opportunities.

Decline in area under cultivation and water resources, depletion of soil health and scarcity of agricultural labourers hinder speedy

growth in agriculture development. The Government of Tamil Nadu is implementing various programmes to tide over the situation and to achieve greater development in agriculture.

The Hon'ble Chief Minister of Tamil Nadu is persistently emphasizing the Central Government to implement a massive programme for linking rivers at National Level. Considering the delay in implementation of this massive programme, by the Government of India. The Government of Tamil Nadu will initiate action to implement the programme during 2008-09 in anticipation of financial assistance from Government of India as first phase linking the surplus water of Cauvery and Tamiraparani which flows in the sea will be unutilized for bringing larger areas of dryland under cultivation.

The Government of Tamil Nadu is endeavoring to help the farmers to overcome the challenges faced by them by extending various assistance and relief measures. The Government of Tamil Nadu has waived off crop loan of the farmers obtained from Co-operative Banks to the tune of Rs.7000 crores, and reduction of interest rate for crop loan through

Co-operative Banks from 9% to 4% from 2008-09 onwards. The Central Government may kindly take action to provide crop loan at 4% interest to the farmers who obtain crop loans from Nationalized Banks as done in the Co-operative Banks to benefit farmers under this scheme. Continuance of free electricity to farm pumpsets, distribution of developed wasteland to poor agricultural labourers, various assistance for education, marriage, maternity, pension and for funeral expenses extended through Tamil Nadu Agricultural Labourers and Farmers Social Security and Welfare Scheme are some other important schemes. Due to the various assistances extended to the farmers by Government of Tamil Nadu, there is no incidence of farmers' suicide in this State.

I thank personally the Government of India for the waiver of Crop loans obtained from the Co-operative & Nationalized Bank by the small and marginal farmers at the tune of Rs.60,000 Crores and I request the Central Government to implement this scheme at the earliest possible.

The Tamil Nadu Government is procuring fine variety paddy at Rs.825/- per quintal by extending incentive of Rs.50/- per quintal over Rs.775/- fixed by the Central Government and Common variety at Rs.795/- per quintal by extending incentive of Rs.50/- per quintal over Rs.745/- fixed by Central Government through Civil Supplies

Corporation. It has been recommended to the Government of India to fix the Minimum Support Price of Rs.1050 for fine variety and Rs.1000 for Common variety. The minimum support price for wheat was announced as Rs.1000 per quintal by Government of India.

The same way the price of Rice also will be announced as equivalent to wheat. I request the Union Government to issue favourable order in this regard early.

To give fair price to the farmers producing pulses crop during 2008-09, the Government of Tamil Nadu has decided to procure the pulses at the Minimum Support Price fixed by the Central Government through Civil Supplies Corporation and Tamil Nadu Co-operative Marketing Federation.

The Department of Agriculture has been restructured by bringing three tier system to two-tier system by positioning more technical staff at block and village level for effective transfer of technologies. Through positioning of officers from all departments at block level, farmers will have greater avenue to get integrated advice and scheme benefits under one roof. The Government of Tamil Nadu has initiated action for speedy delivery of IT enabled extension services by linking Agriculture and allied sister departments at State, district and block levels with Tamil Nadu Agricultural University through network connectivity.

The various climatic conditions and different soil types in Tamil Nadu are highly suited for the cultivation of Horticultural Crops and farmers can earn additional income and nutritional security is made possible through the cultivation of vegetables, fruits and medicinal crops. The Government of Tamil Nadu is promoting the cultivation of horticultural crops through National Horticulture Mission scheme.

To improve the marketing opportunities for agricultural produce, the Uzhavar Shanthai, post harvest management, cold storage facilities for perishables, food processing, establishment of export zones and terminal markets have been taken up. To reduce the loss of the food products which are upto 30%, necessary provisions are made in the Agricultural Industrial Policy to ensure remunerative price to the produce which encourage food processing sector and export to earn foreign exchange by increasing the food processing from the present level of 1% to 10% out of the total production, increasing value addition from 7% to 30%. Under this policy, all assistance will be extended to other industries will also be extended to agro based

industries which manufacturing of Agricultural Machineries, micro irrigation equipments, food processing Industries etc.

