

**REPORT OF THE
SUB GROUP OF CHIEF MINISTERS
ON
COORDINATION OF
AGRICULTURE AND MGNREGS**

2020

INDEX

| | PAGE NO. |
|--|-----------------|
| 1. INTRODUCTION | |
| 2.MGNREGS, RURAL WAGES, AGRICULTURAL COSTS AND INCOME | |
| 3.HOW MGNREGS CURRENTLY CONTRIBUTES TO DIVERSIFYING LIVELIHOODS AND INCREASING INCOMES | |
| 4. ALIGNING MGNREGS WITH THE OVERALL FRAMEWORK OF DOUBLING FARMERS' INCOME | |
| 5. RECOMMENDATIONS FOR BETTER COORDINATION BETWEEN AGRICULTURE AND MGNREGS | |
| <u>Annex-I</u> Copy of the Order constituted the Committee of CMS | |
| <u>Annex-II</u> Minutes of the First Meeting of CMs | |
| <u>Annex-III</u> Summary of Suggestions received in the 5 Regional Consultations | |
| <u>Annex-IV</u> Agriculture & Allied Activities related works currently permissible under MGNREGS | |

1.

INTRODUCTION

Hon'ble Prime Minister has brought a paradigm shift in agriculture sector by bringing focus on farmers' income. He has set the goal of Doubling Farmers' Income by 2022. This requires a multi-dimensional approach. Labour is a critical input for agriculture and its availability determines cropping pattern, diversification, adoption of improved technology, cost of production and farmers' income. A unanimous decision was taken in the fourth meeting of the Governing Council of NITI Aayog, held on June 17, 2018 that a Sub-Group of Chief Ministers be constituted to suggest the ways and means to use MGNREG scheme to enhance agriculture, with special thrust on pre-sowing and post-harvest interventions, and for creating durable assets that improve incomes of farmers and reduce agrarian distress.

1.2 The composition of the Sub-Group is as follows:

- | | | |
|----|--|------------|
| a. | Chief Minister, Madhya Pradesh | : Convener |
| b. | Chief Minister, Andhra Pradesh | : Member |
| c. | Chief Minister, Bihar | : Member |
| d. | Chief Minister, Gujarat | : Member |
| e. | Chief Minister, Uttar Pradesh | : Member |
| f. | Chief Minister West Bengal | : Member |
| g. | Chief Minister, Sikkim | : Member |
| h. | Prof. Ramesh Chand, Member, NITI Aayog | : Member |

The Terms of Reference of the Sub Group are as follows:

- (i) To suggest a wider choice of State specific interventions both for pre-sowing and post-harvest to further improve the thrust on incomes, water conservation and waste to wealth.
- (ii) To align works under MGNREGS fully to the requirements of achieving the goal of higher farmers' income. This will improve thrust on Water Conservation, individual Beneficiary Schemes, Construction of Rural Haats, Vermi-Composting etc.

- (iii) To make recommendations on interventions of MGNREGS that can facilitate reduction of agrarian distress including work availability, wage rates, seasonality etc.
- (iv) To explore the possibilities of MGNREGS as a livelihood resource for development and diversification of livelihoods of small and marginal farmers specially belonging to SC/ST households.
- (v) To suggest ways of alignment MGNREGS and its livelihood thrust with women Self Help Groups (SHGs), producer Groups, and Producer Companies to enable a better use of resources for livelihood.
- (vi) To explore successful convergence of programme resources across Departments and to ensure optimal fund utilization, efficiency, effectiveness and sustainability.
- (vii) To explore the convergence of MGNREGS with GOBAR (Galvanizing Organic Bio- Agro Resource - DHAN and Van Dhan Schemes).

Copy of the Order constituting the Sub-Group is placed at [Annex-I](#).

1.3 First meeting of the Sub-Group for coordination of policy approach on the agriculture sector and the MGNREGS was held in NITI Aayog on 12th July, 2018 under the Chairmanship of Shri Shivraj Singh Chouhan, Chief Minister, Madhya Pradesh - Convenor of the Sub-Group. The minutes of the First Meeting are at [Annex-II](#).

The Hon'ble CM, Madhya Pradesh summed up the meeting with the following observations: -

- “a. A study is to be undertaken along with field visits for analysis of ground level situation for better integration of agriculture sector with MGNREGS.*
- b. Regional Level Workshops will be conducted with participation from multiple stakeholders such as farmer representatives, representatives from the field of rural development and representatives from States etc. A draft synthesising the views shared in the workshops will be circulated among the participants.*

- c. *Comments shared in written by the Hon'ble CM of West Bengal and Hon'ble CM of Andhra Pradesh will be studied for synthesis in the report.*
- d. *Second meeting of the sub-group will be convened on 31st August 2018 to finalise draft report."*

1.4 Five regional workshops were held with the State Governments, Farmers, NGOs, Civil Society Groups, Agricultural Universities and other stakeholders in the months of July-August, 2018, to elicit the diverse views on this issue. The details are as under:

Details of Regional Workshops

| Sl. No. | Date | Place | Participating States/UTs |
|---------|------------|-----------|--|
| 1. | 31.07.2018 | Hyderabad | Andhra Pradesh, Kerala, Tamil Nadu, Karnataka, Andaman & Nicobar Island, Puducherry, Telangana and Lakshadweep |
| 2. | 02.08.2018 | New Delhi | Delhi, Uttar Pradesh, Haryana, Punjab, Himachal Pradesh, Uttarakhand, J&K and Chandigarh |
| 3. | 06.08.2018 | Bhopal | Madhya Pradesh, Chhattisgarh, Maharashtra, Gujarat, Rajasthan and Goa |
| 4. | 08.08.2018 | Guwahati | Assam, Tripura, Meghalaya, Nagaland, Mizoram, Sikkim and Arunachal Pradesh |
| 5. | 11.08.2018 | Patna | Bihar, West Bengal, Odisha and Jharkhand |

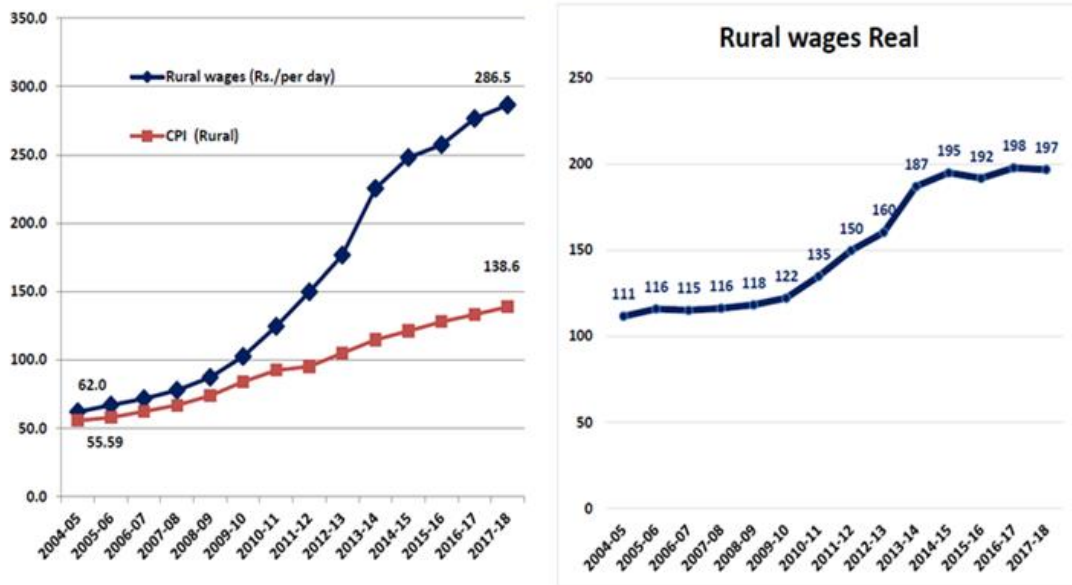
Summary of the main points made in the Regional Workshop is placed at **Annex-III**.

2.

MGNREGS, RURAL WAGES, AGRICULTURAL COSTS AND INCOME

2.1 Since, MGNREGA is an Act of Parliament with the objective of providing livelihood security to poor households, the thrust is on ensuring that agricultural labourers earn higher wages and improve their well-being during the lean agricultural season. In the deliberations of the Chief Ministers' Sub-Group, the issue of increase in agricultural wages on account of MGNREGA was raised. It was also mentioned that the rights of labourers should not be compromised in any manner. While examining the issue of wages of agricultural labour, it was felt that farmers are having to pay higher wages on account of rising wages due to MGNREGA. The seasonality in demand for work under MGNREGA clearly indicates that during peak agricultural season wage rates are already higher and therefore, demand for work under MGNREGA falls during the busy agriculture season. The rise in nominal wages of agriculture labour is very strongly linked to food inflation. Since food inflation has been low in the last 5 years, the increase in nominal wages has also been modest. The expansion of National Food Security Act (NFSA) and availability of Rice and Wheat at Rs. 2 to Rs. 3 per kg also has consequences for nominal wage rates. The graphs presented below capture the scenario of wages in the country over a period of time since the introduction of MGNREGA.

Rural Wages and Consumer Price Index Rural

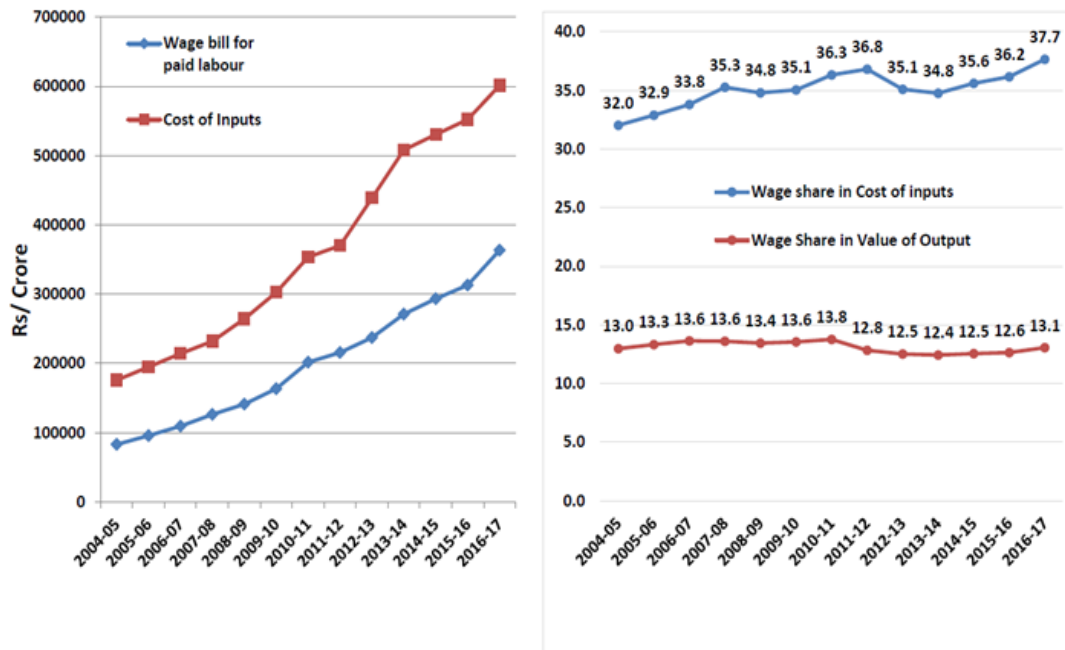


Note: CPI before 2012 refer to CPIAL.

