

TWENTY-EIGHTH REPORT
STANDING COMMITTEE ON
AGRICULTURE
(1995-96)

(TENTH LOK SABHA)

MINISTRY OF FOOD PROCESSING INDUSTRIES
DEMANDS FOR GRANTS (1994-95)

*[Action taken by Government on the recommendations/
observations contained in the Eleventh Report of Standing
Committee on Agriculture]*



Presented to Lok Sabha on 16.5.1995

Laid in Rajya Sabha on 16.5.1995

LOK SABHA SECRETARIAT
NEW DELHI

May, 1995/Vaisakha, 1917 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON
AGRICULTURE

(1995-96)

Shri Nitish Kumar — *Chairman*

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4. Shri S. Bal Shekar – *Under Secretary*

COMPOSITION OF SUB-COMMITTEE 'E'

- | | | |
|---------------------------------|---|---------------------------|
| 1. Shri H. Hanumanthappa | — | <i>Convenor</i> |
| 2. Shri Upendra Nath Verma | — | <i>Alternate Convenor</i> |
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| 4. Shri Nathuram Mirdha | | |
| 5. Shri V.V. Nawale | | |
| 6. Shri Ganga Ram Koli | | |
| 7. Shri Ram Tahal Chaudhary | | |
| 8. Shri Satyanarayan Dronamraju | | |

INTRODUCTION

I, the Chairman of the Standing Committee on Agriculture (1995-96) 'having been authorised by the Committee to submit Report on their behalf, present this 28th Report on Action Taken by Government on the recommendations/observations contained in the 11th Report of the Standing Committee on Agriculture (1994-95) (Tenth Lok Sabha) on the Demand for Grants (1994-95) of the Ministry of Food Processing Industries.

2. The Eleventh Report of the Standing Committee on Agriculture (1994-95) on Demands for Grants (1994-95) of the Ministry of Food Processing Industries was presented to Lok Sabha on 22nd April, 1994. The Ministry of Food Processing Industries was requested to furnish action taken replies of the Government to recommendations contained in the Eleventh Report by 21st October, 1994. The replies of the Government to all the recommendations contained in the Report were received on 6th September, 1994.

3. The Ministry was also requested to furnish the extent to which the Demands for Grants (1995-96) have been modified in the light of recommendations of the Committee contained in the Eleventh Report on Demands for Grants (1994-95) of the Ministry of Food Processing Industries. The replies in this regard were received on the 7th April, 1995.

4. The Sub-Committee 'E' of the Standing Committee on Agriculture considered these action taken replies and subsequent replies furnished by the Government in its sitting held on 2.5.1995 and approved the draft comments and decided to place the same before the whole Committee on 9th May, 1995, for final approval and adoption.

5. The Committee considered and adopted the 28th Report at their sitting held on 9.5.1995.

6. An analysis of the Action Taken by the Government on the recommendations/observations contained in the 11th Report (Tenth Lok Sabha) of the Committee is given in Appendix II.

NEW DELHI ;
12 May, 1995
22 Vaisakha, 1917 (Saka)

NITISH KUMAR,
Chairman,
Standing Committee on Agriculture.

CHAPTER I

REPORT

1.1 This report of Standing Committee on Agriculture (1995-96) deals with the action taken by the Government on the recommendations/observations contained in their Eleventh Report (Tenth Lok Sabha) on the Demands for Grants (1994-95) of the Ministry of Food processing Industries. The Eleventh Report was presented to Lok Sabha on 22nd April, 1994. It contained 9 recommendations/observations. Action taken notes have been received in respect of all the 9 recommendations/observations. The Committee have categorised as under:-

- (i) Recommendations/observations which have been accepted by Government : Para Nos. 3.2, 3.5, 3.6 & 3.9

(Total 4 included in Chapter II of the Report)

- (ii) Recommendations/observations which the Committee do not desire to pursue in view of Governments reply: Para Nos. 3.7 & 3.8

(Total 2 included in Chapter III of the Report)

- (iii) Recommendations/observations in respect of which final replies of Government have not been accepted by the Committee: Para Nos. 3.1 3.3 & 3.4

(Total 3 included in Chapter IV of the Report)

- (iv) Recommendations/observations in respect of which replies of Government are awaited:

(NIL, Chapter V of the Report)

1.2 The Committee will now deal with action taken by the Government on some of the recommendations/observations.

Recommendation No. 2 (Para No. 3.1, Page 10).