FOOD GRAIN PRODUCTION

The food grain production which was 61.17 lakh metric tonnes during 2005-06 was increased to 82.63 lakh metric tonnes during 2006-07. During 2007-08, the food grains production is estimated as 100.35 L.Mts. It is programmed to reach a production level of 108 lakh metric tonnes of food grains during 2008-09.

SYSTEM OF RICE INTENSIFICATION (SRI)

In Tamil Nadu, scientific adoption of system of rice intensification techniques have proved to get 10 to 13.38 M.Tonnes of paddy per hectare during 2007-08, under Integrated Cereal Development Programme. SRI demonstrations were conducted over an area of 11,690 ha and 58,450 farmers were trained on SRI technologies. Intensive village level meetings were conducted by extension staff, massive Publicity and Press releases has extended to cover 4.2 lakh ha under SRI during 2007-08.

Complete adoption of SRI techniques by the farmers led to achieve the highest productivity of 13.380 M.Tonnes in Villupuram District, 13.000 M.Tonnes in Tirunelveli district, 12.855 M.Tonnes in Trichy district, 11.400 M.Tonnes in Theni District, 11.000 M.Tonnes in Vellore District and 10.245 M.Tonnes in Cuddalore district.

An announcement was made in the State Budget during 2008-09, to bring 7.5 lakh ha under SRI cultivation in Tamil Nadu and necessary action has been initiated. I request the Union Government to allocate a sum of Rs.150 crores as subsidy to farmers for providing Conoweeders, Markers and inputs for adoption of SRI technology to an extent of 7.5 lakh hectare @ Rs.2000 per hectare.

NATIONAL FOOD SECURITY MISSION (NFSM)

In Tamil Nadu, NFSM - Rice Scheme is implemented in five districts viz. Nagapattinam, Thiruvavur, Pudukottai, Ramanathapuram and Sivagangai from 2007-08 onwards to enhance the area and productivity of Rice. Interventions like farmers' training through Farmers' Field Schools and publicity are undertaken. Under this programme, it is aimed to increase the rice area and production in these districts from the present level of 6.077 Lakh ha to 6.920 Lakh ha and to enhance the rice production from 13.518 L.MT to 45.852 L.MT during 2011-12.

The NFSM-Pulses scheme is implemented in 12 potential districts viz. Coimbatore, Cuddalore, Erode, Nagapattinam,

Namakkal, Thiruvarur, Thiruvallur, Thoothukudi, Thiruvannamalai, Vellore, Villupuram and Virudhunagar. Under this scheme, incentives are extended for production and distribution of quality seeds, distribution of gypsum, micro nutrients, sprinkler sets, Integrated Pest Management Demonstration and Farmers Training. This scheme aims at to increase the pulses area from the present level of 4.32 L.ha to 7.36 L.ha during 2011-12 and to enhance the pulse production from 1.43L.MT to 4.78L MT.

To increase the pulses production in Tamil Nadu by adoption of 2% DAP foliar spray twice and application of micro nutrients, I request the Union Government to provide a sum of Rs.15 crores @ Rs.300/- per hectare for pulses production in an extent of five lakh hectares.

NATIONAL AGRICULTURAL DEVELOPMENT PROGRAMME

The National Development Council resolved that a special Additional Central Assistance Scheme namely National Agricultural Development Programme (RKVY) be launched during 11th Five Year Plan to achieve 4% growth rate in agriculture sector. The objective of the scheme is to increase public investments in Agriculture, reducing yield gap in key crops through focused interventions, maximising returns to the farmers and bringing quantifiable changes in the production and productivity of agriculture and allied sectors.

The Government of India has allocated a sum of Rs.185.31 crores to Tamil Nadu. With this allocation, during 2007-08 projects like Precision Farming in 12,800 ha establishment of Agri Clinics cum Mini Soil Testing Laboratories in 224 blocks, establishment of Automatic Weather Stations in 224 blocks, Agricultural Mechanization, Land Resource Inventory and GIS data base for farm, village and block level planning in 10 focus districts, dry land development and maximising crop productivity in 40 blocks, promotion of organic farming and organic manure production in 9 districts/Composting of Municipal Waste and Bio input Production Centres, development of 10 and 50 acre clusters of Horticultural crops and Bio-mass tree plantation in dry lands by development of wasteland and provision of irrigation facilities will be implemented by agencies of Departments of Agriculture, Horticulture, Agricultural Engineering, TAWDEVA and TNAU. The projects related to Animal Husbandry, Dairy, Fisheries and Minor Irrigation are also approved. I

request the Union Government to release sufficient funds for the implementation of schemes under RKVY during 2008-09 also.