Source: Prepared by Dr. Ramesh Chand, Member of the Sub-Group using data from Labour Bureau and MOSPI. GOI.

2.2 Nominal wages increased faster than Consumer Price Index (AL) for a couple of years after implementation of MGNREGA. As a result real wages in rural India increased during 2008-9 to 2014-15, but stabilized thereafter. There is a possibility that MGNREGA lifted low wage rate to a reasonable level or a new level of equilibrium. There is near stagnation in real rural wages over the last 3 to 4 years.

Wage Bill, Cost of Inputs and their Share in Output of Agriculture Sector at Current Prices



Source: Prepared by Dr. Ramesh Chand, Member of the Sub Group using data from National Accounts Statistics, CSO, GOI.

2.3 CSO data at national level indicate that wage bill paid to hired labour in agriculture increased in tandem with the increase in cost of other inputs used in agriculture. Wages paid by farmers as a proportion of the total cost of inputs including wages for hired labour, started showing increase with the implementation of MGNREGS. Share of wage bill in cost increased from 32 per cent during 2004-05 to 36.8 per cent during 2011-12 and stagnated at this level since then. This change is consistent with the trend in real wage rate. However, what matters more for the farmers is what share of value of output has been paid as wage bill to labour. This share shows a small increase - from 13.0 per cent during 2004-05 to 13.8 per cent during 2010-11 and thereafter returned to same level by 2016-17 as prevailed during 2004-05. This indicates that MGNREG did not cause any adverse effect on farmers' income in medium to long run despite rise in real wages in rural India at national level though there may be variations in states in respect of this trend. The reason for this is that the period of high increase in wages also experienced high increase in prices of agricultural commodities.

2.4 It is also observed that cost of high quality seeds, fertilizer, farm machinery, pesticides, and other inputs is far more than the wage bill. It is for this reason that the wage share cost in inputs has been more or less stable. Any subsidy from MGNREGA for wages will only be a substitution for wages paid by the farmers, without the creation of durable assets. The cost to a farmer can be reduced more sustainably by adopting improved technology, improving irrigation, developing waste to wealth models, promoting diversification of horticulture and vegetable crops, and supporting animal resources and allied activities on a large scale.

2.5 If all marginal and small farmers across India were to be provided a subsidy through MGNREGA for agricultural wages, the total cost would be very high. The Government is able to provide budgetary support for around 55 days of work under MGNREGA. If all MGNREGA workers worked for 100 days, the wage will be over Rs. 1.20 lakh crore. Approving agricultural wage subsidization through MGNREGA, the wage bill would be beyond the reach of budgetary resources. It will be impossible to support such an open ended scheme. It will also not lead to any durable asset creation. It is for these reasons that the following conclusion can be drawn on the subject of subsidizing farm labour: -

- Wage share in cost of inputs has remained steady in recent years and there is absolutely no increase in the output share paid to labour.
- Huge open - ended scheme difficult to implement - finance, management, accountability, labour rights.
- MGNREGS works considerably reduces in peak agriculture season - higher wages.
- Will compromise mobility of labour.
- Demand for labour in agriculture is many times the NREGA employment. If NREGA labour is allowed to be used for farm work the demand will be several times the labour supply under NREGA.
- **Small and marginal farmers are eligible to use own labour under NREGA in individual benefit schemes like farm ponds, dug wells, cattle sheds, construction of vermicompost pits etc.**

2.6 Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) focus on durable assets & Water Conservation, and also provides for livelihood generating individual benefits like farm ponds, dug wells, goat shed, poultry shed,

housing support, and support for dairy shed. The livelihood linkages in convergence with subsidy Programmes for animal resources and for agriculture contribute to improved incomes in the Agriculture and Allied Sectors. The increase in production of fruits and vegetables and the significant growth through animal resources over the last 4 years have been on account of this greater thrust on Rural Livelihood Development and Diversification. To illustrate, some of the salient livelihood generating and income & employment supporting initiatives in agriculture sector over the last 3 - 4 years are as follows: -

- (i) 143 lakh hectares of land provided benefit of Water Conservation works.
- (ii) Nearly 15 lakh farm ponds and 4 lakh wells for irrigation besides a very large number of Water Conservation Community Structures came up during this period.
- (iii) Over 6222 Custom Hiring Centres managed by Women Self Help Groups fully functional during this period.
- (iv) 33 lakh women farmers supported under non-chemical based agro ecological interventions.
- (v) 86000 Producer Groups and 126 agri Producer Companies established.
- (vi) Over 9 lakh Solar Lamps assembled by nearly 4000 Women Self Help Group Members in remote regions of Bihar, Uttar Pradesh, Jharkhand, Rajasthan, etc.

2.7 Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been a major source of strengthening Livelihood security with full transparency during this period.

- The Central Government's commitment to ensure effective implementation of MGNREGS is reflected by the continuous increase in Budget allocation. Total Budget Allocation in FY 2017-18 was Rs. 55,167 crore which was highest since inception of the programme.

| Year | Budget Allocation (Rs. in crore) |
|---------|-------------------------------------|
| 2014-15 | 33000 |
| 2015-16 | 37346 |
| 2016-17 | 48220 |
| 2017-18 | 55167 |

- **Fund Utilization:** The fund utilization (including Central and State share) has also seen a significant increase in comparison to previous financial years. The total expenditure in FY 2017-18 is about Rs. 64,288 crore (Provisional) which is highest ever since inception.
- The person days generated under MGNREGS in the last 3 years has been in the range of 235 crore every year. This is higher than most years before, indicating how the thrust on durable assets and Individual Beneficiary Schemes (IBSs) has generated a steady demand for MGNREGS. The figures below affirm the high demand for Livelihoods security through durable assets of MGNREGS.

| Year | Person-days of work generated (Rs. in crore) |
|---------|--|
| 2014-15 | 166.21 |
| 2015-16 | 235.14 |
| 2016-17 | 235.6 |
| 2017-18 | 234.3 |

2.8 The rural economy today is very different from what it was many years ago—as has come out from NITI Aayog research based on CSO data—half of manufacturing and construction and one fourth of services sector income are now part of the rural economy. This shows rising scope and vast opportunities for raising income of farmers through farm and non-farm linkages.

2.9 A survey carried out by Dr. Ashok Pankaj, Director, CSD and his team shows the sheer transformation impact that a scheme like MGNREGA can have on rural incomes - especially of small/marginal farmers and also agricultural families having only homesteads – through creation of assets at the individual household level. The study, undertaken during the 2016-17 agricultural year, covered 240 households across six districts: two each in UP (Mirzapur and Shravasti), Rajasthan (SawaiMadhopur and Banswara) and Tamil Nadu (Krishnagiri and Cuddalore). The sample comprised small and marginal farmers (92%) as well as landless households (8%), while the individual assets included dug wells, farm ponds, mud bunds, horticulture farms, livestock shelters and fish ponds.

2.10 Ashok Pankaj's study found the individual assets built under MGNREGA contribute 35.24% of the total annual revenue of an average beneficiary household in Sawai Madhopur. The corresponding average percentage contribution was 24.47 in Banswara, 61.21 in Shravasti, 22.27 in Mirzapur, 37.01 in Krishnagiri and 26.51 in Cuddalore. The individual impacts varied, depending on the type of assets created, apart from agro-climactic conditions, land and other household endowments. In the arid Sawai Madhopur and Banswara districts, the individual assets were largely farm ponds, dug wells and other water harvesting structures, besides cattle sheds. This was the case in Mirzapur, too, while in Shravasti, the works extended to providing individual bore wells for irrigation. In Krishnagiri, beneficiaries got animal sheds, whereas the most common asset created in Cuddalore, a coastal district, was fish ponds.

2.11 The most tangible effect of individual asset creation through MGNREGA was increased crop acreages. This worked out to an average of 0.53 acres for works involving land levelling and fallow/wasteland development, with the higher planted area being mostly in traditional food grains. The average dug well, farm pond or mud/field bund, likewise, helped boost crop acreage by 0.41 acres. But irrigation assets also resulted in augmenting yields and aiding diversification, particularly cultivation of vegetables, oilseeds and cotton. Beneficiary households reported substantial increases in gross incomes from fish ponds and animal sheds, too. An asset-wise crude cost-benefit analysis revealed the ratio to be 0.61 for fish ponds, followed by 0.53 for horticulture (planting of fruit orchards, flower saplings, etc.), irrigation (0.34) and livestock shelters (0.32). The ratio for land development was only 0.15, which, however, rose with irrigation availability.

2.12 The above results suggest that individual assets creation under MGNREGS, through a decentralised production-centric approach, can go some way in raising farmers' income. Land development and irrigation assets created on the lands of small and marginal farmers can, indeed, confer the triple benefits of increased acreages, higher yields and crop diversification. The only sustainable way to adjust to any rise in wage rate or shortage in labour availability is promotion of mechanisation and custom hiring services.

3.

HOW MGNREGS CURRENTLY CONTRIBUTES TO DIVERSIFYING LIVELIHOODS AND INCREASING INCOMES

In the meeting of Hon'ble Chief Ministers of the Sub-Group held on 12th July 2018, it was suggested to undertake a study to analyse ground level situation for better integration of agricultural sector with MGNREGS. The Department of Rural Development had commissioned a National Evaluation of MGNREGS on its interventions under the Natural Resource Management (NRM) component through the Institute of Economic Growth (IEG), New Delhi. The Executive Summary of the said Report is being provided in this Chapter as it brings out the contribution of NRM works of MGNREGS in improving agriculture.

3.2 Covering 685 districts of the country, the programme generated 235.76 crore person days of employment for 7.67 crore individuals in FY 2016-17. More recently, Natural Resource Management (NRM) has become an important component of MGNREGA to promote sustainable livelihoods for the poor. About 60 percent expenditure has been allotted for the creation of natural resource assets (both community and individual assets) in FY 2016-17. The study undertook a rapid assessment of the performance of the NRM component of MGNREGA in 30 districts spread over different agro-climatic zones in 21 states during 2015-16 and 2016-17. A total of 1200 (40 from each district) beneficiary households of NREGA assets have been covered spread over 115 Gram Panchayats.

The methodology for assessing the sustainability of livelihood mainly involves direct interaction with beneficiaries through structured questionnaires. In each of the chosen Gram Panchayats, ten beneficiaries for NRM assets (individual or community) were selected for direct interview. The selection procedure also tried to include at least one household from each of BPL, SC/ST, small and marginal farmers. Focus group discussions were also administered at village community to understand the benefits from community assets specifically. Moreover, to understand the benefits of MGNREGA holistically from the perspectives of different stakeholders, one-to-one interaction guided by a semi-structured questionnaire was also conducted to extract information from officials involved in NRM at village, block, and district level.