1.3 The Committee in para 3.1 in the 11th Report had observed that on the matter of priorities enumerated by the Ministry, no concrete schemes have been brought to the notice of the Committee for establishment of infrastructural facilities for storage, preservation, processing and marketing of food products neither there has been any evidence of creating employment opportunities in this sector especially for women and unemployed youth close to the area of production.

1.4 The Government in their reply have stated as under:-

The Ministry's Plan schemes for infrastructural facilities for storage, preservation and processing, etc. are reflected in the Plan Schemes on infrastructure for fruits & vegetable processing, assistance for infrastructure for storage, transportation of meat, poultry & fish products, etc. In the case of distribution in the meat sector, there are schemes in which assistance is provided for setting up of refrigerating systems which is being utilised by the unemployed youth. With regard to women, the Food Processing Training Centres, which are being promoted by this Ministry, train mainly women entrepreneurs for production of food processing items.

1.5 The Committee find that the reply does not give any detail about the location of Plan schemes, beneficiaries of these schemes and the fund allocated under these schemes. The Committee take a serious view of this kind of inadequate and incomplete reply on the part of the Government and desire that in future the Government should come forth with complete action taken replies on all aspects of the recommendation of the Committee.

Recommendation No. 4 (Para 3.3, Page 10)

1.6 The Committee in para 3.3 in the 11th report had observed that on the matter of setting up of training centres a target of 250 centres to be established by the end of VIII Plan seems to be thoroughly inadequate. It is not known to the Ministry whether the 38 centres which had been extended assistance in the year 1992-93 and 70 centres which are reported to have been set up during 1993-94 are functioning or not. The Committee have been informed that the Ministry even do not have any idea of the total need of such training facilities in the country. The Committee are of the view that such needs and the objectives and the curriculum to be adopted by such centres must be evolved by the Ministry and implementation thereof should be left to technical education department of the Centre and States.

The Government in their reply have stated as under:-

1.7 The Plan scheme for providing assistance for setting up Food Processing and Training Centres in rural areas in different States and Union Territories was formulated for the first time in 1992-93 by this Ministry for implementation during the Eighth Five Year Plan. Since the Scheme was of pioneering nature and ultimate number would depend upon several factors such as availability of resources, availability of locally available raw materials, existence of infrastructural facilities for imparting training and processing facilities, an initial target of 250 such centres has been fixed for the 8th Five Year Plan. During 1992-93 assistance could be rendered for setting up 38 such centres whereas the scheme became more popular and the Ministry could assist setting up of 83 centres during the year 1993-94. In other words, it is

expected that the Ministry would be able to achieve the initial target of 250 centres in the 5 year period. However, if requests are received from different organisations and State Governments for setting up of more such Training Centres, depending upon the total outlay made available by the Planning Commission, a higher target would be considered. In reply to another recommendation of the Standing Committee on Agriculture, it had already been stated that out of centres for which the assistance was extended during 1992-93, 22 centres became operational in 1993-94 and as per information available 589 persons have been trained in these centres.

1.8 Our scheme envisages that the Training Centres will provide "hands-on" experience in operating and managing a small unit apart from hygiene and technology for marketable food products. The scheme also envisages providing assistance for training of trainers from the Central Food Technological Research Institute and other Government approved institutions so that the training imparted by the trainers have sufficient technical and other necessary managerial contents. Since the training in these centres would depend upon several variable factors such as availability of raw material, market etc., the training need to be necessarily flexible and informal. Moreover, these training programmes are aimed at building up capabilities and confidence among the trainees rather than giving any certificates. After a few years of experience of successful operations of these centres formal training programme can be evolved.

Subsequent Reply

1.9 While replying to the Committee we have already stated that a target of 250 FPTCs to be assisted during the 8th Five Year Plan is expected to be achieved. Accordingly, during the first 3 years of the 8th Plan, namely 1992-93, 1993-94 and 1994-95 assistance has been extended for setting up of 150 such centres.

