

REVENUE AND FORESTS DEPARTMENT **(Relief and Rehabilitation Wing)**

Farmers' Packages

OVERVIEW

Maharashtra has the highest area under cotton cultivation in India. In the State cotton crop failed more than once in the last four years. This along with other causes of agrarian distress contributed to suicides of farmers in the Region and six districts were worst affected. For alleviating agrarian distress and preventing farmers' suicides in the six suicide-prone districts, Government of Maharashtra declared a comprehensive package of Rs 1075 crore in December 2005, comprised of long term and short term measures. Government of India (GOI) also declared a special rehabilitation package of Rs 3750 crore in July 2006.

In June 2006, a survey of all farmers in the area was carried out by the Revenue Department, declaring 13.48 lakh farmers (out of total 17.64 lakh) under distress. However, the information was not shared with other line departments for identification of beneficiaries while implementing the packages.

Seven components included in the packages were also available beyond the six suicide prone districts. Some of the components had design deficiencies / uncovered areas which adversely impacted their effectiveness. GOI Package declared was overstated to the extent of Rs 239 crore. The reliability of data was doubtful.

Implementation of short term measures, aimed at providing immediate relief to the farmers in distress, was saddled with delays in payment of the assistance. While reimbursing banks for interest waived on loans, sanction of fresh loans was not ensured. In suicide cases, instances of delayed ex-gratia payments were noticed. Government declared that the farmers who obtained loans from illegal money lenders have to treat themselves free from loans. This did not materialise and the farmers could not get the benefit consequent on passing of hon'ble High Court decision.

Amount allotted to the components for long term direct benefits was meager. As a result, large a number of farmers in distress were not covered by these components. Components implemented by the line departments suffered due to late release of funds, change in the implementing agency, submission of proposals of non-feasible projects, etc. Creating irrigation potential of 1.60 lakh hectares as envisaged appears difficult. Despite availability of funds there was short supply of seeds to farmers due to incorrect estimation.

No evaluation of the implementation of the packages, in terms of reduction in agrarian distress, was made.

Out of 14 components of GOM package (Rs 1075 crore) four components involving allocation of Rs 564 crore were not specific for the six suicide prone districts and were being implemented in all the districts of the State. There was incorrect accounting of expenditure.

(Paragraphs 2.1 and 2.4)

GOI package was overstated by Rs 239 crore. Some of the components had design deficiencies.

(Paragraphs 2.1 and 2.2)

Base line data obtained by door to door survey conducted by the Revenue Department to ascertain level of distress amongst the farmers was not shared with other departments/ implementing agencies for identification of beneficiaries under various components.

(Paragraph 2.3)

Though interest waiver was claimed by the banks in 9.29 lakh cases, in 4.45 lakh cases (48 *per cent*) fresh loans were not given. Nationalised banks and Co-operative banks wrongly waived interest of Rs 28.95 crore.

(Paragraphs 3.1 and 3.1.2)

No expenditure was incurred on 'Ban on illegal money lending'. ERA survey showed that 75 *per cent* respondents (farmers) were unaware of the relief extended under the component. Farmers did not get this benefit consequent on Hon'ble High Court decision and restraining authorities concerned from passing any orders.

(Paragraphs 3.3 and 3.3.1)

Total area reported by Collectors for payment of compensation was in excess of the area cultivated as estimated by Maharashtra Remote Sensing Application Centre and indicated in crop cultivation report. Excess payment made due to variations in the area was Rs 9.56 crore.

(Paragraph 3.4)

There were delays ranging from 10 to 323 days in payment of immediate relief assistance in suicide cases.

(Paragraph 3.5.1)

Taluka Agriculture Officer (TAO), Karanja made payment to 349 farmers through cheques for purchase of bullocks against the targets of 110 beneficiaries. Nine cheques were dishonoured for want of sufficient balance in the bank.

(Paragraph 4.1.2)

Interest of Rs 14.52 lakh earned on the deposits was not accounted for in the accounts as of March 2007 by MLDB. Assistance was extended to 105 Self Help Groups in excess of the admissible norms, resulting in excess payment of Rs 1.07 crore.

(Paragraphs 4.2 and 4.2.1)

Proposals for 185 minor irrigation projects were rejected by NABARD on the ground of being technically unfeasible and economically unviable. But the same were being taken up for execution through State funds which would amount to risking investment with potential failures.

(Paragraph 4.4.2)

Due to incorrect estimation of requirement of seeds, there was short supply of 53,000 quintals (63 *per cent*) during 2006-07 and requirement of major seeds for the year 2008-09 was not even projected.

(Paragraph 4.5.2)

Out of Rs 97 crore released by GOM for Vidarbha Panlot Mission between February 2006 and February 2007, an amount of Rs 17.04 crore only was spent as of March 2007.

(Paragraph 4.7)

No reliable data relating to expenditure under different components of the packages was available. No evaluation of the implementation of the packages, in terms of reduction in agrarian distress, was made.

(Paragraphs 5.1 to 5.3)