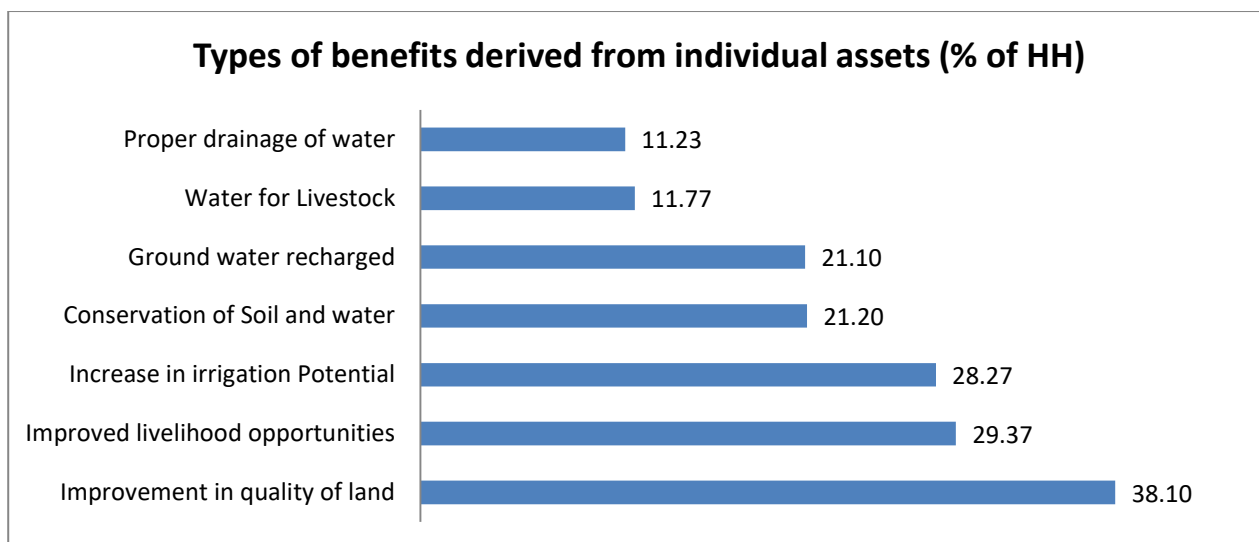
Impact analysis is based on comparison of various NRM features before and after creation of the assets during the reference period. Being a rapid assessment survey of the NRM component, the sample of districts and blocks may not represent the entire spectrum of NREGA activities and the impact of such activities for the rural economy. It broadly represents the *average* picture of MGNREGS beneficiaries of NRM individual and community assets in those districts where per worker fund availability was around the average level during the reference period.

3.3 Socio-economic characteristics of the selected 1200 beneficiary households

- 85 percent were BPL card holders.
- 31 percent of households were Scheduled Castes and 11 percent Scheduled Tribes.
- Average household size was of 6 members.
- In 14 percent households, members were illiterates and another 8 percent were literate without formal educational qualification. At least one person in the house studied up to 12th standard or more in about a third of the households.
- Occupation: Small and marginal farmers constituted 65% of the sampled households.

3.4 Benefits of NRM Assets

The beneficiary households reported several types of benefits being derived from the NRM assets created in NREGA. Increase in irrigation potential was reported as the prime benefit from the creation of community assets. Both individual and community assets beneficiaries experienced increase in ground water table. Similarly, NRM assets have helped small and marginal farmers to improve livelihood opportunities. Besides, a significant proportion of household beneficiaries found that access to water for livestock has increased. These are important factors contributing to sustainability of rural livelihood of small and marginal farmers. Overall, it can be said that both individual and community assets are helping the rural community in certain important aspects that contributes towards sustaining and improving livelihoods.

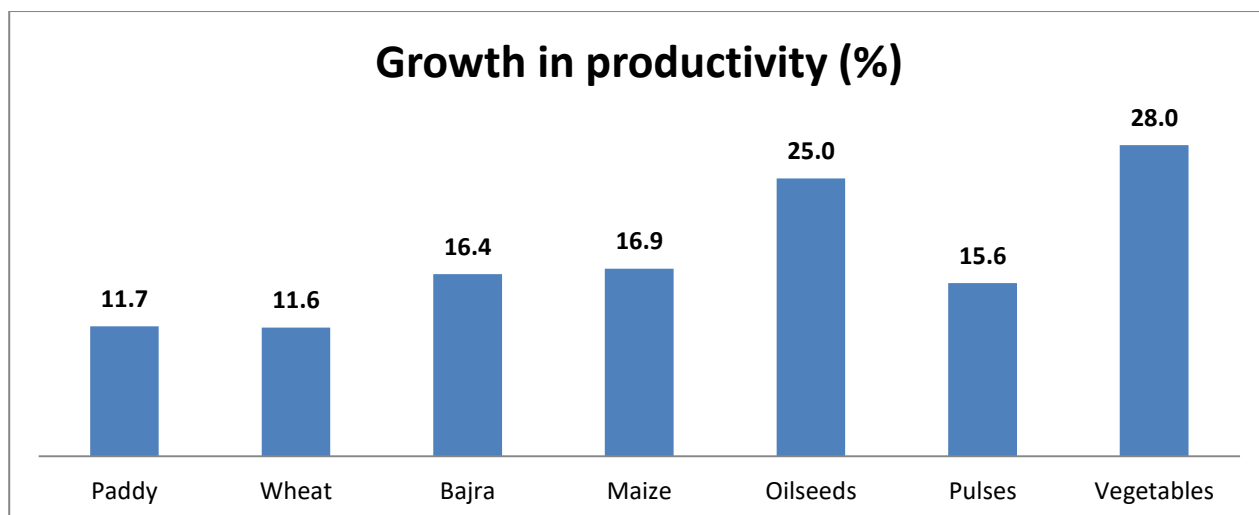


3.5 Quality of Assets: Users' Perspective

Though there are technical aspects to assess quality of assets, we have attempted to get the users' perspective on how they view the quality of assets created on individual and community land. Surprisingly, as many as 76% households thought quality of assets when created was good or very good in contrast to common perception about public works programmes. Moreover, 58% of respondents thought assets quality remained same after they were created. But, 18% of respondents reported that the quality of assets had deteriorated. Another interesting response was that 73% of respondents indicated that they were actively involved in maintenance of assets created on individual land.

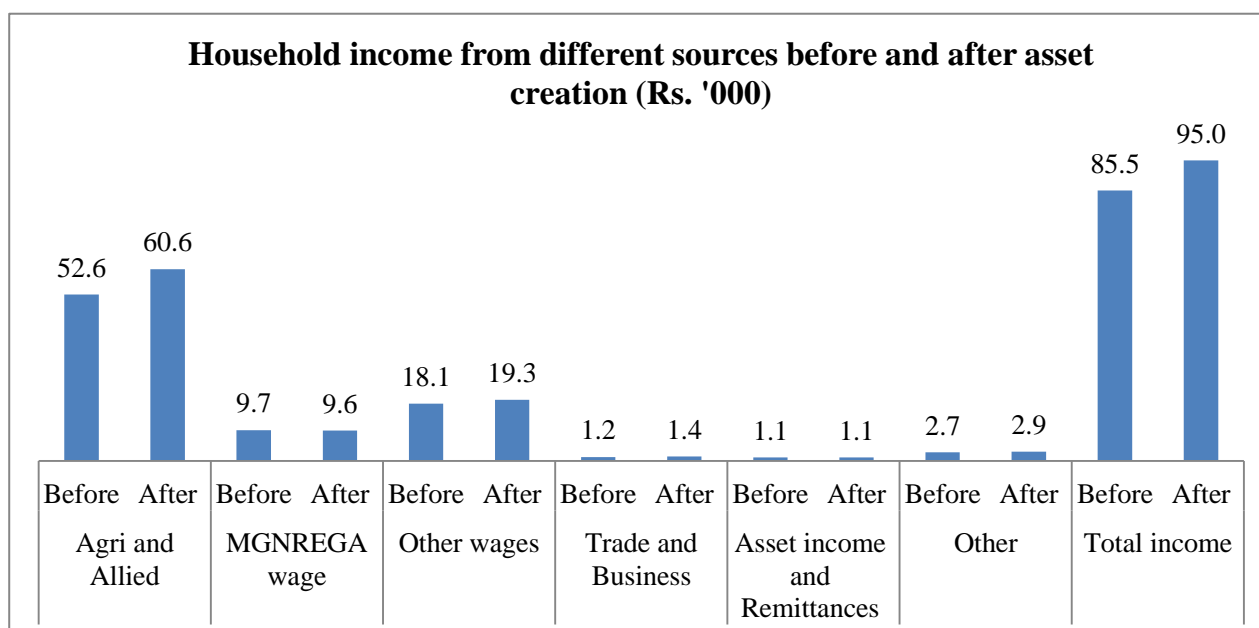
3.6 Agricultural Productivity Growth

The graph below depicts productivity growth for different crops. Participants in NRM assets reported a productivity growth of about 11% for rice and wheat, 16% for bajra, maize and pulses during the post-assets creation period compared to pre-assets creation period. Oilseeds and vegetables indicate productivity rise by a larger extent. Oilseeds productivity rose by 25%. The largest increase of 28% is reported for vegetables. These are obviously considerable productivity gains for the small and marginal farmers benefiting from the NRM assets.



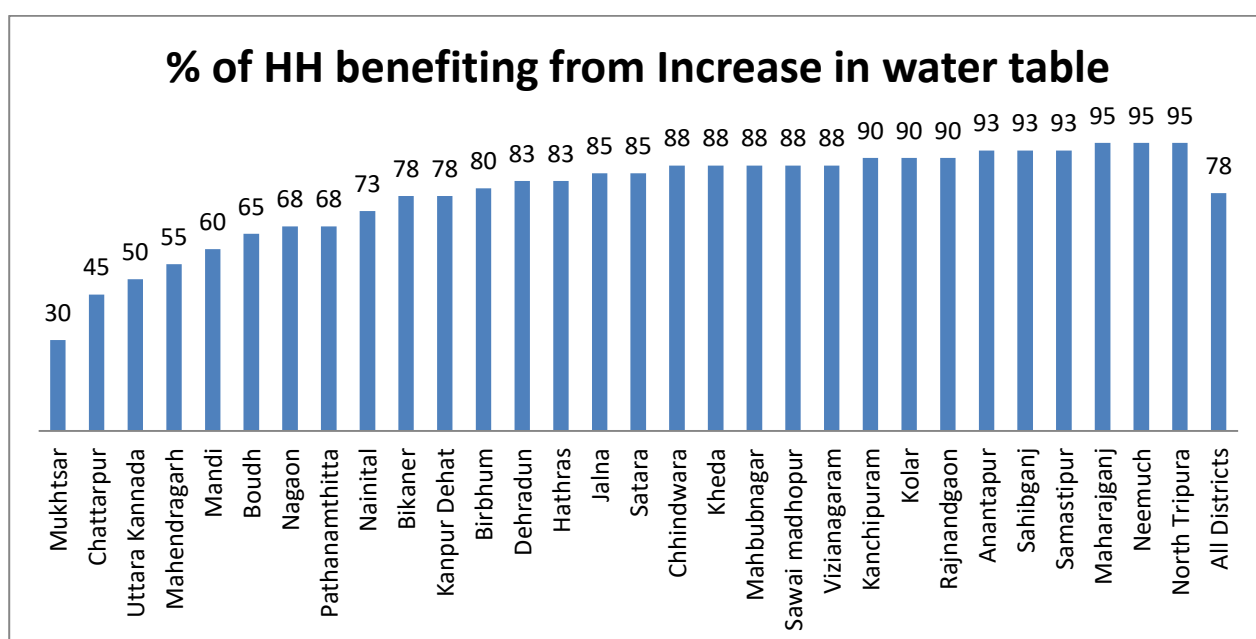
3.7 Household Income

The respondents reported that per household income from agriculture and allied activities increased by 15% from Rs. 52,600 before assets were created to Rs. 60,600 after the assets were created. Agricultural income, non-NREGA wage and NREGA wage were the three major sources of income for the households in that order and together contributed to 94% of total income. On the whole, household income increased from Rs. 85,500 to Rs. 95,000 indicating a rise of 11% for the NRM beneficiaries.