1.10 The Committee are not satisfied with the reply of the Government. Since it is more than 3 years now after the starting of the scheme in 1992-93, it should be possible for the Government to evolve suitable curriculum for training which could be slightly adapted to different local conditions. The Committee, therefore, reiterate their earlier recommendation that formal training programmes should be evolved in respect of various processable products in order to implement these programmes in the various centres which are operational now.

Recommendation No. 5 (Para 3.4, Page 10)

1.11 The Committee in para 3.4 in the 11th report observed that the Budget Estimate for Fishery Survey of India during 1994-95 has been of the order of Rs. 13.70 crores against the Budget Estimate of Rs. 13.75 crores during 1993-94 which is less than the previous years. The Committee find that

the achievements in respect of resources survey are not satisfactory. The reasons cited by the Deptt. on that the vessels requires frequent repairs.

1.12 In the matter of dissemination of information relating to the sector only some publications have been brought out by the Ministry. These too are not available in regional languages and are reported to have been mailed only to 133 parties which include universities, embassies abroad, corporations and cooperatives. The critical sector of reaching this information to the fishermen has been left totally untouched. Mailing these publications to just 133 parties cannot be termed as a national effort commensurate with the status of the Ministry. Nothing at all has been brought to the notice of the Committee about organizing seminars, workshops, exhibitions etc. A very important priority identified by the Ministry is the survey and R & D activities in the sector. The committee has failed to lay hands on any R & D activity being done by the Ministry and the work of survey is also very surfacial and peripheral.

1.13 The Committee feel that Budget allocation under this head needs to be increased so that achievement for Resources Survey could be improved.

1.14 The Committee further note that during 1992-93, 22 publications were released and only 17 were projected during 1993-94. Rs. 1.26 lakhs were spent during 1992-93 and Rs. 3.90 lakhs, Rs. 4.70 lakhs and Rs. 5.70 lakhs have been provided in Budget Estimates (1993-94) Revised Estimates (1993-94) and Budget Estimates (1994-95) respectively which shows that Budget allocation has been increasing steadily under this head. However, publications projected during 1993-94 are less than the year 1992-93. Further, the Performance Budget also does not reveal as to how many publications has been released out of 17 during 1993-94. the Committee recommend the Performance Budget should be more transparent in showing Ministry's activities during the year. The Committee do not find any justification for increased financial allocation with less publications. The Committee would like the Budget allocation to be re-considered under this head.

The Government in their reply have stated as under :

1.15 The actual Budget proposal for the last five years are furnished below:-

1990-91	9.57 crores
1991-92	11.61 crores
1992-93	12.09 crores
1993-94	13.75 crores
1994-95	13.70 crores

1.16 The reduction in budget proposals for 1994-95 to the tune of Rs. 5 lakhs was due to surrender of some posts.

1.17 Regarding the shortfall in respect of resources survey it is stated that:

The FSI has already completed the survey of demersal resources upto a depth of about 70 M earlier and that of deeper water demersal resources is nearing completion. At present, FSI's thrust is on pelagic surveys and monitoring of demersal surveys. Survey of other resources including oceanic (tuna) and pelagic resources is in progress. Some of the vessels acquired by the FSI during 1979-81 which are already old, require frequent repairs. They are not that suitable for extended surveys in deeper waters of the EEZ in respect of different kinds of resources which have to be surveyed now. There is a proposal for refitting/repairs of two surveys vessels of FSI with Danish Aid.

1.18 Regarding dissemination of information, FSI is publishing fisheries resources information, targeting and users viz. fishermen, entrepreneurs, Govt. agencies and development agencies, in the form of Bulletins, Resources Information Series, Meena News, Chartered Fishing Vessels Data, annual Report, Special publications etc. These publications are regularly being mailed free of charge to 133 parties which include fishermen's cooperatives, fisheries corporations, fisheries departments, fisheries companies, Universities, Central and State Fisheries Organisations, Ministries, Indian Embassies abroad and international agencies etc. Further, copies at nominal prices are being made available to any user on request. A wide spectrum of users make use of this information for exploitation of fishery resources as well as formulation of fishery projects.

