



GOVERNMENT OF PUDUCHERRY



*Speech by*

**Thiru N. RANGASAMY**  
*Hon'ble Chief Minister of Puducherry*

*at the*

**53<sup>rd</sup> Meeting of the National Development Council**  
New Delhi

*on 29<sup>th</sup> May 2007*

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Hon'ble Chief Minister

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***Hon'ble Prime Minister, Hon'ble Union Minister of  
Agriculture,***

***Hon'ble Deputy Chairman, Planning Commission and  
Distinguished Members of the National Development  
Council,***

It gives me great pleasure to participate in the 53rd meeting of the National Development Council, which has been convened today to discuss the report of the Sub-Committee of the NDC on Agriculture and related issues.

2. At the outset, I place on record my sincere appreciation for the commendable work done by the Sub-Committee of the NDC on "Agriculture and related issues" under the Chairmanship of Shri Sharad Pawar, Hon'ble Union Minister of Agriculture and Consumer Affairs, Food and Public Distribution which has examined in depth the problems facing Indian agriculture and has recommended implementable action plans. I also place on record my appreciation for the commendable work done by various working groups headed by the Hon'ble Chief Ministers of Orissa, Maharashtra, Gujarat, Punjab, Andhra Pradesh and Prof. Abhijit Sen, Hon'ble Member of the Planning Commission.

3. The Approach Paper for the Eleventh Plan has emphasized not only a high growth rate but also stressed on inclusiveness and on bridging divides. The growth rate of Agriculture and Allied Sectors has been projected at 4% per annum in the Eleventh Plan which would be a challenging task taking into consideration the severe constraints and our past performance. Reasonably high growth in the Agriculture sector is vital to achieve the objective of inclusive growth since this sector continues to be the major employer of the work force.

4. The National Development Council meeting held in December 2006 to finalise the Approach paper for the Eleventh Plan, arrived at a general consensus that we need to address the problem of rejuvenating our Agriculture with renewed vigour. Based on this consensus, I am happy that the Hon'ble Prime Minister has called for a special meeting of the NDC to discuss exclusively issues related to Food and Agriculture.

5. I endorse the recommendations of the NDC Sub-Committee in toto which is aimed to accelerate the pace of primary sector growth to achieve all round progress and to bring prosperity to the people of our great Nation. Under the able guidance of the Hon'ble Prime Minister Dr. Manmohan Singh and under the stewardship of the

Hon'ble Dy. Chairman, Planning Commission Dr. Montek Singh Ahluwalia, I am sure that our Nation would march forward to become a super power on the economic front in the years to come.

6. I would like to inform the august forum that Puducherry's GDP has a structure which is unique in our Country. The secondary sector accounts for over 50% of the total GDP while the Primary sector contributes only around 3%. We have a very limited scope for the growth of Agriculture and Allied sectors as 65% of the total area is urbanised. About a decade ago, primary sector contribution was 10.44%. It now stands at 3%.

I agree with the report of the NDC Sub-Committee that urgent action is needed on all fronts in order to ensure that the rural economy grows at a faster pace for overall development. My Government is committed to accord the highest priority for agriculture and allied activities in our Union Territory and I assure you that the recommendations of the NDC Sub-Committee would be implemented in letter and spirit.

7. I take this opportunity to briefly mention the actual position prevailing in Puducherry vis-a-vis various recommendations given by NDC Sub-Committee for revival of rural economy.

8. A separate Seed Certification Agency has been established by the Government of Puducherry and farmers are given incentives for producing foundation / certified seeds. As a result, the availability of Certified Seeds has gradually increased from 550 MT in 1998-99 to 967 MT in 2005-06. The seed replacement rate has also increased from 47.6% to 70% in respect of paddy. It is proposed to increase the seed replacement rate to 10% in respect of groundnut and 15% in respect of pulses.

