

Chapter 2 Planning

2.1 Introduction

Long-term planning and annual action plans flowing therefrom are essential ingredients of good governance. State Agriculture Policy 2008 emphasized enhancing productivity of important crops to match the national average. It also aimed to achieve annual growth rate of four *per cent* set in NAP 2000 by adopting various strategies like enhancing Seed Replacement Rate (SRR), making available quality planting materials/seeds, Integrated Nutrition Management (INM), Integrated Pest Management (IPM), water management, farm mechanisation, technology transfer, etc. for the next 10 years.

2.2 Absence of long term perspective planning

As desired (June 2009) by the Chief Minister in the meeting of all the Secretaries, the Chief Secretary instructed all the Departmental Secretaries to prepare a five year perspective plan indicating the key action areas along with clearly identified monitorable targets as per priorities set by the Government and the targets for the first year was to be spelt out with quarterly milestones. The SAP 2008 also required the Department to anticipate and address emerging trends, identify potential areas for development and chalk out clear agenda for agriculture development for at least next 10 years.

We noticed that long-term perspective plan was not formulated despite lapse of three years since the State Agriculture Policy was framed in 2008 and instructions of Chief Secretary. Annual plans of Agriculture Departments on crop production, input management, quality control, soil testing, plant protection, agriculture mechanisation, implementation of Centrally Sponsored and State Plan schemes were being prepared in a routine and adhoc manner without these flowing from a scientifically prepared perspective plan.

The Principal Secretary stated (November 2011) that perspective plan had not been prepared as needs of the Department were being considered by one sub-committee of the Planning and Co-ordination (P&C) Department entrusted with the preparation of Eleventh and Twelfth Five Year Plans. He further stated that it was of little use to make a separate plan as required funds for many proposed activities were often not available due to arbitrary and sudden plan ceilings imposed by the P&C Department and also due to acute shortage of staff in the Department.

The reply was not tenable as long term planning was essential for every department to achieve the mandate of the department. Issues like shortage of staff, non-availability of funds etc. could have been addressed in a scientific and focussed manner rather than in a piece-meal manner. Besides, long-term plans were not made just to access funds but more often to channelise whatever funds were available amongst certain prioritised areas/sectors/schemes/projects in the most optimal way. Thus, shift from subsistence agriculture to commercial agriculture and popularising the same as a vocation as envisaged under the SAP

2008, was yet to receive systematic and focussed attention of the Department in the absence of a perspective plan.

2.3 Annual Action Plans made without proper linkages

The Annual Action Plans (AAPs) prepared were not effective in bringing synergy and convergence between different GoI sponsored schemes like *Rashtriya Krishi Vikas Yojana* (RKVY), National Food Security Mission, Extension Reforms and State schemes like agricultural marketing, input subsidy, *Jalanidhi*, etc., implemented by Agriculture Department and other line departments like Revenue, Water Resources and Cooperation Departments, State Public Sector Undertakings and Institutions as discussed in subsequent paragraphs/chapters.

2.4 Bottom up approach in annual planning missing

The Planning Commission of India in the ‘Manual for Integrated District Planning’, emphasised bottom up planning to ensure that plans relevant to the local area were prepared with participation of local communities for gaining a strong sense of ownership. Under the directive, the Planning and Coordination Department of the State was responsible for preparation of annual comprehensive district plans for sending to the Planning Commission. The SAP 2008 also required that operational plans to address the problems of farmers were to be prepared at the district level with involvement of stakeholders including Panchayati Raj institutions through participatory and bottom up planning. Such District Agricultural Plans were to be integrated into a State Agricultural Plan. Agriculture Department was to coordinate with other allied Departments to evolve appropriate mechanism. From 2008-09, the RKVY² scheme stipulated preparation of District Agriculture Plans projecting the requirement of the local needs for development of agriculture and allied sectors of the district and integrate them into a comprehensive State Agriculture Plan to become eligible to receive grants from the Government of India (GoI).