1.19 Apart from the regular publications, monthly fishing reports from different FSI bases are sent to State Fisheries departments.

1.20 Further information of immediate relevance is published through leading fisheries journals. Also rediotalks in regional languages are given by the field officers of FSI.

1.21 The observations of the parliamentary Standing Committee in regard to publication of information in regional languages was communicated by Ministry of Food Processing Industries (MFPI) to FSI. Further action is being taken to achieve this objective. FSI is also taking action to hold workshops/seminars on dissemination of information.

1.22 During the current year, a series of workshops in association with the State Fisheries Departments Central Marine Fisheries Research Institute and the Central Institute of Fisheries Technology are being contemplated in the State of Maharashtra. Discussions on the matter are in progress with the Department of Fisheries, Maharashtra.

1.23 Regarding the number of publications, it is stated that during the year 1993-94, 17 publications were projected of which 16 were actually released. While some of the publications are released periodically, others are on specific subjects and issued as and when significant findings are observed. It was during the year 1993-94 that FSI issued a publication covering the results of research in India on the different tuna resources. This volume containing 204 pages, has been well accepted by those concerned with tuna fishery which is considered a thrust for the development of oceanic fishery in India. Further, it was during 1993-94 that an important document on Bio-economics of shrimp fisheries of the north east coast of India, was published by the FAO which involved appreciable contribution from FSI. While considering the information contained in these two issues also, the quantum of information published during 1993-94 was much greater than the information released in the earlier years.

Subsequent Reply

1.24 The Budget Estimates for the last five years are as under :—

1990-91	9.57 crores
1991-92	11.61 crores
1992-93	12.09 crores
1993-94	13.75 crores
1994-95	13.70 crores

1.25 For 1995-96, an outlay of Rs. 14.53 crores including Rs. 0.6 crores for Danidas Aid was projected. However, the Budget Estimates actually allotted during 1995-96 are Rs. 11.10 crores under plan and Rs. 1.90 crores under Non-Plan. No increase in survey activities could be planned during the current year, because the budget proposals in this respect were not accepted by the Planning Commission. The overall allocation to the Ministry was retained at the same level as for 1994-95 and therefore, it was not possible to increase the allocations to FSI for survey work. However, the Government will review the situation midday during the financial year in order to ascertain whether funds available under other fisheries schemes can be re-appropriated for the FSI for this pupose.

1.26 The publication of information bulletins by FSI, in regional languages is proposed to be started during 1995-96. The proposed plan includes delegation of powers to the Zonal Directors who will be authorised to publish the resource data bilingually English and in local languages of the Zone/State

where the FSI base is located. In addition, conference/seminars are proposed to be held at each Zonal base during the current year to which all the target groups i.e. representatives from State Fishery Deptts./Corporations, Fisheries Associations, private entrepreneurs, traditional fishermen etc. will be invited for interaction and dissemination of information.

1.27 In keeping with the recommendations made by the Standing Committee of Parliament, the department had planned to set up a deep sea fishery data centre during 1995-96. However, since adequate funds have not been allotted in this year, the proposal may not take shape during the current year.

1.28 Regarding dissemination of information. FSI is publishing fisheries resources information, targeting end users viz. fishermen, entrepreneurs, Govt. agencies and development agencies in the form of Bulletins, Resources Information Series, Meena News, Chartered Fishing Vessels Data, Annual Report, Special publications etc. These publications are regularly being mailed free of charge to 133 parties which include fishermen's cooperatives, fisheries corporations, fisheries departments fishing companies, universities, Central and state Fisheries Organisations, Ministries, Indian Embassies abroad and international agencies etc. Further, copies at nominal prices are being made available to any user on request. A wide spectrum of users make use of this information for exploitation of fishery resources as well as formulation of fishery projects. Keeping in view the recommendations made by the Standing Committee, the budget estimates for 1995-96 have been limited to Rs. 2.35 lakhs as against Rs. 5.70 lakhs in 1994-95.

