

# Cabinet nod to Centre irrigation plan, national common agri mkt

BS REPORTER

New Delhi, 1 July

The union cabinet has cleared the ambitious Pradhan Mantri Krishi Sinchae Yojana (PMKSY), which, with an outlay of ₹50,000 crore spread over a period of five years, aims to provide irrigation to every village by converging the various ongoing irrigation schemes.

That apart, officials said another proposal from the department of agriculture to create a national common agriculture market, by digitally integrating more than 50 mandis in the first phase, has also been okayed.

A sum of ₹200 crore has been earmarked for these proposals and will be spent over three years starting from 2015-16. "Both the proposals have been cleared by the union cabinet, but a formal announcement would be made on Thursday," a senior official told *Business Standard*.

News agency, PTI said that the Cabinet Committee on Economic Affairs (CCEA) has also extended by one-year the ban on holding of onion stock beyond the prescribed limit.

The order empowers states to impose stock limits on traders for holding onion and ban hoarding beyond the set



## AUTONOMY TO STATES

- PMKSY, with a budget allocation of ₹1,000 crore for this fiscal, proposes to provide flexibility and autonomy to states in the process of planning and executing projects for ensuring water to every farm
- PMKSY intends to focus on 'end-to-end solution' in irrigation supply chain by implementing the new programme in a "project mode" with decentralised state-level planning and execution
- PMKSY funds would be given to states as 75% grant by the central government and the remaining 25% share is to be borne by the state government. For north-eastern region and hilly states, the funding pattern would be 90:10

limit, expires on July 2.

As part of the national market, the central government will identify 50 mandis across 10 states, whose functioning will be reformed with the active participation of the state governments. An agency would be set up to oversee online trading

and to ensure that transactions take place smoothly, they said. It will also focus on creating godowns and facilitating transportation of farm produce after online trade, officials added.

State governments will have to switch to modern practices like single-trading license for

the entire region, single point levy of market fee (*mandi tax*) and electronic auction for price discovery in the identified mandis. Thereafter it will become eligible for funding under the initiative.

Each *mandi* would initially get a funding of ₹30 lakh for installation of the software.

Gradually, all the 585 regulated markets or mandis in the country would be covered. The new irrigation scheme assumes importance as 65 per cent of the total 142 million hectares of cultivable farm land are still not covered under irrigation.

Officials said PMKSY, with a budget allocation of ₹1,000 crore for this fiscal, proposes to provide flexibility and autonomy to states in the process of planning and executing projects for ensuring water to every farm. The state agriculture department would be the nodal agency for implementation of PMKSY projects, while there would also be an inter-ministerial National Steering Committee (NSC) for periodic review of the same.

The PMKSY intends to focus on 'end-to-end solution' in irrigation supply chain by implementing the new programme in "project mode" with decentralised state-level planning and execution.