NATIONAL AGRICULTURAL INSURANCE SCHEME (NAIS)

National Agricultural Insurance Scheme is implemented in all the districts of Tamilnadu by the State Government through Agricultural Insurance company of India.

Generally under Crop Insurance scheme loanee farmers only are benefited as they are enrolled on voluntary basis. However, non-loanee farmers do not come forward to register under this scheme. Hence to encourage the non-loanee farmers, the Government of Tamil Nadu had sanctioned 50% premium subsidy to non-loanee farmers to the tune of Rs.8 crores during 2006-07.

During 2007-08, a sum of Rs.15 crores has been allocated for extending 50% premium to 10 lakh numbers of loanee and non-loanee farmers and 5.61 lakh farmers have been enrolled under this scheme and a sum of Rs.985.16 lakhs has been given as subsidy.

During 2008 – 09, the State Government have sanctioned a sum of Rs.40 Crores at 50% premium subsidy to cover 25 lakh farmers under Crop Insurance scheme.

This scheme was already implemented on block level basis. Due to the initiatives taken by the Government of Tamil Nadu, this scheme is being implemented on firka level basis to benefit the farmers. However appropriate compensation is not extended to individual affected farm holdings as the scheme is implemented on area approach. Hence, I request the Union Government to announce this scheme as individual insurance approach scheme so as to cover the farmers affected by natural calamities and crop loss. Further, I also request the Union Government to provide 50% premium subsidy share so as to implement this scheme as Centre and State shared Scheme on 50:50 ratio.

WEATHER BASED CROP INSURANCE SCHEME

In Tamilnadu, Paddy ,Millets, Pulses, Cotton, Sugarcane and Oilseed crops are cultivated normally in an extent of 55 lakh Hectares. Tamilnadu receives an annual average rainfall of 977mm. Approximately 33 % of this is from the Southwest monsoon, 48% from the North East monsoon and 19% from winter and summer seasons.

As 'Agriculture' in Tamilnadu is solely based on rainfall, crops cultivated every year are badly affected due to various climatic conditions such as drought due to deficit rainfall, and heavy rainfall as

flood, as a result the farmers' livelihood was affected. In view of this, Government of India have directed to implement weather based crop Insurance scheme (WBCIS) from 2007-08. Further Government of India have issued administrative approval for sharing the premium by central and state government on 50:50 basis.

Under this scheme, Insurance coverage is given to the farmers against adverse deviations in "Actual rainfall (mm)" from "Normal rainfall(mm)" for the entire season upto a minimum level of 20%. The claims are settled to the affected farmers based on the sum insured by calculating the yield loss.

In continuation to the Government of India's administrative approval, the following measures are being taken to implement the scheme in Tamilnadu:

1. Under National Agricultural Development Programme (NADP) Government orders have been issued to establish Automatic Weather Stations (AWS) in 224 blocks of Tamilnadu at a cost of Rs.16.90 Crores. The work has been entrusted to Tamilnadu Agricultural University, Coimbatore.

2. A meeting was conducted with representatives of Agricultural Insurance Company of India, ICICI Lombard General Insurance Company Ltd. IFFCO- TOKIO General Insurance Company Ltd., wherein the companies have been directed to evolve a product which can protect the farmers from crop losses incurred due to drought and heavy rain. Further, the companies have been directed to evolve a product which is acceptable to the farming community.

3. In order to implement the weather based crop insurance scheme in a better way, the technical experts of Tamilnadu Agricultural University, Coimbatore have been involved for evaluation and validation of the insurance products of the companies so as to come out with a better solution suitable to the farmers.

AGRICULTURAL MARKETING

Agricultural Marketing Reforms

The model act formulated by the Government of India focuses on major issues like

- I Direct Marketing

- I Establishment of Agri Produce Markets / Mandis by Private Sector.

