CHAPTER 2

AGRICULTURE

Production Trends

2.1 Agricultural production which had experienced a decline in the previous year registered a significant increase in 1977-78. The output of foodgrains at 125.6 million tonnes was 14.4 million tonnes higher than that in 1976-77, and 4.6 million tonnes more than in 1975-76. Out of the 14.4 million tonnes increase in foodgrains production, rice contributed 10.8 million tonnes, jowar 1.3 million tonnes and wheat 2.3 million tonnes. On the other hand, the production of bajra declined by nearly 20 per cent. Maize and barley suffered a small decline and the production of pulses registered only a marginal increase. Like major cereals, the production of commercial crops also exhibited a certain buoyancy.

The production of oilseeds increased by 14.2 per cent to 8.9 million tonnes while that of groundnuts alone rose by 15.4 per cent to 6.1 million tonnes. The output of cotton rose by 21.6 per cent to 71 lakh bales and that of sugarcane by 18.5 per cent to 18.8 million tonnes (in terms of gur). The output of jute and mesta, however, remained at the previous year’s level. The index of agricultural production (triennium ending 1969-70 = 100) scaled a new peak of 132.6 registering an increase of 13.9 per cent over 1976-77 and 5.9 per cent over 1975-76. The index of foodgrains was higher by 14.8 per cent and that of commercial crops by 12.2 per cent. Trends in the production of important crops in recent years are given below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>43.07</td>
<td>39.58</td>
<td>44.05</td>
<td>39.58</td>
<td>48.74</td>
<td>41.92</td>
<td>52.68</td>
</tr>
<tr>
<td>Wheat</td>
<td>26.41</td>
<td>24.74</td>
<td>21.78</td>
<td>24.10</td>
<td>28.85</td>
<td>29.01</td>
<td>31.33</td>
</tr>
<tr>
<td>Other cereals</td>
<td>24.60</td>
<td>23.13</td>
<td>28.83</td>
<td>26.13</td>
<td>30.41</td>
<td>28.86</td>
<td>29.80</td>
</tr>
<tr>
<td>Pulses</td>
<td>11.09</td>
<td>9.91</td>
<td>10.01</td>
<td>10.01</td>
<td>13.04</td>
<td>11.36</td>
<td>11.80</td>
</tr>
<tr>
<td>Foodgrains</td>
<td>105.17</td>
<td>97.03</td>
<td>104.67</td>
<td>99.83</td>
<td>121.03</td>
<td>111.17</td>
<td>125.60</td>
</tr>
<tr>
<td>Oilseeds (5 major)</td>
<td>8.75</td>
<td>6.86</td>
<td>8.85</td>
<td>8.53</td>
<td>9.91</td>
<td>7.82</td>
<td>8.93</td>
</tr>
<tr>
<td>Sugarcane (gur)</td>
<td>11.63</td>
<td>12.76</td>
<td>14.43</td>
<td>14.72</td>
<td>14.41</td>
<td>15.85</td>
<td>18.78</td>
</tr>
<tr>
<td>Cotton (lint)</td>
<td>6.95</td>
<td>5.74</td>
<td>6.31</td>
<td>7.16</td>
<td>5.95</td>
<td>5.84</td>
<td>7.10</td>
</tr>
<tr>
<td>Jute and mesta</td>
<td>6.83</td>
<td>6.09</td>
<td>7.69</td>
<td>5.83</td>
<td>5.91</td>
<td>7.10</td>
<td>7.12</td>
</tr>
</tbody>
</table>

*170 Kgs. each for cotton and 180 Kgs. each for jute and mesta.

2.2 The most encouraging feature of the agricultural performance in 1977-78 was the increase in rice production. It went up by 26 per cent and was 8 per cent higher than the record production in 1975-76. Almost all the States have shared this increase but it was particularly significant in Tamil Nadu, Madhya Pradesh, Punjab, Uttar Pradesh, Karnataka, Bihar, Orissa and West Bengal. The position would have been still better but for the fact that the second crop of rice suffered heavily in the coastal areas of Southern States, particularly in Andhra Pradesh on account of a severe cyclone in November 1977. The production of wheat and jowar also registered sizeable increases, setting up new records. It is worth noting that the increase in production was largely due to higher productivity and was shared by almost all the major producing States.