9. Due to declining land availability and depleting water resources, we are adopting a two-pronged strategy of encouraging the cultivation of less water consuming crops and also employing water conservation technologies. Farmers are encouraged to go in for the non-traditional crops like medicinal plants, floriculture, cashew, fodder etc. In collaboration with the state owned Agro Service Corporation (PASIC), the Agriculture Department is working towards identifying bankable projects in the field of Agriculture so that enterprising farmers can augment their income. The objective is to transform agriculture into agri-business through infusion of new technologies and by availing assistance from the financial institutions. We propose to implement a new high-tech scheme on precision farming during the Eleventh Five Year Plan, which will help the farmers to maximize their yields of horticultural crops with minimum use of irrigation water and other farm inputs.

10. The Union Territory of Puducherry has undertaken a major overhaul of the extension system during the Tenth Five Year Plan. We have introduced the path setting concept of “Uzhavar Udhaviyagams” (or) “Farmers Help Centres”, through which all the services required by the farmers are made available at their door steps. The Uzhavar Udhaviyagams offer a one stop solution to all the needs of the farmers and as a step towards effective decentralization, Uzhavar Udhaviyagams are provided with internet facilities. This unique experiment has been the first of its kind in India. The Uzhavar Udhaviyagams are also connected to each other and with the research stations and respective head quarters through a Wide Area Network (WAN). In order to integrate Agriculture with the activities of other related sectors such as Animal Husbandry, Fisheries, Forestry, Co-operation and Rural Development, the Union Territory of Puducherry has taken all steps to implement the centrally sponsored Agricultural Technology Management Agency (ATMA) programme during the Eleventh Five Year Plan.

11. To ensure remunerative price to the farmers for their produce, the Union Territory of Puducherry is running three market committees along with a number of sub-yards in the three regions of Puducherry, Karaikal and Yanam. By establishing “Uzhavar Sandhai” (or) “Farmers Markets”, the role of the middlemen has been minimized. Further, we have made tie-up arrangements with the Food Corporation of India and Government sponsored market

committees to purchase paddy from the farmers. As a result, I am happy to report that the entire production of the Rabi season was sold by the farmers at the Minimum Support Price (MSP).

**12.** We implement National Agricultural Insurance Scheme in collaboration with the Agriculture Insurance Company of India Limited. At present crops such as paddy and sugarcane are being covered and it is proposed to extend the same to other crops such as cotton, groundnut and banana. Farmers who obtain loans from the Nationalised/ Co-operative Banks alone are covered under the scheme. Action has been initiated to extend the same to those farmers who obtain jewel loans for agricultural purpose and also to non-loanee farmers. As a result, the number of farmers being covered at present under the insurance scheme is expected to increase from 6,000 to 20,000.

**13.** Due to promotion of Integrated Pest Management, the pesticide consumption in the Union Territory of Puducherry has been reduced from 130 MT in 1994-95 to 40 MT in 2006-07. Necessary forecasting/ forewarning have been done to avoid large-scale damage to the crops, through intensive roving and fixed plots surveys. Further, under pest surveillance scheme, efforts have been made to install large number of light traps



and pheromone traps to effectively monitor and forecast any outbreak of pest and disease. The above inputs are made available to farmers through 44 outlets of the Pondicherry Agro Service and Industries Corporation and 89 private dealers.

14. Attention is being focused on horticulture as an inevitable alternative to agriculture since per hectare returns on horticulture are manifold as compared to cereals and other crops. In order to promote hi-tech horticulture, attractive back ended subsidies are given to farmers for increasing the production and productivity of horticulture crops, including Medicinal / Aromatic Plants, hi-tech floriculture by cultivation of Dendrobium, Orchids etc.

15. To popularize the medicinal plants among the public, valuable and rare medicinal plants are being conserved at the Medicinal Plants Interpretation Center, Madagadipet, Puducherry under the project "Improvement and Conservation of Medicinal Plants". Discussions / Training on local health tradition, medicinal / herbal plants are being arranged at this center. Contract farming will be encouraged so that farmers get a fair and assured price. The comprehensive approach suggested in the Model Act will be taken up to provide a boost to promotion of direct marketing, contract farming and setting up of markets in private and co-operative sectors.