- I Contract Farming.

In many states of the country, selling of agricultural / horticultural produce outside the Agricultural Produce Marketing (Regulation) Act

1987 is prohibited and hence reforming the act is required to address these issues. Where as no clause in the “Tamil Nadu Agricultural Produce Marketing (Regulation) Act 1987 and Rules 1991” prohibits direct marketing, private markets and contract farming.

To remove certain ambiguity in certain clauses of the existing Act with regard to these issues, suggestions on the lines of the Model Act have been recommended to Government for incorporation in the Act and the same is under due consideration.

Though Contract Farming is in practice for commodities like Sugarcane, Maize, Cotton, Tapioca, Gherkins etc., there is no dispute-resolving agency. As suggested in the Model Act, to give legal status to contract farming it has been suggested to assign the Regulated Market as dispute resolving forum and the Commissioner of Agricultural Marketing and Agri Business as appellant authority.

FARMER'S MARKETS (UZHAVAR SHANDHAIGAL)

Totally 103 Uzhavar Shandhais have been functioning in the state in Municipality and Town Panchayat areas since 1999 for direct selling of fruits and vegetables by farmers to consumers without any hindrance by middlemen. Further 49 Uzhavar Sandhais will be included for implementation.

The main object of Uzhavar Sandhai is to ensure the farmers in getting a fair price for their produce and to enable consumers in getting fresh fruits and vegetables at a reasonable price compared to retail market price. On an average, daily 1053 MT of fruits and vegetables worth Rs.108 lakhs are sold benefiting 7800 farmers and 1,97,000 consumers.

ESTABLISHMENT OF TERMINAL MARKETS

As per the guidelines of the Central Government, three Terminal Markets with value addition facilities will be established near metro areas of Chennai, Madurai and Coimbatore for processing, storage and marketing of perishables like vegetables and fruits at a total cost of Rs.200 crores. Global Tender has been floated inviting RFQ from private enterprises.

FARM MECHANIZATION

Since the availability of agricultural labourers is scarce in Tamil Nadu, the Government of Tamil Nadu has resolved Farm Mechanization and the Department of Agricultural Engineering is providing tractors, paddy transplanter, weeder and harvester on minimal hiring charges to the small and marginal farmers. At present 25% subsidy to a maximum of Rs.30,000 is extended for the distribution of 35 H.P. tractor for small and marginal farmers. To plough subsoil with heavy clay pane, tractors with a capacity of 50 to 55 H.P. is highly essential. Hence it is requested to enhance eligibility criteria from 35 H.P. to 50 / 55 H.P. at 25% subsidy without any ceiling limit. I request the Union Government to give permission for providing 25% subsidy for conventional farm machineries and 50% subsidy for newly introduced machineries if the farmers come forward to purchase these machineries.

REQUIREMENT OF DAP

In Tamil Nadu, Urea and MOP are distributed on need basis without any shortfall. However with respect to DAP, the scarcity is continuously prevailed in all the states including Tamil Nadu due to the hike in price for the phosphoric acid, as a raw material required for manufacturing of DAP. Considering this, the Government of Tamil Nadu has released a sum of Rs.30 crores to TANFED for procuring DAP from importers and distributing to farmers through Primary Agricultural Co-operative Societies. At present, importers have significantly reduced the import of DAP and therefore the TANFED could not procure the DAP from the importers.

During the current Kharif season, the farmers of Tamil Nadu will cultivate paddy in an extent of about 2.5 lakh hectares. Therefore, there is an urgent need of DAP required upto the month of June 2008 for kuruvai season.

In this regard, the Hon'ble Chief Minister of Tamil Nadu has addressed the Hon'ble Union Minister for Chemicals, Fertilizer and Steel on 04th April 2008 to allocate about 73,500 MTs of DAP for the requirement of Tamil Nadu immediately. Hence I request the Union

Government to take necessary steps to import DAP and allot the required quantity of DAP fertilizers to Tamil Nadu.

I conclude my deliberation with a request to release sufficient funds and encouragement for the schemes implemented for the welfare of the farmers of Tamil Nadu.

Vanakkam.

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