2.3 This encouraging performance of agriculture no doubt took place in a year of good weather, but the fact remains that weather conditions in 1977-78 were by no means more favourable than in 1975-76. Yet the production of foodgrains in 1977-78 was higher by 4.6 million tonnes and agricultural production as a whole by 5.9 per cent than the earlier peak. This clearly indicates the strengthening of the productive potential and its tendency to stabilise at higher levels.
Prospects for 1978-79

2.4 The prospects for the agricultural outturn for 1978-79 appear good. The south-west monsoon set in well in time and the rainfall up to September was normal or in excess of normal in most parts of the country. This facilitated extensive sowings of kharif. However, excessive rains in the catchment areas of major rivers in the North caused heavy floods in Rajasthan, Uttar Pradesh, Bihar and West Bengal. West Bengal was hit by floods three times during the year. These heavy rains and floods took their toll and caused considerable damage to rice, maize and to some other crops in the affected areas. But in other areas most of the crops have fared well and the damage caused by the floods is likely to be largely compensated by higher production.

2.5 The production of kharif rice may be around last year's level of 49.3 million tonnes. While production of kharif jowar, maize and small millets may be somewhat lower, that of bajra may be higher than last year. The production of arhar and other kharif pulses may also be around last year's level. On the whole, therefore, the production of kharif foodgrains may be almost at the same level as that in 1977-78. The prospects for rabi, on the other hand, appear to be brighter. The residual moisture left by heavy rains and floods has enabled timely sowing of most of the rabi crops. Since winter rains have been received in time, the output of wheat, barley and gram may even exceed last year's level. The production of foodgrains during the year can, therefore, be expected to exceed the target of 126 million tonnes.

2.6 The prospects for commercial crops are also fairly good. The production of cotton is likely to exceed the record of 71.6 lakh bales reached in 1974-75. Groundnuts and other oilseeds are also expected to fare equally well. Sugarcane production may not be much below the record level reached in 1977-78. Despite some damage to the jute crop in West Bengal the combined production of raw jute and mesta may still exceed last year's level.

Medium term Performance

2.7 The encouraging performance of agriculture since 1975-76 suggests that important structural changes are taking place. Wheat production, which had slackened during 1972-73 to 1974-75, and had given rise to an apprehension that the Green Revolution in wheat may have worked itself out, has shown a remarkable recovery. The average level of production during 1975-76 to 1977-78 was 5.6 million tonnes higher than the average for the five years 1970-71 to 1974-75. Another development of great significance in this regard has been the substantial increase in wheat production achieved in the States of West Bengal, Maharashtra, and Gujarat, which are not traditionally wheat growing.

2.8 Though it is too early to make a firm assertion, it appears that rice production is tending to stabilise at a level which is about six to eight million tonnes higher than the level in the early seventies. Though high yielding seed varieties had been introduced from the mid sixties, their success had been confined largely to wheat and that too in the better endowed regions of the country. Its impact on other crops, particularly, rice, the major cereal produced in the country, was not significant. In this context, the increase in rice production referred to above is of great importance.

2.9 High yielding variety rice cultivation faces a number of problems. The seed variety has to be area specific; its cultivation requires an intensive use of costly inputs; the seed appears to be relatively more susceptible to pests and diseases; and it requires a high degree of water management skills. Since the number of small and marginal farmers is very large in rice cultivation and since they do not have adequate resources, access to necessary inputs and an adequate degree of water management skills, the spread of the new strategy has been relatively slow. These problems have been gradually tackled over the past years and a fair measure of success has been achieved in evolving and introducing high yielding rice varieties. As a result relative stability of rice production at high levels has been achieved in almost all the traditional rice growing states, particularly West Bengal, Bihar and Eastern Uttar Pradesh. Significant increases have taken place in the production of rice in non-traditional areas like Punjab, Haryana and Western Uttar Pradesh. Also the average yield of rice per hectare which remained stagnant around 10 quintals since the early sixties has risen to 12.4 quintals in 1975-76 and further to 13.2 quintals in 1977-78.

2.10 The progress in the production of certain high value and export-oriented cash crops also indicates a pattern significantly different from that in the early seventies. For example, record increases have taken place in the production of sugarcane, fruits and
vegetables, condiments and spices, coffee and rubber. An important development in the changing cropping-mix in the country is the large increase in the production of potatoes. While the share of these items in the total weights in the agricultural index is not large, the economic importance of high value cash crops and those for export is obvious.