1.29 The Committee are not satisfied with the reply of the Government that no increase in survey activities by Fisheries Survey of India could be planned during 1995-96 because the budget proposal of Rs. 14.53 crores put forward by the Ministry of Food Processing Industries was not accepted by the Planning Commission and the total plan and non-plan allocation was restricted to Rs. 13 crores. The Committee, therefore, recommend that higher allocations should be made for surveys, as this is the primary function for which Fisheries survey of India was created and the data base created by the surveys is the primary input for fishing activities.

1.30 The Committee is not happy with the Publications which have not reached the beneficiaries. The Deptt. should bring out the result of the surveys in regional languages and distribute them among the people involved in the Industry rather than circulating in Universities and among elite class.

Implementation of Recommendations

1.31. The Committee would like to emphasise that the greatest importance has to be attached to the implementation of the recommendations by Government. They, therefore, expect that Government would implement such recommendations expeditiously. In case, it is not possible to implement any recommendation in letter and spirit for any reasons, the matter should be reported to the Committee in time with reasons for a non-implementation.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation No. 3.2 (page No. 10 para No. 3.2)

2.1 The Committee find that against the Budget allocation of Rs. 3.85 crores, Rs. 2.85 crores has been released from 1989-90 to 1993-94 for modernised Huller Mills with a target of 2,600 small capacity huller rice mills. The Committee are in the dark about the achievements against the target of 2,600 small capacity huller mills. The Committee would like to emphasise that these facts should have been reflected in the Performance Budget or Annual Report showing year-wise performance, so that the assessment of the scheme could be done properly.

The Government in their reply have stated as under:-

2.2 The target of modernisation of 2600 small capacity huller rice mills relate to the financial sanctions issued by the Ministry. However, the view of the Committee would be taken into consideration for the formulation of the next Performance Budget or Annual Report of the Ministry.

Recommendation No. 3.5 (para No. 3.5 page No. 11)

2.3 Against Revised Estimate of Rs.11.00 crores during 1993-94 Budget Estimate of Rs. 11.01 crores has been provided for Fruit and Vegetable Processing. The Committee express their resentment that performance Budget do not reflect anything about the component of this scheme viz. objectives and explanation for financial requirement of Rs. 11.01 crores.

2.4 The Committee also note that assistance is provided for Mushroom promotion, cultivation processing. The Committee have been informed that all proposals for financial assistance are to be routed through the concerned State Government. The Committee recommend that more stress should be given on mushroom cultivation.

The Government in their reply have stated as under:-

2.5 Performance Budgets have so far been indicating Plan provisions in respect of different schemes of F&VP sector. However, in future, performance in respect of the schemes would also be given. Assistance under the Scheme for development of infrastructure for mushroom cultivation has been extended so far in respect of a number of proposals received from the States of Himachal Pradesh, Punjab, Haryana, Madhya Pradesh, Bihar, Orissa, Andhra Pradesh, West bengal and Nagaland. Recommendation of the Committee that

more stress should be given on mushroom cultivation has been noted. The National Horticulture Board and the Ministry of Agriculture are taking up scheme for development of mushroom cultivation and all these schemes are expected to have a cumulative effect.

Subsequent Reply

2.6 This has accordingly been done in the Performance Budget 1995-96.

2.7 Assistance under the scheme has been extended so far in respect of the proposals received from the States of Himachal Pradesh, Punjab, Haryana, Madhya Pradesh, Bihar, Orissa, Andhra Pradesh, West Bengal and Nagaland.

2.8 In our plan proposals for 1995-96, enhanced allocation of Rs. 5.00 crores has been provided for scheme for assistance for creation of infrastructural facilities for fruit & vegetable processing including mushroom processing and Hops.

2.9 The National Horticulture Board and the Ministry of Agriculture are also taking up some schemes for mushroom cultivation. These schemes are expected to have a cumulative effect.