16. The credit flow for Agriculture has to be increased so as to increase the percentage share of the primary sector in the GDP as large number of families still depend on farm activities for their livelihood. In the UT of Puducherry, as against the issue of farm credit loan to the extent of Rs. 48.77 crores during the 2003-04, the total farm credit loan issued by the Banks has increased to Rs. 106.45 crores during the year 2005-06, and the growth rate was 119%. Out of this, as far as the share of co-operative banks is concerned, as against Rs. 6.20 crores during 2003-04 it has gone up to Rs. 12.50 crores in 2005-06. As per the Government of India's decision, the Pondicherry State Co-operative Bank is extending the farm credit loan @ 7% to the ultimate borrowers up to Rs. 3 lakhs from 1<sup>st</sup> April 2006. The small and marginal farmers are also allowed a rebate of 3% for prompt repayment of loan. By this, the ultimate borrower gets the crop loan at 4%. With regard to Revival Package of Short Term Co-operative Credit structure, as recommended by the Task Force Committee on revitalizing the co-operative credit structure under the Chairmanship of Prof. A. Vaidyanathan, the proposal is under active consideration of the Government of Puducherry. The Pondicherry State Co-operative Bank covered all the eligible farmers under Kissan Credit Card scheme and till the end of 31<sup>st</sup> of March 2007, the bank issued 6,916 cards to the farmers and covered all the farmers under a Personal Accident Insurance scheme.

17. The UT of Puducherry has different sources of irrigation. The Puducherry irrigation system mainly depends on groundwater irrigation and tank irrigation. Owing to the excessive load on groundwater there is steep decline of water level in the aquifers to a depth ranging from 15 to 40 metres. To protect the groundwater regime of Puducherry from desaturation, attention towards harvesting rainwater for recharging groundwater and conservation of water was given top priority during the Tenth Five Year Plan period under the 'Integrated Scheme for Development, Harvesting, Recharging and Conservation of Groundwater'. The Pondicherry State Groundwater Authority has been established to rationalize and conserve the utilization of groundwater. The Puducherry region has two river systems viz. Sankaraparani and Penniyar. Besides these there are two streams Malatar and Pambiyar. All these rivers and streams are rain fed and hence seasonal. Earlier these systems drained into the sea with no major help to the locals. Now the Government of Puducherry to improve the groundwater strata for the benefit of the agrarian community has constructed seven check dams of height 1.50 m. to store water, in a bid to augment the groundwater level and improve quality. The work is in progress for six of check dams and it is proposed to take sixteen numbers in a phased manner. Besides these check dams all the local

ponds in the villages were cleared of encroachments and desilted to augment the storage of water and also to increase the potential of groundwater. Keeping in view the impact on agriculture on the food security of the region, the Government of Puducherry with financial assistance from the European Union, reactivated 82 traditional tanks by undertaking large scale desilting supply channels, feeder channels, drainage channels etc. The allied structures in the tanks were also repaired and put back into use. The major success in this program was that all these works were carried out by the Tank Users Association who were guided by Non-Governmental Organizations. These people were instrumental in removing large scale encroachments in the beds of the tank and in the sides of all the channels. Due to this activity all the tanks in the Puducherry region were filled to their original capacity. Karaikal district is at the tail end of the river Cauvery and we have constructed six tail end regulators at all branches of the river for effective use of available water for irrigation.

18. The World Bank (International Bank for Reconstruction and Development - IBRD) loan assistance project titled "Hydrology Project Phase-II" has been taken up for implementation since 5th April 2006 onwards. The objective of the project is to bring all information/data

related to water under a common format throughout India for sustained water resources planning and management in future. The project is proposed to be implemented in Puducherry region with an outlay of Rs.16 crores spanning a period of 6 years starting from 2006.