2.11 Unfortunately, the position regarding pulses and some other cash crops is far from satisfactory. The production of major pulses has tended to stagnate over a long period. The absence of a varietal breakthrough, changed cultural practices and the improved relative profitability of the major cereals, viz., wheat and rice, to which land has been diverted from them have led to this unsatisfactory situation. The operation of price support policies in respect of superior foodgrains has not been such as to bring about a shift of cultivation in the required direction. Cotton production has also shown a somewhat uncertain behaviour. Its production has remained, by and large, stagnant till recently which has necessitated large scale imports to meet domestic requirements. Appropriate hybrid varieties of cotton particularly of medium staple are yet to be evolved for most cotton growing areas. Similarly, with regard to oilseeds the situation has been unsatisfactory because of the absence of a technology of raising productivity under essentially dry conditions and a poor response to growing new oilseeds like sunflower and soyabean.

2.12 The existing glut in sugarcane appears to be the result of a large increase in the area under the crop due to a great improvement in its relative profitability. This improvement in profitability seems to have resulted from high state advised prices which the sugarcane mills pay to the farmers and not due to any appreciable increase in yields. It must be stressed, however, that this benefit accrues to a limited group of cane growers. As the bulk of sugarcane is used for the production of khandsari and gur, particularly in the Northern region, farmers whose output is so utilised hardly get any benefit from high state-advised prices. Sugarcane is one of the most water-intensive crops and in a country where irrigation is relatively scarce the availability of undue advantage to this crop is likely to aggravate the existing problems of sugarcane production and also the growing imbalances in the production of other important crops.

**Agricultural Inputs**

2.13 There is no doubt that favourable weather during the last few years has been an important factor in the encouraging performance of agriculture. However, the growing strength of the agricultural sector is also explained by other factors such as, a substantial increase in irrigation, a sharp increase in fertiliser consumption, an expansion in agricultural credit, a growing capability of agricultural research and policies such as buffer stocking, price and marketing support and other production oriented measures.

2.14 During 1977-78, 2.6 million hectares are expected to be brought under irrigation which will be a record for all time. The rate of addition to the irrigation potential has been considerably stepped up from around 1 million hectares per annum during 1970-71 to 1974-75, to about a little less than 2 million hectares per annum during 1975-76—1976-77. The target for 1978-79 is 2.8 million hectares. A greater part of the increase has come from minor irrigation sources. In 1977-78 alone, about 1,500 public tube-wells, 150,000 private tube-wells and 220,000 dug-wells were constructed. The target for 1978-79 is 3,500 public tube-wells, 225,000 private tube-wells and 245,000 dug-wells. As against the installation of about 280,000 pump sets in 1977-78, the target for 1978-79 is 350,000. Interestingly, the tempo of expansion of irrigation seems to be gathering a momentum in those states also where the annual water exploitation in relation to available potential is rather low, namely, Bihar, Madhya Pradesh, Assam, Orissa and West Bengal. Since irrigation is one of the most labour intensive and employment generating operations it forms a crucial element of the new agricultural strategy.

2.15 Apart from augmenting the irrigation potential and increasing the pace of its development, it is equally important to ensure that the existing works on which heavy investment has been made are properly maintained and their benefits optimised. This is to be achieved by Command Area Development projects.

38 Command Area Development Project Authorities have already been set up covering 50 projects having an ultimate irrigation potential of 12 million hectares. Based on a coordinated approach, these projects cover arrangements for equitable and efficient distribution of water, crop planning and extension as well as construction and maintenance of on-farm works. Upto the end of March 1978, the field channels covering 2.04 million hectares have been constructed. This programme is proposed to be stepped up substantially under the new Five Year Plan 1978—83.
which envisages the construction of field channels in 6 million hectares and the completion of on-farm development projects covering an area of another 2 million hectares. In this connection adequate attention needs also to be given to conjunctive use of surface and ground water in the command areas not only for increasing the intensity of irrigation but also for controlling water logging. Evidently, such an ambitious programme will require strengthening of the existing technical and administrative agencies in all the command areas, effective coordination between various agencies, including credit institutions, in the planning and execution of works as also streamlining of the arrangements for supply of inputs.

