

# MACRO MANAGEMENT OF AGRICULTURE

The Macro Management of Agriculture Scheme is one of the centrally-sponsored schemes formulated with the objective to ensure that central assistance is spent on focused and specific interventions for the development of agriculture in states. It became operational in 2000-01 in all states and UTs. The scheme provides sufficient flexibility to the states to develop and pursue the programmes on the basis of their regional priorities. Thus, the states have been given a free hand to finalise their sector-wise allocation as per requirements of their developmental priorities.

19.2 The scheme initially consisted of 27 centrally-sponsored schemes relating to cooperative, crop production programmes (for rice, wheat, coarse cereals, jute, sugarcane), watershed development programmes (NWDPR, River Valley Projects [RVP]/Flood-Prone Rivers [FPR]), horticulture, fertiliser, mechanisation and seeds production programmes. However, with the launching of the National Horticulture Mission in 2005-06, 10 schemes pertaining to horticulture development were taken out of the purview of this scheme. The list of the 17 schemes subsumed under the Macro Management of Agriculture Scheme is given at **Annexure – 19.1**

19.3 The approved pattern of assistance under the scheme is in the ratio of 90:10 between the centre and the states respectively, except in the case of north-eastern states, in case of which 100 per cent central assistance is extended. Central assistance to the states is released in two installments in the ratio of 80 per cent as grants and 20 per cent as loans. The Government of India has approved separate guidelines for implementation of the scheme. According to these guidelines, 50 per cent of the allocation is to be released as a first installment. The release of the second and final installment is considered on the fulfillment of the following conditions:

- Utilisation Certificate for the funds released up to the previous financial year.
- Expenditure of at least 60 per cent of available funds i.e., unspent balance of the previous year plus the releases in the first installment.
- Full release of the corresponding share of the State Government.

19.4 The scheme further provides that the release of the second and final installment shall be made on a 'graded' basis, depending on the time of reporting of the utilisation of the amount sanctioned, as also the receipt of the complete proposal for release of the second installment.

19.5 The following three institutions have been commissioned to make an impact assessment of the Macro Management of Agriculture Scheme in the areas given against each:

S.No	Institute	Zones Allotted
1	IIM Calcutta	(i) North-Eastern States and Sikkim (ii) Bihar, Jharkhand, Orissa, West Bengal and Andaman & Nicobar Islands
2	NABARD Consultancy Limited	(i) Gujarat, Rajasthan and Dadra & Nagar Haveli (ii) Madhya Pradesh, Maharashtra, Goa & Chhattisgarh (iii) Andhra Pradesh, Tamil Nadu, Kerala, Karnataka, Pondicherry & Lakshadweep
3	Agricultural Finance Corporation Limited	(i) Punjab, Haryana, Himachal Pradesh and Jammu & Kashmir (ii) Uttar Pradesh & Uttarakhand

19.6 The key observations/findings in evaluation reports submitted by the said agencies are briefly given below:-

- The macro management mode of agricultural intervention is quite successful as it gives the state governments a leeway to exploit their own potential through the judicious allocation of funds and to give emphasis on projects that the states think best for themselves. This creates a sense of ownership of projects among state officials and enthusiasm among the district/block level functionaries.
- None of the states covered under the study showed any dissatisfaction regarding the timeliness of fund flow from Department of Agriculture and Cooperation.
- The implementation of the scheme has significantly contributed in improved adoption of high-yielding varieties / technology.
- A positive impact of the programme on overall development of agriculture and employment generation was observed.
- Beneficiaries of the scheme were benefited by way of increase in their income though in different proportions, varying from state to state.

19.7 During 2006-07, a sum of Rs 910.00 crore was provided in the BE for implementation of the scheme. Of this sum, Rs.887.00 crore has been earmarked for release to the states/UTs, and Rs 5.00 crore kept for release under the Direct Funded Components; Rs 10.00 crore for release to the Damodar Valley Corporation; and Rs 8.00 crore for the Andhra Pradesh Training of Women in Agriculture (ANTWA). Under the scheme, Rs 775.48 crore as on 31 January 2007, has been released to State Governments/UT Administrations, the details of which are given at **Annexure – 19.2**. Out of the total outlay of Rs 887.00 crore earmarked for States/UTs, an amount of Rs

171.00 crore has been provided for North-Eastern states and for Sikkim. The details of allocation of funds and releases made to these States are given at **Annexure – 19.3**

19.8 In order to avoid the thin spread of resources, focused attention under the Macro Management of Agriculture Scheme is given to such priority areas as watershed development, seed replacement rates, integrated nutrient management, IPM and farm mechanisation. Nearly 44 per cent of the outlay is spent on natural resource management activities, 15 per cent for the promotion of agricultural mechanisation, 17 per cent on the crop production programme, 9 per cent on integrated nutrient and pest management activities, 5 per cent on the seed development programme, and around 10 per cent on innovation.