**19.** The Union Territory of Puducherry has a total coast line of 45 kms, 1000 sq.kms. of continental shelf enriched with multifarious marine species. It has a fishermen population of about 65,000 of which 13,000 are actively engaged in fishing. We have 27 marine fishing villages and 23 inland fishing villages / hamlets scattered in and around Union Territory. This Union Territory is also endowed with 1400 Ha. of fresh water area in the form of ponds and tanks suitable for both capture and culture fishery and the fish culture activities through two Fish Farmers Development Agencies. 800 Ha. of Brackish water area are available for undertaking Brackish water prawn culture.

**20.** Many progressive steps have been taken by my Government for the growth of the Fisheries sector in our Union Territory which includes modernization of fishing vessels, construction of fishing harbours, establishing of cold storages for preserving fish, upgradation of marketing yards, construction of fish landing jetty, auction halls etc. The annual fish production in our Union Territory

is of the order of 40,000 metric tonnes which includes both Marine and Inland fish production. It is programmed to step up the fish production to 50,000 metric tonnes by the end of the Eleventh Plan.

**21.** Puducherry Fishing Harbour is already in operation. The construction of Fishing Harbour at Karaikal at an estimated cost of Rs. 34 crores is in full swing. It will be ensured that the work will be completed as per schedule. Necessary work order has been awarded for the construction of Fishing Harbour at Mahe at an estimated cost of Rs. 22.60 crores.

**22.** Livestock rearing plays an important role in terms of manure, milk and a source of meat, hides and skins. At present, in our Union Territory there are 44,000 crossbred high quality dairy animals accounting for over 80 per cent of the total cattle population. The average productive potential of cows is 5,700 kgs. per year and for buffaloes 5,418 kgs. per year. The productive potential is also being improved by way of introducing embryo transfer technology in the field. Animal health is being given prime importance by providing intensive coverage in rural areas. Much attention is being paid for rural backyard poultry production.

**23.** The main objective of the Dairy sector is to provide remunerative milk marketing, development of milch cattle for the upliftment of the socio-economic conditions of the milk producers, to maintain an effective supply system of the milk and milk products at reasonable price for the consumers and to provide subsidiary occupation to farmers to supplement their income and improve their standard of living. To attain the above objectives, primary milk co-operative societies have been organized which have taken over the responsibility of milk collection from member producers. There are two milk unions and 117 primary milk producers' societies in the UT of Puducherry. 80% of milk demand is being met by the co-operative dairy societies. To increase milk production intensive induction of animals through self-help groups is undertaken. It is proposed to establish a modern automatic dairy plant with a handling capacity of two lakh litres of milk per day. The cattle food production is to be increased from 100 MT to 800 MT per day.

**24.** The fodder development activities of the Pondicherry Co-operative Milk Producers' Union aim to cover various categories of farmers and large number of landless milk producers. The farmers having at least one acre land with irrigation facility are selected at the village level and they are assisted for establishing fodder banks by providing inputs like seeds, manure, labour

subsidy etc. The quantum of fodder produced from these banks is sold to the milk producers through dairy co-operative societies with the Government subsidy at the rate of 50 paise per kg. of green fodder sold. A new scheme called the farmers income guarantee scheme introduced from this year facilitates the farmers to avail bank loans for setting up of mini dairy unit with 10 to 20 cows and establishing fodder bank at one acre for 10 cows. The farmer is assured of getting Rs. 60,000 per acre per annum.

**25.** I would like to conclude that my Government is fully committed to improve the socio-economic conditions of farmers and to create a favourable climate to farmers for better earnings.

**26.** I am thankful to Hon'ble Prime Minister for the opportunity given to me to express my views on Agriculture and related issues in this august forum. I am also thankful to all the dignitaries for giving me a patient hearing.

**VANAKKAM**