2.16 Equally encouraging is the continued spurt in fertiliser consumption in recent years. In terms of nutrients, fertiliser consumption increased to 4.29 million tonnes in 1977-78 which is 25.7 per cent higher than that in the previous year and 67 per cent higher as compared to 1974-75. During the current year also fertiliser consumption is expected to increase by about 18 per cent. In per hectare terms also, the growth during the last 3-4 years has been remarkable. Consumption increased from 15.6 kg. per hectare in 1974-75 to 24.6 kg. per hectare in 1977-78. The rapid increase in fertiliser consumption is the combined result of the genetic breakthrough in wheat and lately in rice, the fact that relative prices of fertilisers are still quite favourable and the increasing awareness of farmers of the advantages of fertiliser application. Even more encouraging is the fact that farmers are taking to a more balanced application of various nutrients. In 1977-78 while the increase in the consumption of nitrogenous fertilisers was only 18.6 per cent that in phosphatic fertilisers was 36.5 per cent and in potassic fertiliser 58.6 per cent. Also the rate of increase is higher for the kharif season as compared to the rabi season. The same trends are likely to continue in 1978-79. Although almost all the States have shared this tendency, the increase in fertiliser application has been more rapid during the last 3-4 years in Gujarat, Maharashstra, Karnataka, West Bengal and Bihar which have shown relatively significant increases in rice production. To maintain this tempo extension agencies will have to further intensify their effort, through demonstration to the farmers the effectiveness of moderate doses of fertilisers even under dry conditions. There is also a need for strengthening the organisational structure for supplying fertiliser to farmers in adequate quantities and at the right time.

2.17 Facilities for substantially larger production of quality seeds—both of hybrids and self-pollinated crops—are being organised under the National Seeds Programme. The strategy consists in undertaking production through growers in different States under an arrangement with the State Seeds Corporation. In addition, the National Seeds Corporation and the State Farm Corporation of India would undertake some production. The programme also involves Agricultural Universities which will produce breeder seeds of the required quantity. It provides for, besides production, processing and marketing of the seeds both within the respective States and outside. Independent seed certification agencies are also being set-up in different States with financial assistance from the Central Government. The objective is to ensure that availability of quality seeds does not constitute a constraint on production.

2.18 The role of expanding research capability has been very important in this context. The major thrust of on-going research programmes is to achieve yield improvement concurrently with stability of yield. There have been major advances during the year in the development of rice varieties which possess resistance to some of the important pests and diseases. Thus, CR-157 and MR-1550 possess multiple resistance to diseases like bacterial blight and blast and pests like stem borer and gall midge. Success has also been achieved in combining slender grain quality with a high yield potential. Varieties such as Kalinga 1 and 2 are suitable for areas prone to cold damage and can help to develop an alternative cropping strategy in flood-prone areas. In the case of jowar also, there has been considerable advance in breeding both hybrids and varieties which can help to increase yield in kharif as well as rabi seasons. Hybrids like CSH-5 are becoming popular with the farmers. The deficiency of not having a good technology for rabi jowar areas has now been largely overcome. As for wheat, breeders have identified new varieties possessing the desired combination of yielding ability, disease resistance and grain quality. Varieties like Arjun, Shailaja, Mukta, Prafaq, Girija, WG 357, WG 377, WL 711, WL 410, Raj 911, NI 74 -19, NI-5439 and Shera have provided a diversified base for avoiding serious disease epidemics. Varieties are being developed which are now becoming important to producers of wheat in West Bengal and Assam. multiline varieties which can help to avoid the build-up of virulent races of wheat rust are now under field testing.
2.19 In view of the problem facing pulses and oilseeds, research on these crops has been stepped up considerably and some quick yielding varieties of arhar, moong and urad have now become available. Due emphasis is also being given to training farmers in proper crop management practices for which the extension organisation has to be supported by research institutions. Through a chain of ‘Krishi Vigyan Kendras’, the ‘Lab-to-Land’ programme and the ‘Training and Visit’ method of extension recently introduced, the prevailing big gap between potential and actual farm yields is expected to be bridged to a great extent.

2.20 To maintain the growing resilience in the agricultural sector, it would be necessary to provide adequate finance. The role of institutional finance for agriculture is crucial for this purpose. Recognising this the Five Year Plan 1978–83 envisages a sharp step-up in the volume of credit covering a wide variety of activities in the agricultural sector. Already a significant expansion in the supply of credit to the agricultural sector through Primary Cooperative Societies, Land Development Banks, Commercial Banks, Regional Rural Banks and Farmers Service Societies has taken place during the last few years. In 1977-78, cooperatives increased their short-term loans for agriculture to Rs. 1,275 crores from Rs. 1,062 crores in 1976-77. The total quantum of institutional credit from the cooperative sector increased from Rs. 1,489 crores in 1976-77 to Rs. 1,822 crores in 1977-78. Scheduled commercial banks’ credit to the agricultural sector, both short-term and long-term, also increased from Rs. 565 crores in 1976-77 to Rs. 767 crores in 1977-78. Aggregate direct institutional finance to agriculture amounted to Rs. 2,756 crores in 1977-78 as compared to Rs. 2,154 crores in 1976-77. Despite these developments, institutional credit still meets less than half the amount of agricultural credit actually needed. Moreover, a greater part of such credit goes to the relatively better off farmers. Therefore, the share of the small and marginal farmers which is already 37 per cent in the direct credit by scheduled commercial banks is to be raised to a minimum level of 50 per cent. There are still a number of problems in organising a satisfactory flow of institutional credit. Besides procedural and administrative difficulties, the high percentage of overdues greatly restricts the recycling of available funds. Despite various measures introduced to reduce overdues, their percentage continues to be very high. This problem deserves greater attention.