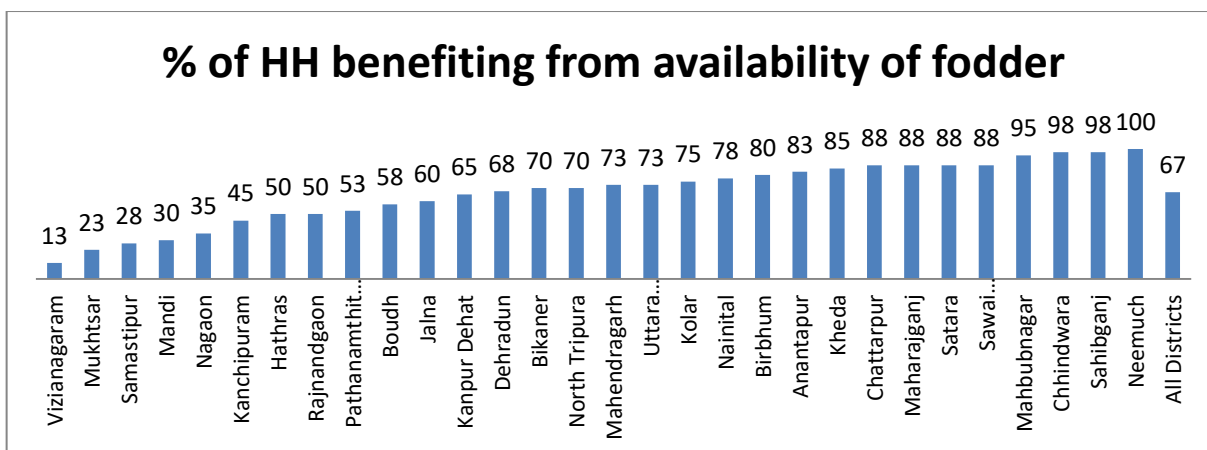
3.8 Water Table

Water table rise has been felt as a major ecosystem gain by the respondent households with as many as 78% of respondents reporting gain after construction of the NRM assets. The percentage varies from 30% in Mukhtsar (Punjab) and 45% in Chhatarpur (Madhya Pradesh) to 95% in Maharajganj (Uttar Pradesh), Neemuch (Madhya Pradesh) and North Tripura (Tripura). While this study does not relate to a technical evaluation of water table, the villagers predominantly perceive the benefits on long term sustainability of the agricultural activities.



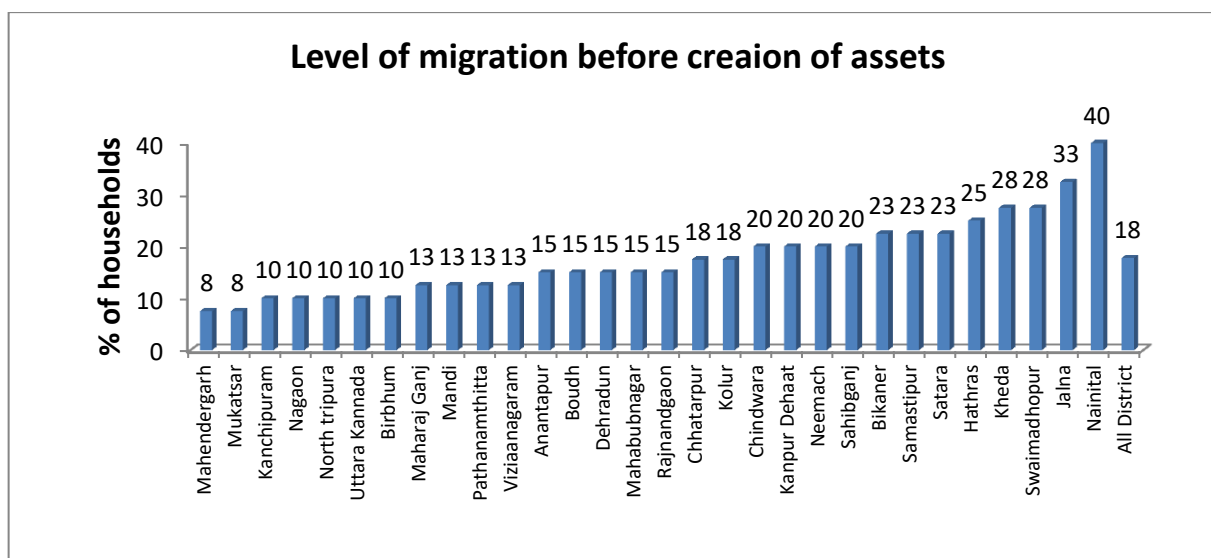
3.9 Fodder availability

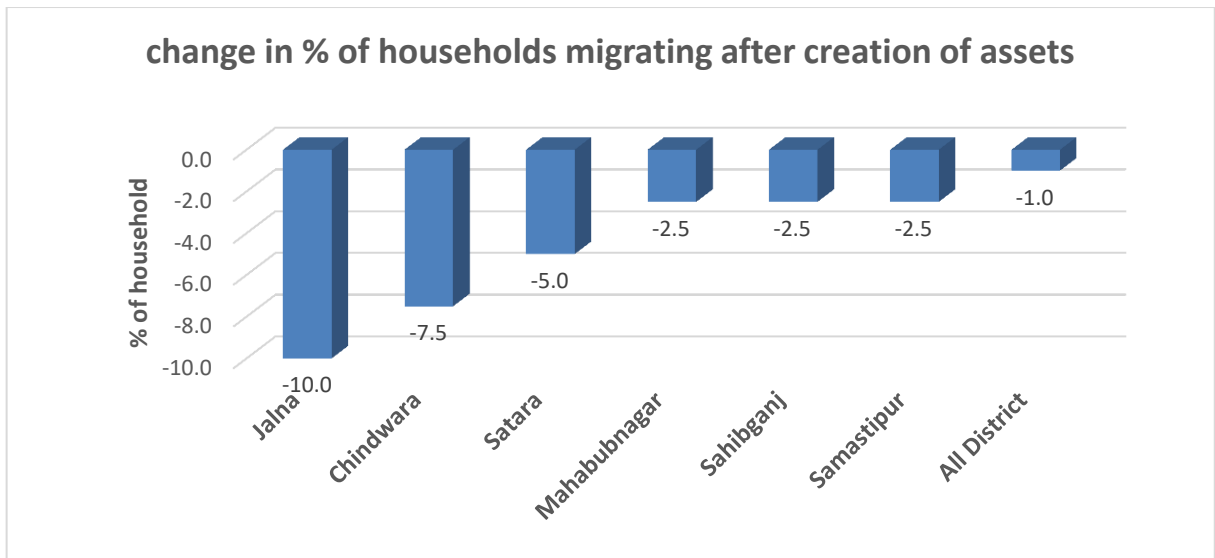
There is again a wide variation in responses across districts on availability of fodder. On the whole, two-thirds of the households report benefitting from fodder availability. Only 13% of the respondents mentioned benefitting from fodder availability in Vizianagaram district in AP, but all the respondents in Neemuch in MP reported the benefit. The low response in some districts may be related to adequacy in fodder availability before the NRM activities were undertaken.



3.10 Migration

Seasonal migration in search of jobs is a normal feature for some low-income households in rural areas. All 30 districts taken together, 18 percent of NRM beneficiary households reported migration with a range varying from 8% in Mahendergarh (Haryana) to 40% in Nainital (Uttarakhand). The percentage of migrating households fell in 6 of the 30 districts covered in the survey, the highest being 10% for Jalna in Maharashtra. In the other 24 districts, percentage of migrating households did not change.





3.11 Conclusions and Suggestions for Improvement

On the whole, the NRM component of MGNREGA has introduced substantial changes in the MGNREGA operations. There has been greater emphasis on individual assets in recent years, though community assets remain important. Its impact on productivity, income, migration, new activities is noticeable within a short span of 2-3 years. The convergence of different development programmes with MGNREGA has helped in creation of meaningful assets. These assets have increased agricultural productivity and income of rural households and have been helpful in creating certain non-tangible benefits as well. The quality of assets on individual land is perceived to be better than the assets created on community land and households are paying attention to maintenance of assets created on their own land.

When productivity aspects do not get priority, expenditure on public employment programmes are basically seen as transfer payments which are needed for certain groups in the society. But, productivity aspects cannot be neglected in large scale public employment programmes such as MGNREGA. Seen from this angle, the emphasis on NRM is a welcome move that attempts to strike a balance between growth and distribution objectives of development.

MGNREGA is primarily meant for providing employment to unskilled labourers with only 40 percent of expenditure meant for procurement of material cost. The convergence of MGNREGA with other development programmes helps in expanding

volume of fund available and creating better assets. In the recent years, such convergence has increased significantly in creating different kinds of assets such as flood control, water conservation & water harvesting, renovation of traditional water bodies, irrigation facilities, land development and connectivity. There is further scope for expanding convergence.

Table 1: List of Selected Districts

| Agro-Climatic Zones | State | District |
|----------------------------|------------------|-----------------|
| Western Himalayan | Himachal Pradesh | Mandi |
| | Uttarakhand | Dehradun |
| | | Nainital |
| Eastern Himalayan | Assam | Nagaon |
| | Tripura | North Tripura |
| Lower Gangetic | West Bengal | Birbhum |
| Middle Gangetic | Bihar | Samastipur |
| | Uttar Pradesh | Maharajganj |
| Upper Gangetic | Uttar Pradesh | Hathras |
| | | Kanpur Dehat |
| Trans Gangetic | Punjab | Muktsar |
| | Haryana | Mahendragarh |
| Eastern Plateau | Jharkhand | Sahebganj |
| | Odisha | Boudh |
| Central Plateau | Madhya Pradesh | Chhatarpur |
| | | Chhindwara |
| | Rajasthan | SawaiMadhopur |
| Western Plateau | Maharashtra | Satara |
| | | Jalna |
| | Madhya Pradesh | Neemuch |
| Southern Plateau | Karnataka | Kolar |
| | Andhra Pradesh | Anantapur |
| | Telangana | Mahbub Nagar |
| Eastern Coastal | Tamil Nadu | Kanchipuram |
| | Andhra Pradesh | Vizianagram |
| Western Coastal | Kerala | Pathanamthitta |
| | Karnataka | Uttar Kannada |
| Gujarat Plains | Gujarat | Kheda |
| Desert Region | Rajasthan | Bikaner |

4.