We observed that the Planning and Coordination (P&C) Department engaged Technical Support Institutions (TSIs) to prepare Annual Comprehensive District Agricultural Plans (C-DAP) for the year 2008-09 along with comprehensive district plans as required under the RKVY scheme and directives of Planning Commission respectively. The TSIs after preparation of the C-DAPs submitted the same to the District Planning Committee who in turn passed on the same direct to the P&C Department. An expenditure of ₹1.35 crore was borne by the Agriculture Department on this account. During 2009-11, the P&C Department prepared only comprehensive district plans containing district agriculture plans and no separate C-DAPs were prepared. However, neither the C-DAPs nor the comprehensive district plans containing the district agriculture plans were considered by the CCO while preparing the Annual Plans of the Agriculture Department for the above period as required under SAP 2008. Rather, the Annual Plans were prepared at the Directorate level in a top driven fashion based on sanction of schemes by the GoI and the State

² Objective of RKVY a Centrally Sponsored State Plan scheme with 100 *per cent* central assistance was to ensure a holistic development of agriculture and allied sectors by adopting state specific strategy.

Government after collecting some information from the DAOs / Deputy Directors in different meetings, and were sent to P&C Department for incorporation in the State Annual plans. Even the P&C Department did not integrate the C-DAPs and the district plans in the State plan document for 2008-10 due to delay in receipt of the same at their level.

Thus, the C-DAPs prepared were not gainfully used for any meaningful planning but used mainly to obtain funds from GoI under the 'Rashtriya Krishi Vikas Yojana' (RKVY) scheme. Besides, local knowledge and wisdom, traditional knowledge, local problems and their possible local mitigation strategies were completely missing in the AAPs as these were prepared at the directorate level without consulting the district plans.

2.5 Overlapping of activities under different schemes

A State Level Sanctioning Committee (SLSC) was constituted in 2007 under RKVY which was responsible for sanctioning the projects of the scheme and to ensure that no duplication of efforts or resources took place. Government of India (GoI) further advised (February 2009) the State Government to ensure that there was no duplication/overlapping of activities/areas covered under RKVY projects vis-à-vis existing schemes of Central or State Governments

During scrutiny of records of the schemes in the Directorate and Agricultural Promotion and Investment Corporation of Odisha Ltd (APICOL), it was observed that contrary to the above instructions, various agricultural equipment and machinery like power tillers, power operated / driven agricultural implements etc., were distributed during 2008-11 both under Macro Management of Agriculture (MMA) and RKVY by incurring expenditure of ₹ 141.20 crore (RKVY: ₹ 119.52 crore and MMA: ₹ 21.68 crore) towards subsidy on the same type of implements under both the schemes in the State. The Director being the monitoring authority for MMA and also a member of SLSC had failed to stop the overlapping activity under both the schemes during the period.

2.6 Shortfall in budgetary outlay on agricultural marketing and crop insurance

We reviewed the Eleventh Five Year Plan proposal and noticed that the thrust areas of budgetary support as projected by the State Government were implementing the State Agricultural Policy, providing input subsidy, skill development to farmers, soil testing, improving irrigation potential, strengthening agricultural marketing, promoting organic farming, farm mechanization, macro management of agriculture, pulse and oilseed development, extension reforms, enhancing production and productivity of rice and pulses, increasing seed replacement rate etc. Component-wise budgetary outlay for Eleventh Plan period (2007-12) and annual plans 2007-08 to 2010-11 under major schemes are indicated at *Appendix-3*.

We noticed that there were major shortfalls in budgetary allocation compared to projections made in the State Plan schemes under the activities (i) agriculture marketing (81 per cent), (ii) crop insurance (85 per cent) and (iii) Agriculture Research and Education grant to OUAT (82 per cent) during 2007-11,

indicating markedly less emphasis on these sectors, which were, however, known to be crucial both for agricultural development and farmers' welfare. The reason for such low emphasis on these crucial areas was not furnished by the CCO-cum-Principal Secretary though called for. The budgetary support, however, gave highest priority to areas like (i) subsidy provided towards use of seeds, (ii) fertilisers, (iii) RKVY, and (iv) oilseeds and pulses development programmes; yet production failed to pick up substantially in most major crops.