Policy Developments

2.21 Policy Developments during the last year consist of support/procurement pricing, continued subsidisation of input prices, integrated production programmes and employment oriented rural development measures. The aim of these policy changes is to ensure remunerative prices to farmers, encourage desirable change in the cropping—mix in favour of certain problem crops and implement the employment oriented bias of the new economic strategy.

2.22 For the kharif season 1978-79 the procurement prices of paddy and coarse grains have been raised from Rs. 77 and 74 respectively in 1977-78 to Rs. 85 per quintal in 1978-79 marketing season. For wheat it was raised from Rs. 110 per quintal in 1976-77 to Rs. 112.50 for 1977-78. The Agricultural Prices Commission has recommended a further increase to Rs. 115 per quintal for 1979-80 season, which is under consideration. Similarly, the minimum support price of raw jute was raised from Rs. 141 per quintal to Rs. 150. While the regime of support/procurement prices has been in operation for a number of years in respect of cereals and cash crops like raw cotton, jute and sugarcane, its extension to other crops like pulses and oilseeds is a more recent development of considerable significance. Price support for these stagnant crops is being provided at a much higher level. The support price for gram was increased from Rs. 90 per quintal in 1977-78 to Rs. 125 per quintal in 1978-79 and further to Rs. 140 per quintal for 1979-80. During the current year the support price for groundnut, soyabean and sunflower has been raised to Rs. 175 per quintal as compared to Rs. 140 per quintal for groundnut, Rs. 145 per quintal for soyabean and Rs. 165 per quintal for sunflower seed. The support price of rapeseed and mustard has been raised from Rs. 225 per quintal for 1977-78 crop to Rs. 245 per quintal for 1978-79 crop. The support prices of arhar and moong among kharif pulses have been fixed for the first time in 1978 at Rs. 155 per quintal and Rs. 165 per quintal respectively.

2.23 Mere fixation of support prices for various crops is not enough. It is equally important—sometimes even more important—than raising them—to ensure that prices so fixed are effective. If price support is to be effective a purchase organisation has
to operate at the village level in the critical post-harvest season. Such support is being provided by national level organisations like the Food Corporation of India to cereals and by the Cotton Corporation of India and the Jute Corporation of India to raw cotton and jute for a number of years. But the extension of price support to other crops such as pulses and oilseeds whose production is spread throughout the country can be done effectively only through a net-work of co-operative marketing societies at the village level which can handle not one crop but all the important crops in their respective areas, in the respective marketing seasons. Presently National Agricultural Co-operative Marketing Federation (NAFED) and State level marketing federations have emerged as suitable agencies for the purpose. NAFED, acting in cooperation with the State federations, purchased 25,000 tonnes of kharif pulses in 1977-78, and as much as 47,000 tonnes in kharif 1978-79. Its purchase of soyabean this year have been of the order of 62,000 tonnes. NAFED is also providing price support to onions and potatoes. It purchased nearly a lakh tonnes of onions in the 1977-78 season.

2.24 While it is necessary to provide prices support at reasonable levels to protect the incomes of the farmers in the event of a bumper crop and offer incentive price to encourage the adoption of advanced technology and achieve higher production, it is also necessary that the gains of higher production from such incentives are passed on to the consumers in the form of lower prices. Price support at levels much higher than the cost of production, or at a level not very different from market prices, creates problems of over-production and excessive stocks and simultaneously tends to generate shortages of other crops. Price support policies in our situation have to be reoriented for restructuring the relative prices in a manner which will lead to the development of a cropping-mix that will be appropriate for the country in the long-run.

2.25 Besides, pricing policies, further steps are necessary for raising the production of stagnant crops such as pulses, oilseeds, raw cotton etc. The most important is the intensification of research effort to evolve high yielding varieties of these crops also. Since this is bound to take time, with a view to achieving a rapid development of these crops in the medium term an integrated strategy is being adopted for pulses, oilseeds and raw cotton in areas where production has remained stagnant.