EXPANDING SCOPE OF MGNREGA FOR PROMOTING AGRICULTURE AND INCREASING FARMERS' INCOME

I. NATURAL RESOURCE MANAGEMENT

| Sl. No | Group of Activity | Currently Permitted/ being done | Pre-sowing/ post-harvest | Additional activities proposed |
|--------|--|---|--|---|
| 1. | Land development & management | <ul style="list-style-type: none"> • Land leveling/ shaping and development • Erosion control measures • Pasture land development • Field bunding • Drainage treatment for water logging areas | Pre-sowing Pre-sowing Pre-sowing Pre-sowing Pre-sowing Pre-sowing | <ul style="list-style-type: none"> • Mix fruit plantation on undulated land • Grass turfing on all earthen works • Land Development to include community fencing (labour cost only) for self-cultivating marginal & small farmers. |
| 2. | Improving water use efficiency – drip, sprinkler, piped water etc. encouraging traditional, low cost methods | <ul style="list-style-type: none"> • Ring wells • Dug wells • Farm ponds • Mini percolation tanks • Water harvesting structures • Renovation of Traditional water bodies | Pre-sowing/ post-harvest | <ul style="list-style-type: none"> • Laying of water carrying pipes from source to field • Maintenance of traditional water bodies (Silt Trap) included under District Irrigation Plan of PMKSY • Lining of farm ponds • Spring shed for irrigation • Lining of feeder channels • Rain water harvesting on community building • Water Budgeting • Drip irrigation and bore well recharge • Low depth borewells |
| 3. | Watershed Development | <ul style="list-style-type: none"> • Standalone watershed activities | Pre-sowing | <ul style="list-style-type: none"> • INRM planning using GIS and Remote Sensing technology • Leverage the potential of IWMP field functionaries • Focus on ridge to valley approach in watershed |
| 4. | Climate change – adaptive methods, seed, cropping pattern etc. | <ul style="list-style-type: none"> • Afforestation • Greening of hillocks • River rejuvenation | Pre-sowing/ post-harvest | <ul style="list-style-type: none"> • Promoting afforestation and river rejuvenation • Allowing tree plantations on bunds |
| 5. | Soil health – thrust on micro | <ul style="list-style-type: none"> • Solid/ Liquid waste management | Pre-sowing/ post-harvest | <ul style="list-style-type: none"> • Further promotion of Solid/ Liquid Waste |

| | | | | |
|--|--|--|--|----------------------------------|
| | nutrient, bio fertilizer organic manures/fertilizer / pesticides | (Vermi/ NADEP compost pits, Soak pits) | | management across all the States |
|--|--|--|--|----------------------------------|

II. INFRASTRUCTURE SUPPORT

| | | | | |
|----|--|---|----------------------------------|---|
| 1. | Irrigating farms | <ul style="list-style-type: none"> • Micro and Minor irrigation works and Creation, renovation Maintenance of irrigation canals and drains | Pre-sowing/ post-harvest | <ul style="list-style-type: none"> • More emphasis on last mile irrigation facility pertaining to Major and Medium irrigation projects |
| 2. | Storage facilities –decentralized, cold chain for high value agriculture | <ul style="list-style-type: none"> • Pucca storage facilities for agriculture produce • Food grain storage godowns | Post-harvest Post-harvest | <ul style="list-style-type: none"> • Further promoting creation of new haats and development/ upgradation of existing village haats • Threshing floors/yards • Dairy Infrastructure at cooperatives and individual level |
| 3. | Farm Mechanization | <ul style="list-style-type: none"> • No role | Pre-sowing/ post-harvest | <ul style="list-style-type: none"> • Farm machinery sheds (labour and material) under community and cooperatives custom hiring Centres |

III. RISK MANAGEMENT – INTEGRATED APPROACHES

| | | | | |
|----|---|--|-----------------------------|---|
| 1. | Integrated approaches farm – allied – non/off farm activities | <ul style="list-style-type: none"> • Animal sheds • Sericulture • Rubber plantation • Drying yard/ fish drying yard • Vermi/ NADEP composting | Pre-sowing/ post-harvest | <ul style="list-style-type: none"> • Institutionalization of convergence of MGNREGS with schemes of Animal Husbandry/Agriculture Department • Technical guidance to women SHGs and others involved in Vermi/ NADEP composting |
| 2. | Diversification of Agriculture and allied activities | <ul style="list-style-type: none"> • Horticulture /plantations • Animal sheds • Drying yard/ fish drying yard • Vermi/NADEP composting • Sericulture • Rubber plantation | Pre-sowing/ post-harvest | <ul style="list-style-type: none"> • Rejuvenation of old and senile orchards (man and material for carrying out recommended operation) • Allowing Banana / Bamboo / Pineapple cultivation • Floriculture may be allowed • Cooperative buildings for farmer related activities may be allowed • Captive seed Nurseries (1 |

| | | | | |
|----|--|--|--|--|
| | | | | <ul style="list-style-type: none"> ha) with bore well and pump. • Lining for farm ponds to arrest seepage • Fish landing centre at reservoirs/ perennial tanks • Desilting of creeks/ drains. • Fish markets-auction hall cum storage shed. • Mini Processing Units. • Construction of fish storage units, cold storage units • GOBAR – Gas units. • Fodder processing & storage sheds, Fodder Banks. • Infrastructure of bulk milk chilling centres/. • Cattle Haats(in similar lines with village haats) at selected/ notified points for trading of cattle. • |
| 3. | Protection of crops from Natural calamities /wild animals/universalization of crop insurance | | <ul style="list-style-type: none"> • Pre-sowing/ post-harvest • Pre-sowing/ post-harvest | <ul style="list-style-type: none"> • Fencing of cluster of farms (barbed wire fencing) |

IV MARKETING STRATEGIES

| | | | | |
|----|---|---|--|---|
| 1. | National Common Market and Agricultural Produce Market Committee (APMC) | <ul style="list-style-type: none"> • Gram Haat structures in APMC free markets for producers - 1860. | <ul style="list-style-type: none"> • Post-harvest | <ul style="list-style-type: none"> • More Gram Haats in coming years in convergence with Agri Marketing • Renovation and restoration of abandoned mandis in non-APMC States |
| 2. | Direct marketing – Farmers Markets | <ul style="list-style-type: none"> • Village Haats outside APMC | <ul style="list-style-type: none"> • Post-harvest | <ul style="list-style-type: none"> • Boundary walls • Construction of rural market yards • Drying platforms • Storage facilities |
| 3. | Commodities future/price realization | <ul style="list-style-type: none"> • Producer Companies of NRLM in trading. | <ul style="list-style-type: none"> • Post-harvest | <ul style="list-style-type: none"> • More Producer Companies. |

V. SCALING UP AND AGGREGATION

| | | | | |
|----|--|---|--------------|---|
| 1. | Promotion of Farmers' Produce Organizations (FPOs) | <ul style="list-style-type: none"> Through DAY-NRLM 86,000 Producer Groups | Post-harvest | Farmers' collective in Waste to Wealth Post Harvest initiatives. Infrastructure for FPOs. |
| 2. | Strengthening cooperative as multi activity agents | <ul style="list-style-type: none"> No Role | Post-harvest | Farmers' Collectives in Producer Markets. |
| 3. | Joint liability group | <ul style="list-style-type: none"> No Role | Post-harvest | Farmers' Collectives in Producer Markets. |

VI. OFF FARM/NON-FARM/WAGE INCOME –

| | | | | |
|----|--|---|-----------------------------|--|
| 1. | Skilling for diversification of activities | <ul style="list-style-type: none"> Barefoot Technicians LIFE Project – Livelihood in Full Employment Rural Masons. | Pre-sowing/ post-harvest | <ul style="list-style-type: none"> Currently 19 States are running BFT project. Other States may be encouraged to join. Livelihood up gradation skills may be taken up under MGNREGS for individual asset beneficiaries. |
| 2. | Supplementary income through activity based groups | <ul style="list-style-type: none"> Common work-sheds for livelihood activities for SHGs | Pre-sowing/ post-harvest | <ul style="list-style-type: none"> Community Infrastructure for FPOs. |
| 3. | MGNREGA to complement family income | <ul style="list-style-type: none"> Up to 100 days of wage employment Individual assets (horticulture, sericulture, plantation, farm forestry, infrastructure for livestock/ fisheries) Improving land productivity | Pre-sowing/ post-harvest | <ul style="list-style-type: none"> More thrust on individual assets. Multiple doses of assistance to one household, so that it comes up the economic ladder – DAYNRLM. No wage subsidy to agriculture labour. |
| 4. | MGNREGA to compliment the GOBAR-DHAN scheme | <ul style="list-style-type: none"> No role | Pre-sowing and post-harvest | <ul style="list-style-type: none"> Bio-Gas plants under MGNREGS. Operation & Maintenance cost by SBM or other funds |
| 5. | MGNREGA to compliment the VAN-DHAN scheme | <ul style="list-style-type: none"> No role | Pre-sowing and post-harvest | <ul style="list-style-type: none"> Value addition in increasing tribal income through minor forest produce Work sheds for processing the MFP (individual or community) as a livelihood activity. Storage godowns at GP level for MFP. |

5.

RECOMMENDATIONS FOR BETTER COORDINATION BETWEEN AGRICULTURE AND MGNREGS

Based on the interactions with different stakeholders and analysis made in the preceding chapters, the following specific recommendations are made for better coordination between Agriculture and MGNREGS:

5.1 Amendment in MGNREGA to include semi-skilled labour in the labour budget

Agriculture and rural development are dynamic in nature. Several activities need minimum skill for creation and management of assets and also putting these assets into optimum utilization. However, MGNREGA provides employment opportunity to unskilled labour only in the labour budget. So far the semi-skilled labour has been put under material component. It is recommended to include the semi-skilled wage labour appropriately in the Labour Budget of MGNREGS. The appropriate amendment in MGNREGA may be effected to achieve this change.

5.2 Vertical and horizontal diversification of activities Using MGNREGS

MGNREGA provides space and scope to include the small and marginal farmers, SC/ST farmers and farmers below poverty line to earn wages of unskilled worker while working on their own homestead farm provided such activity leads to creation of an asset having some characteristics to be mapped and geo-tagged for financial accountability. However, this has very low penetration so far. An awareness campaign may be launched to make public aware of these provisions of MGNREGA.

The horizontal diversification of MGNREGS activities to include the activities related to production, processing and value addition in livestock, poultry, and fisheries along with sericulture and rubber plantations is also recommended to enhance the livelihood opportunities and income augmentation of farmers.

As a means of income augmentation at individual farm level and community level post-harvest waste to wealth activities through Farmers Producer Organizations/Producer Groups/Farmers Cooperatives should be included under

MGNREGS. This may create an eco-system for residue collection, briquette making, and its storage and supply network to industries/user groups.

5.3 Some Additional Activities under MGNREGA

An ambitious target of 10 million ha coverage has been kept under PMKSY for micro-irrigation. The MGNREGS resources need to be converged with PMKSY-micro-irrigation to support creation of infrastructure/civil work for drip irrigation and sprinkler irrigations systems.

MGNREGA labour can be effectively used for rain water harvesting by promoting “Khet ka paani khet mein” by construction of bunds on the field boundaries.

Wild animals have become menace in rural areas devastating the crops on a large scale. The land development activities need to be integrated with fencing of cluster of farms to protect crops from wild animals.

The diversification towards agro-forestry like planting trees at field boundaries (Har meind pe ped) should be supported under MGNREGS.

5.4 Other Recommendations

Substituting wages of labour working on individual farmers’ field other than those already provided in the Act may have some impact on the basic spirit of the MGNREGA, i.e welfare of the rural labour. It will also lead to huge financial implications. At the same time the SMF who are reeling under poverty must be relieved from the economic stress through individual beneficiary schemes that augment incomes and diversify livelihoods.

The sustainable solution for adjusting to high wage and any shortage of labour for agricultural activities is appropriate farm mechanisation and custom hiring services.

MGNREGA needs to diversify beyond water positive and agri-positive investments to create a conducive rural eco-system for ease of living through other enabling interventions.

There is lot of emphasis on promoting Bamboo production in the country. On the other hand large tracts of bamboo forests are getting degraded in some states like Madhya Pradesh. Rejuvenation of these bamboo forests is a labour intensive work which would

improve forest cover and strengthen traditional bamboo based livelihood opportunities in these areas. Rejuvenation of existing bamboo culms in degraded bamboo land under bamboo forest may be included in the list of MGNREGS activities.

MGNREGS now need to reorient from capital asset to human asset which can be used subsequently in creation, management of already created or new assets and their optimal utilization along with occupational diversification within rural space for household income augmentation. The convergence of capacity development activities of programmes of agriculture and MGNREGS should be made criteria for PRIs before sanction of any new project.

The entire rural ecosystem has to be modernized for infrastructure for adding value in the agricultural produce, improving connectivity from farm to main link road and collection centres, subsurface and surface drainage, electricity, markets, internet, solid and liquid resource management. These activities should be given suitable priority in MGNREGA works.

ANNEXURE - I

F. No. M-12017/01/2018-GCS
National Institution for Transforming India
(Governing Council Secretariat)

NITI Aayog,
Sansad Marg, New Delhi
19th June, 2018

ORDER

Subject: Constitution of a Sub-Group of Chief Ministers for Policy Approach on the coordination of Agriculture Sector and the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

Hon'ble Prime Minister has set a goal of Doubling Farmers' Income by 2022. This requires a multi-dimensional approach. A unanimous decision was taken in the fourth meeting of the Governing Council of NITI Aayog, held on June, 17, 2018 that a Sub-Group of Chief Ministers be constituted to suggest the approach with special thrust on pre-sowing and post-harvest interventions using MGNREGS for creating durable assets that enhance incomes of farmers and reduce agrarian distress.

2. The Composition of the Sub-Group was decided and is as follows:-

- | | |
|---|------------|
| a) Chief Minister, Madhya Pradesh | : Convener |
| b) Chief Minister, Andhra Pradesh | : Member |
| c) Chief Minister, Bihar | : Member |
| d) Chief Minister, Gujarat | : Member |
| e) Chief Minister, Uttar Pradesh | : Member |
| f) Chief Minister West Bengal | : Member |
| g) Chief Minister, Sikkim | : Member |
| h) Prof. Ramesh Chand, Member, NITI Aayog | : Member |

The Committee would be serviced by NITI Aayog.

3. Terms of Reference of the Committee will be as follows:


- To suggest a wider choice of State specific interventions both for pre-sowing and post-harvest to further improve the thrust on incomes, water conservation and waste to wealth.
- To align works under MGNREGS fully to the requirements of achieving the goal of higher Farmers' Income. This will improve thrust on Water Conservation, individual Beneficiary Schemes, Construction of Rural Haats, Vermi-Composting etc.
- To make recommendations on interventions of MGNREGS that can facilitate reduction of agrarian distress including work availability, wage rates, seasonality etc.

- (iv) To explore the possibilities of MGNREGS as a livelihood resource for development and diversification of livelihoods of small and marginal farmers specially belonging to SC/ST households.
- (v) To suggest ways of aligning MGNREGS and its livelihood thrust with women Self Help Groups (SHGs), producer Groups, and Producer Companies to enable a better use of resources for livelihood.
- (vi) To explore successful convergence of programme resources across Departments and to ensure optimal fund utilization, efficiency, effectiveness and sustainability.
- (vii) To explore the convergence-of MGNREGS with GOBAR (Galvanizing Organic Bio-Agro Resources – DHAN and Van Dhan Schemes.

4. General

- a) Since the Governing Council had desired this to be a Sub-Group of CMs, it is clarified that no other person is expected to represent the Members in case the concerned CM is unable to attend the deliberations. However, the Convener may co-opt any other official/non-official expert/representative of any organization to assist the Sub-Group.
- b) The expenditure on TA/DA in connection with the meeting of the Sub-Group in respect of a Member or any co-opted official will be borne by the respective States/ Department. However, in case of co-opted non-official persons, they will be entitled for TA/DA as admissible to Grade-I Officials of the Government of India limited to economy class in case of air journey where applicable and the expenditure in this regard would be met by the NITI Aayog.
- c) The Sub-Group will submit its report within three months of its notification.

This issues with the approval of the Prime Minister and Chairman NITI Aayog.


 (Amitabh Kant)
 CEO, NITI Aayog

To

Convener & all Members of the Committee

Copy for information

1. **Members of the Governing Council NITI Aayog**
2. **Principal Secretary to Prime Minister**
3. **PS to the Prime Minister**
4. **Vice Chairman & Full Time Members**

Minutes of the first meeting of Sub-Group for Coordination of Policy Approach on the Agriculture Sector and the MGNREGS

The first meeting of sub-group for Coordination of Policy Approach on the Agriculture Sector and the MGNREGS was held at NITI Aayog on 12th July 2018. Six Chief Ministers (including Hon'ble CM, M.P. as Convener of the Sub-Group) and Member NITI Aayog (who are members of the Sub-Group) presented their thoughts on the need and possibilities to utilise MGNREGS for agriculture and allied sector for further deliberation. The Hon'ble CM, Bihar and the Hon'ble CM, Gujarat participated in the meeting through Video Conferencing.

1. The meeting began with the Additional Secretary, NITI welcoming the participants. The Secretary, Rural Development, GoI then made a presentation summarising the TORs for the sub-group focussing on areas where MGNREGS has contributed in agricultural activities as well as allied activities in rural areas. He emphasized the importance of aligning MGNREGS' contribution to augment value for farmers given the rising agrarian distress. Apart from livelihood opportunities in lean months, MGNREGS can be leveraged to create durable assets, market development activities for women producer groups/SHGs, and end-to-end solutions for augmenting farmers' incomes while making it attractive for labour households. Convergence with GOBAR-DHAN may also be explored. He also shared the finding of a study done by IEG on working of MGNREGS in 30 sample districts.
2. The Secretary, Rural Development stated that 74 percent weightage in CPI (AL/RL) was for food products. Transition of CPI for labour to CPI for rural areas may have a positive impact on wages as weight of the food basket in the latter is 48 percent. He emphasised that the Act comprises two objectives of livelihood security and durable assets creation. He stated that the specific activities for convergence for MGNREGS and agriculture can be included by expanding the works under the schedule.
3. Member (Agri.), NITI Aayog added to the discussion by presenting an analysis on the effect of MGNREGS on rural wages, farm costs and farmer incomes. Labour remains the biggest input in agriculture. With a decrease in the number of cultivators, reliance on hired labour has increased. Since MGNREGS predominantly encompasses relatively light work, the labour expects a higher wage for engaging in heavy work on farms. His analysis showed that wages have grown exponentially and at a rate much higher as compared to CPI (Rural) since the implementation of MGNREG. Share of wages in inputs has also increased skewing the cost structure towards labour cost. However, data captures no effect of this on value of output, which represents farmers' income, at aggregate level. He suggested that priority areas for benefitting small and marginal farmers need to be identified. He also pointed out that in some states MGNREG is not properly used for the defined activities indicating scope to link it to agriculture. He made specific mention of using MGNREG for checking rice straw/stubble burning and exploring use of such biomass for wealth, like compost.
4. Hon'ble CM, Madhya Pradesh emphasised that a balanced approach must be undertaken to impact farmers' income while maintaining labour welfare motive. He suggested 5 measures to augment farmers' income: Cost reduction, productivity enhancement, better prices, disaster mitigation and crop-diversification. To lower the cost of production for the farmer, MGNREGS may be leveraged for pre-sowing activities on the farm. This would require a shift from focus on community assets to individual assets. Micro-irrigation through drip/sprinkler method has been identified as a way to increase productivity.

The equipments used in these methods are expensive. It was suggested that the cost of laying down such irrigation networks may be covered under MGNREGS using the 60:40 ratio as given under the Act. Also, services of labour under MGNREGS can be used for cleaning the fields and preparing them for new crops after floods, heavy rains and other such natural disasters. Waste to wealth was highlighted as an important aspect that may be deliberated on, especially during preparation of land for new crop cycle post-harvest.

He also suggested organising job card holders into Self-help Groups to capture ground level malpractices in the implementation of the scheme. The situation prevalent in the States is a major factor for allocation under MGNREGS in relation to agriculture and allied activities. The priorities may differ from state to state, such as for cold chains, storage spaces, biogas, and value addition in fruits and vegetables.

5. Hon'ble CM, Uttar Pradesh highlighted that ways to utilise the fund of MGNREGS in all stages from pre-sowing to post harvest need to be deliberated on. Farmer does not have the capacity to deliver pay-outs that compete with MGNREGS wages, hence it adds to his cost burden. He put forth the proposal that the additional cost to farmer during the sowing season can be covered under MGNREGS. Integrating work on farm during the season with MGNREGS may prove beneficial for both the farmer and the labour. Other important areas to leverage MGNREGS highlighted were field fencing to check animals and salary component for cattle shed and maintenance.

6. Hon'ble CM, Gujarat also highlighted the important role that MGNREGS can play in bringing down farmers' costs. He underscored the need to follow Israel pattern for agricultural development. Other areas highlighted were diversification to fruits and vegetables, support for livestock rearing, animal fencing, preparation of fields for post natural disasters, market development for agriculture producers, technology for organic agriculture and precision agriculture. He also suggested that estimation should be done regarding cost of inputs for small and marginal farmers.

7. Hon'ble CM, Bihar reiterated that there is no prima facie benefit to the farmer from MGNREGS. He also underlined the importance of leveraging MGNREGS with activities from pre-sowing to harvest and post-harvest; and also assess the impact of MGNREGS in increasing the cost burden on farmers. There may be a need to broaden the policy to extend the benefit to small and marginal farmers for the work they do on their farms. The exact details of how to broaden the scope is a matter of discussion. He stated that ensuring 100 days employment sometimes becomes a challenge in some regions. He proposed that the benefit must cover tenant farmers as well. He highlighted the example of practice of crop burning followed in Punjab and Haryana is now spreading to other states and suggested appropriate deployment of MGNREGS in post-harvest activities on farmers' field. He put a caveat that any change in use of MGNREG requires deeper thought to avoid the perception that aligning on farm activities with MGNREGS may give rise to bonded labour like situation. He strongly suggested that the wages under MGNREGS must be realigned with the minimum wage of the state.

He underscored the need to undertake an in-depth study and analysis in the context of integrating agriculture sector with MGNREGS. A duly validated database for cultivators and labour at the ground level must also be prepared to broaden the registration process under MGNREGS. Issues such as direct payment to labour and in a timely manner will need to be taken care of. He emphasised that capturing high cost of production will result into a solid benefit for the farmer. The Ministry of Rural Development is suggested to consult with all the

states for suggestions and make field visits to some sites keeping in mind ease of implementation modalities. A second meeting may be convened after such research.

8. Hon'ble CM, Madhya Pradesh laid the future course of action to summarise the meeting. The following action points were decided upon to be undertaken by the Ministry of Rural Development and NITI Aayog:

- a. A study is to be undertaken along with field visits for analysis of ground level situation for better integration of agriculture sector with MGNREGS.
- b. Regional Level Workshops will be conducted with participation from multiple stakeholders such as farmer representatives, representatives from the field of rural development and representatives from States etc. A draft synthesising the views shared in the workshops will be circulated among the participants.
- c. Comments shared in written by the Hon'ble CM of West Bengal and Hon'ble CM of Andhra Pradesh will be studied for synthesis in the report.
- d. Second meeting of the sub-group will be convened on 31st August 2018 to finalise draft report.

The meeting ended with a vote of thanks to the Chair.