2.26 For pulses the specific elements of the integrated production programme include (i) subsidy for demonstrations of improved practices, subsidy on certified seeds, subsidy on plant protection equipment and subsidy on chemicals, (ii) supply of rhizobial culture to the farmers at concessional rates, (iii) assistance to State Governments for the multiplication of breeder’s and certified seeds, and (iv) provision of special staff to State Governments for the pulse development programme. As a result of these measures it is expected that production of pulses will go up by 3.78 million tonnes to 15.58 million tonnes in the coming five years.

2.27 As for oilseeds, specific measures introduced for raising the production in the medium term are: large scale operations for control of pests and diseases of groundnut, rapeseed and mustard, increased use of phosphatic fertilisers for groundnut covering large areas under irrigated summer groundnut in the southern States, expansion of cultivation of non-traditional oilseeds like sunflower and soyabean and arrangements for the supply of quality seeds.

2.28 In cotton, efforts have been made to raise productivity both in irrigated and rainfed areas by educating farmers in improved technology and by expanding areas under cotton in the command of existing irrigation projects. Special emphasis is being placed on increasing the output of medium staple cotton. An integrated pest control-cum-expansion programme has been taken up in Gujarat, Maharashtra and Karnataka.

2.29 Removal of unemployment and under-employment, improvement in the living conditions of the poorest rural people and the provision of basic needs like drinking water, rural health and housing and adult literacy are among the important objectives of the new Five Year Plan 1978—83. The programmes have an important bearing on rural development in general and on agricultural development in particular. A number of programmes have been in operation for sometime specifically to benefit the rural poor viz., Small Farmers Development Agency Programme (SFDA), Integrated Development of Dry Land Agriculture, Drought Prone Area Programme (DPAP), Tribal Area Development Programme and Hill Area Development Programme. Since its inception the number of beneficiaries under the SFDA programme alone has exceeded 5.7 million through various activities viz., improved agriculture minor irrigation, animal husbandry, dairying and rural
works. Loans aggregating Rs. 158 crores have been disbursed through co-operatives and commercial banks. An effort has been made to ensure that all categories of participants in the programme viz., small farmers, marginal farmers, agricultural labourers and those belonging to scheduled castes and scheduled tribes, receive the benefits in equitable measures.

2.30 In order to give a sharper focus to the employment objective and to extend the scope of these benefits to a wider area, an Integrated Rural Development Programme has been launched. The strategy is based on decentralised micro-level planning at the block level. The programme has been taken up in 2,000 selected Community Development Blocks in the areas covered by special projects like SFDA, DPAP and Command Area Development. The objective is to provide full employment in these blocks within five years. The programme covers intensive agriculture, mixed farming, minor irrigation, land development, animal husbandry and dairying, fisheries, forestry and horticulture. In addition, village and cottage industries, tertiary sector employment and training are also envisaged. Each of these blocks is allowed a sum of Rs. 5 lakhs for production in the above mentioned activities. 300 blocks will be added every year under this programme for intensive development from areas not covered by any of the special programmes mentioned above.

2.31 An important programme introduced for the first time in 1977-78 is the Food-For-Work Programme. It is designed to offer gainful employment to the rural poor, through the development of infrastructure and the creation of durable community assets by utilising surplus food stocks available with the Government. Payment to workers is made wholly or partly in the form of wheat or rice. The target for the current year is the distribution of 10 lakh tonnes of wheat/rice which, in terms of money, will mean an investment of about Rs. 130 crores. It is expected to generate additional employment to the tune of 400 million man-days.

2.32 Under land reforms, progress during the year in the distribution of surplus lands following the imposition of ceiling laws has not been satisfactory. Out of nearly 46 lakh acres of land which has been declared surplus, only about 25 lakh acres have been taken possession of and 16 lakh acres have so far been distributed. Efforts are being currently made to persuade the State Governments to take up this task more vigorously. However, financial assistance is now being provided under a Central Sector Scheme to allottees, who are normally members of the weaker sections of society, for taking up productive agriculture and an amount of Rs. 13-14 crores has so far been released to the States for the purpose. In the field of tenancy, almost all states have legislated for security of tenure and regularisation of rent. Currently special attention is being given to consolidation of holdings and up-dating of land records—the former being a key factor in promoting agricultural development and the latter being a pre-condition for effective implementation of land reform and for expansion of agricultural credit.