List of Participants

Convenor and Members of the Subgroup

1. Shri Shiv Raj Singh Chouhan, Chief Minister of Madhya Pradesh – Convenor
2. Shri Yogi Adityanath, Chief Minister of Uttar Pradesh-Member
3. Shri Nitish Kumar, Chief Minister of Bihar-Member
4. Shri Vijaybhai Rupani, Chief Minister of Gujarat-Member
5. Dr Ramesh Chand, Member (Agriculture), NITI Aayog-Member

Representatives of NITI Aayog/Ministries

6. Shri Amitabh Kant, Chief Executive Officer, NITI Aayog
7. Shri Amarjeet Sinha, Secretary, Ministry of Rural Development
8. Dr Ashok Dalwai, Chief Executive Officer, NRAA, Ministry of Agriculture
9. Shri Yaduvendra Mathur, Additional Secretary, NITI Aayog
10. Dr J P Mishra, Adviser Agriculture, NITI Aayog
11. Dr Ashok Kr Jain, Adviser, RD, NITI Aayog
12. Shri Sanjeeb Kumar Patjoshi, Joint Secretary, Ministry of Panchayati Raj, GOI
13. Shri D. Chaturvedi, Joint Secretary (Policy), Ministry of Agriculture

Representatives of State Governments

14. Shri Prabhat Kumar, Agriculture Production Commissioner, Uttar Pradesh
15. Shri Iqbal Singh Bains, Additional Chief Secretary, RD, Government of MP
16. Shri Ashok Barnawal, Principal Secretary to CM, Madhya Pradesh
17. Shri Yogesh Kumar, Additional Commissioner, MGNREGA, Uttar Pradesh

Major suggestions given by the participants in five Regional Workshop held by NITI Aayog on “*Policy approach on the Coordination of Agriculture sector and MGNREGS for higher income of farmers*”

1. 162 works to support agriculture and allied activities already get covered under MGNREGS. However, proper implementation of these admissible works need appropriate focus.
2. Presently, MGNREGA permits engagement of only unskilled labour, under wage component. However, some of the activities require a minimum set of skills in order to create the permissible assets on one hand and to make optimum utilization of the assets thus created on the other. Deployment of semi-skilled labour to render support in certain identified areas viz. horticulture, fisheries and animal husbandry etc. may be permitted under the wage component of the Act. For this purpose, appropriate amendment in the MGNREGA may be required.
3. Full potential of the MGNREGA, which provides for undertaking wide ranging activities, still remains to be harnessed. Necessity of convergence of various Schemes across multiple sectors has been highlighted from time to time. Though some of the States have been using multi-sectoral convergence effectively, necessary thrust on convergence in most of the States still remains to be given. Appropriate institutional mechanism for ensuring effective convergence, therefore, needs to be set up.
4. There are certain State specific issues. For instance, in some parts of the Punjab, during the month of March to June, there is a massive problem of the mosquitoes (chittimakkhi) which adversely impact the crops. Similarly, stubble burning has emerged as a major problem in Punjab causing adverse impact on the environment. The issue raised was whether the unskilled labour under MGNREGA may be deployed to tackle these problems? Agricultural waste management was also suggested to be one of the priority areas which might be taken under MGNREGA.

5. Fencing of the villages/farm lands was projected as, a priority area for protecting the crops from the stray cattle / animals. Provision of fencing may thus be considered as an admissible work at the village/cluster level only. There could be certain options as follows:
 - i) Barred wire-fencing: Since material cost, in this option, would be high, Relaxation from 60:40 norms of labour: material may be required or in alternate the material cost may be provided by the State Government from some other scheme;
 - ii) “green fencing” could be a viable solution, which may be done within the existing framework of the MGNREGS.
 - iii) Solar fencing
6. Enhancement of MGNREGA wage rate may be considered, which has been stagnant. Issue of ensuring expeditious payment under MGNREGA was also highlighted.
7. In Himachal Pradesh 66% of the land area has been declared as the forest area which prohibits taking up community assets, works in such areas. Therefore, the watershed projects on “Ridge to valley approach” is not possible in such areas. Therefore, “Forest (Conservation) Act” may be revisited for permitting watershed works under MGNREGA.
8. Maintenance/de-silting of all irrigation channels may be permitted under MGNREGA. Such an activity is already permitted for public works under the Act.
9. Availability of good quality seeds, especially to the small and marginal farmers, is the major issue. To Overcome this problem, setting up of easily accessible seed storage facilities may be included as admissible work under MGNREGA.
10. In order to enable the farmers to raise their incomes the greater emphasis must be laid on optimum “production monetization” by providing, agri-logistics including the roads, communication, transport, cleaning, processing and packaging facilities.
11. Commissioner NREGA Rajasthan highlighted that exemplary work has been done in Rajasthan for construction of farm ponds and water channels under

MGNREGA which has brought very good results. This work needs to be carried forward in a big way.

12. The small and marginal farmers need help to take their produce to the market. Appropriate mechanism should be created to establish produce to the market linkages. Presently, there are 86% marginal/small farmers and there is a case for ensuring agro-markets of to this target group under MGNREGA. For increasing post-harvest income, some of the strategies are better marketing through GraminHaats which are free from APMC regulations, provisions of cold storage etc.
13. One of the basic reason for agriculture distress is, poor soil health, lack of water, climate change, adverse ground water level etc. There is, therefore a need to diversify the source of livelihoods to horticulture, floriculture, livestock and fisheries etc. In the rain fed areas cultivation of pulses and oilseeds may be given due emphasis. In the tribal areas the degradation of minor forest produce is one of the major areas of concern. Activities of plantation in forest area in these belts is, therefore, essential.
14. There are certain State specific requirements. Presently, Schedule I of the MGNREGA, prescribes the admissible works which might need revision in the light of such requirements. Under such contingencies, the limited powers may be given to the State Governments for revising Schedule I, within the framework of the Act.
15. Presently, under MGNREGA labour wages are indexed to the CPI-AL. Since the inflation on the food items is not very high, the labour wages also do not get any sizable hike. Therefore, there is case to index the labour wages with CPI-R which has a lower proportion of the food items.
16. On an average basis, farmers remain employed in their farm activities for about 180 days in a year. They can engage themselves productively in some alternative occupation for rest of the 180 days. Diversification of their activities in other areas may, therefore be supported under MGNREGA.
17. Convergence of MGNREGA activities with schemes/programmes of other departments may be pro-actively harnessed. Along with various other measures which are already being taken, ATMA platform of Department of Agriculture may be utilized for this purpose. Mission Water Conservation also envisages multi-sectoral collaboration and needs to be appropriately implemented.

18. Non availability of labour to the marginal and small farmers is an issue which leads to increase in the input cost of labour. Therefore, the labour cost, for the agricultural activities like sowing and harvesting may be paid under the MGNREGA(Mahatma Gandhi National Rural Employment Guarantee Act) to such farmers.
19. In some of the areas, there is a lack of awareness about MGNREGA. The eligible target group is still not fully aware about the provisions of the Act. It should be, therefore, promoted through appropriate IEC strategies.

ANNEXURE - IV

AGRICULTURE AND ALLIED ACTIVITIES RELATED WORKS CURRENTLY PERMISSIBLE UNDER MGNREGS

| No. | LIST OF PERMISSIBLE WORKS under MGNREGS | Master Category | Agri& Allied |
|-----|---|-----------------|---------------|
| 1 | Construction of Food grain Storage Building for Community | D | Agri / Allied |
| 2 | Repair and Maintenance of Food grain Storage Building for Community | D | Agri / Allied |
| 3 | Construction of Agricultural produce storage Building for Groups | C | Agri / Allied |
| 4 | Construction of Earthen peripheral/farm/field Bund for Individuals | A | Agri / Allied |
| 5 | Construction of Pebble peripheral/farm/field Bund for Individuals | A | Agri / Allied |
| 6 | Construction of Stone peripheral/farm/field Bund for Individuals | A | Agri / Allied |
| 7 | Construction of Earthen peripheral/farm/field Bund for Community | A | Agri / Allied |
| 8 | Construction of Pebble peripheral/farm/field Bund for Community | A | Agri / Allied |
| 9 | Construction of Stone peripheral/farm/field Bund for Community | A | Agri / Allied |
| 10 | Construction of Feeder Canal for Community | A | Agri / Allied |
| 11 | Construction of distributary Canal for Community | A | Agri / Allied |
| 12 | Construction of minor Canal for Community | A | Agri / Allied |
| 13 | Construction of sub-minor Canal for Community | A | Agri / Allied |
| 14 | Construction of water courses for Community | B | Agri / Allied |
| 15 | Lining of Feeder Canal for Community | A | Agri / Allied |
| 16 | Lining of distributary Canal for Community | A | Agri / Allied |
| 17 | Lining of minor Canal for Community | A | Agri / Allied |
| 18 | Lining of sub-minor Canal for Community | A | Agri / Allied |
| 19 | Lining of water courses Canal for Community | A | Agri / Allied |
| 20 | Renovation of Feeder Canal for Community | A | Agri / Allied |
| 21 | Renovation of distributary Canal for Community | A | Agri / Allied |
| 22 | Renovation of minor Canal for Community | A | Agri / Allied |
| 23 | Renovation of sub-minor Canal for Community | A | Agri / Allied |
| 24 | Repair and Maintenance of Feeder Canal for Community | D | Agri / Allied |

| No. | LIST OF PERMISSIBLE WORKS under MGNREGS | Master Category | Agri& Allied |
|-----|--|-----------------|---------------|
| 25 | Repair and Maintenance of distributary Canal for Community | D | Agri / Allied |
| 26 | Repair and Maintenance of minor Canal for Community | D | Agri / Allied |
| 27 | Repair and Maintenance of sub-minor Canal for Community | D | Agri / Allied |
| 28 | Repair and Maintenance of water course Canal for Community | D | Agri / Allied |
| 29 | Development of SilvipastureGrasslands for Community | A | Agri / Allied |
| 30 | Development of SilvipastureGrasslands for Individuals | B | Agri / Allied |
| 31 | Levelling/shaping of Wasteland / Fallow land for Individuals | B | Agri / Allied |
| 32 | Drainage of chaur or waterlogged areas Land for Individuals | B | Agri / Allied |
| 33 | Levelling/shaping of Wasteland Land for Community | A | Agri / Allied |
| 34 | Development of chaur Land for Community | A | Agri / Allied |
| 35 | Development of Fallow Land for Community | A | Agri / Allied |
| 36 | Reclamation of Community Waterlogged Land | A | Agri / Allied |
| 37 | Drainage of Community Waterlogged Land | A | Agri / Allied |
| 38 | Construction of Brushwood Check Dam for Individuals | B | Agri / Allied |
| 39 | Construction of Earthen Anicut Check Dam for Individuals | B | Agri / Allied |
| 40 | Construction of Boulder Check Dam for Individuals | B | Agri / Allied |
| 41 | Construction of Masonry/CC Check Dam for Individuals | B | Agri / Allied |
| 42 | Construction of Gabion Check Dam for Individuals | B | Agri / Allied |
| 43 | Construction of Brushwood Check Dam for Community | A | Agri / Allied |
| 44 | Construction of Earthen Check Dam for Community | A | Agri / Allied |
| 45 | Construction of Boulder Check Dam for Community | A | Agri / Allied |
| 46 | Construction of Masonry/CC Check Dam for Community | A | Agri / Allied |
| 47 | Construction of Gabion Check Dam for Community | A | Agri / Allied |
| 48 | Repair and Maintenance of Earthen Check Dam for Community | D | Agri / Allied |
| 49 | Repair and Maintenance of Boulder Check Dam for Community | D | Agri / Allied |
| 50 | Repair and Maintenance of Masonry/CC Check Dam for Community | D | Agri / Allied |
| 51 | Repair and Maintenance of Gabion Check Dam for Community | D | Agri / Allied |
| 52 | Construction of Compost Pit for Individual | D | Agri / Allied |

| No. | LIST OF PERMISSIBLE WORKS under MGNREGS | Master Category | Agri& Allied |
|-----|--|-----------------|---------------|
| 53 | Construction of Vermi Compost structure for Individual | D | Agri / Allied |
| 54 | Construction of NADEP Compost structure for Individual | D | Agri / Allied |
| 55 | Construction of Berkeley Compost Pit for Individual | D | Agri / Allied |
| 56 | Construction of Vermi Compost structure for Community | D | Agri / Allied |
| 57 | Construction of NADEP Compost structure for Community | D | Agri / Allied |
| 58 | Construction of Berkeley Compost Pit for Community | D | Agri / Allied |
| 59 | Construction of Compost Pit structure for Community | D | Agri / Allied |
| 60 | Repair and Maintenance of Vermi Compost structure for Community | D | Agri / Allied |
| 61 | Repair and Maintenance of NADEP Compost structure for Community | D | Agri / Allied |
| 62 | Repair and Maintenance of Berkeley Compost Pit for Community | D | Agri / Allied |
| 63 | Repair and Maintenance of Compost Pit for Community | D | Agri / Allied |
| 64 | Construction of Vermi Compost structure for Groups | C | Agri / Allied |
| 65 | Construction of NADEP Compost structure for Groups | C | Agri / Allied |
| 66 | Construction of Berkeley Compost Pit for Groups | C | Agri / Allied |
| 67 | Construction of Compost Pit for Groups | C | Agri / Allied |
| 68 | Construction of Diversion Storm Water Drain for Community | D | Agri / Allied |
| 69 | Repair and maintenance of Diversion Storm Water Drain for Community | D | Agri / Allied |
| 70 | Construction of Irrigation Open Well for Individuals | B | Agri / Allied |
| 71 | Construction of Irrigation Open Well for Community | A | Agri / Allied |
| 72 | Repair and maintenance of parapet & platform of Irrigation Open Well for Community | A | Agri / Allied |
| 73 | Construction of Irrigation Open Well for Groups | A | Agri / Allied |
| 74 | Construction of Fish Drying Yards for Individual | B | Agri / Allied |
| 75 | Construction of Fish Drying Yards for Community | B | Agri / Allied |
| 76 | Repair and Maintenance of Fish Drying Yards for Community | D | Agri / Allied |
| 77 | Boundary Line Plantation of Horticulture Trees for Individuals | B | Agri / Allied |
| 78 | Along the coast Line Plantation of Horticulture Trees for Individuals | B | Agri / Allied |
| 79 | Boundary Line Plantation of Farm Forestry Trees for Individuals | B | Agri / Allied |

| No. | LIST OF PERMISSIBLE WORKS under MGNREGS | Master Category | Agri& Allied |
|-----|---|-----------------|---------------|
| 80 | Along the coast Line Plantation of Farm Forestry Trees for Individuals | B | Agri / Allied |
| 81 | Wasteland Line Plantation of Farm Forestry Trees for Individuals | B | Agri / Allied |
| 82 | Boundary Line Plantation of Forestry Trees for Individuals | B | Agri / Allied |
| 83 | Along the coast Line Plantation of Forestry Trees for Individuals | B | Agri / Allied |
| 84 | Wasteland Line Plantation of Forestry Trees for Individuals | B | Agri / Allied |
| 85 | Line Plantation of Shelter Belt Trees for Individuals | B | Agri / Allied |
| 86 | Line Plantation of Coastal Shelter Belt Trees for Individuals | B | Agri / Allied |
| 87 | Block Plantation of Horticulture Trees in fields for Individuals | B | Agri / Allied |
| 88 | Wasteland Block Plantation of Horticulture Trees for Individuals | B | Agri / Allied |
| 89 | Block Plantation of Farm Forestry Trees in Fields for Individuals | B | Agri / Allied |
| 90 | Wastelands Block Plantation of Farm Forestry Trees for Individuals | B | Agri / Allied |
| 91 | Block Plantation of Forestry Trees in Fields for Individuals | B | Agri / Allied |
| 92 | Wastelands Block Plantation of Forestry Trees for Individuals | B | Agri / Allied |
| 93 | Block Plantation of Sericulture Trees in fields for Individuals | B | Agri / Allied |
| 94 | Wastelands Block Plantation of Sericulture Trees for Individuals | B | Agri / Allied |
| 95 | Block Plantation of Biodrainage Trees in Fields for Individuals | B | Agri / Allied |
| 96 | Wasteland Block Plantation of Biodrainage Trees for Individuals | B | Agri / Allied |
| 97 | Block Plantation of Shelter Belt Trees for Individuals | B | Agri / Allied |
| 98 | Boundary Block Plantation of Coastal Shelter Belt Trees for Individuals | B | Agri / Allied |
| 99 | Canal Line Plantation of Horticulture Trees for Community | A | Agri / Allied |
| 100 | Boundary Line Plantation of Horticulture Trees for Community | A | Agri / Allied |
| 101 | Along the coast Line Plantation of Horticulture Trees for Community | A | Agri / Allied |
| 102 | Boundary Line Plantation of Farm Forestry Trees for Community | A | Agri / Allied |
| 103 | Canal Line Plantation of Forestry Trees for Community | A | Agri / Allied |

| No. | LIST OF PERMISSIBLE WORKS under MGNREGS | Master Category | Agri& Allied |
|-----|---|-----------------|---------------|
| 104 | Boundary Line Plantation of Forestry Trees for Community | A | Agri / Allied |
| 105 | Road side line plantation of Forestry Trees for Community | A | Agri / Allied |
| 106 | Along the coast Line Plantation of Forestry Trees for Community | A | Agri / Allied |
| 107 | Boundary Line Plantation of Shelter Belt Trees for Community | A | Agri / Allied |
| 108 | Road Line Plantation of Shelter Belt Trees for Community | A | Agri / Allied |
| 109 | Along the coast Line Plantation of Coastal Shelter Belt Trees for Community | A | Agri / Allied |
| 110 | Block Plantation of Horticulture Trees in Government building premises for Community | A | Agri / Allied |
| 111 | Along the coast Block Plantation of Horticulture Trees for Community | A | Agri / Allied |
| 112 | Fields Block Plantation of Horticulture Trees for Community | A | Agri / Allied |
| 113 | Wasteland Block Plantation of Horticulture Trees for Community | A | Agri / Allied |
| 114 | Block Plantation of Farm Forestry Trees in Government building premises for Community | A | Agri / Allied |
| 115 | Along the coast Block Plantation of Farm Forestry Trees for Community | A | Agri / Allied |
| 116 | Block Plantation of Farm Forestry Trees in fields for Community | A | Agri / Allied |
| 117 | Wasteland Block Plantation of Farm Forestry Trees for Community | A | Agri / Allied |
| 118 | Block Plantation of Forestry Trees in Government building premises for Community | A | Agri / Allied |
| 119 | Along the coast Block Plantation of Forestry Trees for Community | A | Agri / Allied |
| 120 | Block Plantation of Forestry Trees in Fields for Community | A | Agri / Allied |
| 121 | Wasteland Block Plantation of Forestry Trees for Community | A | Agri / Allied |
| 122 | Block Plantation of Sericulture Trees in Fields for Community | B | Agri / Allied |
| 123 | Wasteland Block Plantation of Sericulture Trees for Community | B | Agri / Allied |
| 124 | Block Plantation of Biodrainage Trees in Government building premises for Community | D | Agri / Allied |
| 125 | Block Plantation of Biodrainage Trees in fields for Community | D | Agri / Allied |
| 126 | Block Plantation of Biodrainage trees in Wastelands for community | D | Agri / Allied |

| No. | LIST OF PERMISSIBLE WORKS under MGNREGS | Master Category | Agri& Allied |
|-----|---|-----------------|---------------|
| 127 | Along the coast Afforestation using forestry Trees for Community | A | Agri / Allied |
| 128 | Afforestation of wastelands using Forestry trees for individuals | A | Agri / Allied |
| 129 | Construction of Earthen Gully Plugs for Individuals | B | Agri / Allied |
| 130 | Construction of Stone boulder Gully Plugs for Individuals | B | Agri / Allied |
| 131 | Construction of Earthen Gully Plugs for Community | A | Agri / Allied |
| 132 | Construction of Stone boulder Gully Plugs for Community | A | Agri / Allied |
| 133 | Repair and maintenance of Earthen Gully Plugs for Community | D | Agri / Allied |
| 134 | Repair and maintenance of Stone boulder Gully Plugs for Community | D | Agri / Allied |
| 135 | Raising of Nursery for Individuals | B | Agri / Allied |
| 136 | Raising of Nursery for Community | B | Agri / Allied |
| 137 | Raising of Nursery for Groups | B | Agri / Allied |
| 138 | Construction of Farm Ponds for Individuals | B | Agri / Allied |
| 139 | Construction of Fisheries Ponds for Community | B | Agri / Allied |
| 140 | Repair and maintenance of Fisheries Ponds for Community | D | Agri / Allied |
| 141 | Renovation of Fisheries Ponds for Community | B | Agri / Allied |
| 142 | Construction of Cattle Shelter for Individuals | B | Agri / Allied |
| 143 | Construction of Goat Shelter for Individuals | B | Agri / Allied |
| 144 | Construction of Piggery Shelter for Individuals | B | Agri / Allied |
| 145 | Construction of Poultry Livestock_Shelter for Individuals | B | Agri / Allied |
| 146 | Construction of Cattle Shelter for Community | B | Agri / Allied |
| 147 | Construction of Goat Shelter for Community | B | Agri / Allied |
| 148 | Construction of Piggery Shelter for Community | B | Agri / Allied |
| 149 | Construction of Poultry Shelter for Community | B | Agri / Allied |
| 150 | Repair and maintenance of Cattle Shelter for Community | D | Agri / Allied |
| 151 | Repair and maintenance of Goat Shelter for Community | D | Agri / Allied |
| 152 | Repair and maintenance of Piggery Shelter for Community | D | Agri / Allied |
| 153 | Repair and maintenance of Poultry Shelter for Community | D | Agri / Allied |
| 154 | Construction of Level Bench Terrace Terrace for | B | Agri / Allied |

| | | | |
|------------|--|------------------------|-------------------------|
| | Individual | | |
| 155 | Construction of Upland Bench Terrace Terrace for Individual | B | Agri / Allied |
| No. | LIST OF PERMISSIBLE WORKS under MGNREGS | Master Category | Agri& Allied |
| 156 | Construction of Level Bench Terrace Terrace for Community | A | Agri / Allied |
| 157 | Construction of Upland Bench Terrace Terrace for Community | A | Agri / Allied |
| 158 | Construction of Infrastructure for Azola cultivation for Individual | B | Agri / Allied |
| 159 | Construction of Infrastructure for Azola cultivation for Community | B | Agri / Allied |
| 160 | Repair and Maintenance of Infrastructure for Azola cultivation for Community | D | Agri / Allied |
| 161 | Construction of Infrastructure for Liquid Biomanure for Individuals | B | Agri / Allied |
| 162 | Construction of Infrastructure for Liquid Biomanure for Groups | C | Agri / Allied |
| 163 | Construction of Infrastructure for Liquid Biomanure for Community | B | Agri / Allied |
| 164 | Repair and Maintenance of Infrastructure for Liquid Biomanure for Community | D | Agri / Allied |