Recommendation No. 3.6 (para 3.6 page 12)

2.10 The Committee observe that Modern Food Industries as a whole, which was incurring losses, has made a profit of Rs. 1.42 crores during 1992-93. However, the Committee note with concern that its units other than Bread Unit are still running into losses. the Committee recommend that if the units other than Bread units remain in losses, such units should be wound up in a phased manner. The Committee note that loan to Modern Food Industries/NERAMAC has been increased from Rs. 90 lakhs during 1993-94 to Rs. 1.50 crores during 1994-95. The Committee are of the firm opinion that when Modern Food Industries has been showing profit since 1992-93, the increased allocation for loan purposes to Modern Food Industries seems not to be desirable. Further, the name of the Company was changed in order to reflect its diversified activities. But the Committee find that diversified activities such as Beverage, RFMFJBP etc. are not showing profit whereas Bread Unit is in profit. The Committee recommend that the concrete steps should be taken to make Modern Food Industries viable and competitive.

The Government in their reply has stated as under :-

2.11 Modern Food Industries (I) Ltd. (MFIL) after a gap of 4 years (1988-89 to 1991-92) has again started making profits. It made profits in the years 1992-93, 1993-94 and it stands committed to making a profit in the current year 1994-95 also as per the MoU entered into with Government of India. It is clarified that during 1993-94, the Government of India sanctioned a loan

of Rs. 60 lakhs to MFIL. As recommended by the Committee, the Company is already taking necessary steps to wind up and restructure its loss making units. Accordingly, one of its major loss making units at Ujjain has been closed down. The beverage unit has since been closed by amalgamating it with Roller Flour Mill unit at Faridabad. The Roller Flour Mill unit at Faridabad has since diversified into production of energy food and is making profits. The FJBP unit which has been incurring losses has also been diversified into production of energy food to reduce its losses. It is expected that during 1994-95, the unit would be able to reduce its losses substantially.

Subsequent Reply

2.12 Modern Food Industries (I) Ltd. (MFIL) after a gap of 4 years (1988-89 to 1991-92) has started making profits. It made profits in the year 1992-93, 1993-94 and it stands committed to make a profit in the current year 1994-95 also as per the MoU entered into with Govt. of India. It is clarified that during 1993-94, the Govt. of India sanctioned a loan of Rs. 60 lakhs to MFIL.

2.13 As recommended by the Committee, the Company is already taking necessary steps to wind up and restructure its loss making units. Accordingly, one of its major loss making units at Ujjain has been closed down w.e.f. 1.4.94. The beverage unit has since been closed by amalgamating it with Roller Flour Mill Unit at Faridabad the Roller Flour Mill has since diversified into production of energy food and is making profit since 1992-93.

2.14 In so far as FJBP is concerned, the unit has started making profits during 1994-95 as it has diversified into production of Energy Food. The Bhagalpur Unit of the Company has also diversified into production of Energy Food. And it is expected that during 1994-95, the Unit would make some modest profit. All the non-bakery units are now making profits.

2.15 With regard to loan to MFIL, it is submitted that even though the Company has started making profit since 1992-93, there is a need to continue this financial assistance for some more time so that Company may be able to strengthen its position permanently. The loan given to MFIL is being used for upgradation of slicing and packaging machines of the bakery units. A budgetary provision of Rs. 1 crores for the year 1995-96 has been made so that the Company can consolidate its position. It will be observed that the recommendations of the Committee have been complied with.

Recommendation No. 3.9 (para No. 3.9 page 13)

2.16 The Committee are constrained to note that the Ministry has in its reply stated that physical targets for schemes formulated by the Ministry could not be fixed. The reasons stated are untenable. The Committee fail to understand how can a Ministry arrive at the figures of Demands for Grants

in absence of targets. The Committee again emphasis that the Ministry has failed to come out with a national perspective plan covering different schemes of food processing industries namely fruit and vegetable processing, meat and poultry processing and consumer industries etc. Further it has been replied that the focus has been on acting as assistance to State Cooperatives, poultry agencies, etc. for setting up/modernizing/extending food processing units. No concrete and targetted plans have been brought to the knowledge of the Committee. The Committee are of the view that the Ministry should confine itself to formulate a National Perspective Plan and evolve indicative norms of these aspects rather than involving itself in providing direct assistance and finance to such units, which would be better left to the financial institutions who posses a better professional expertise in the matter.

The Government in their reply has stated as under:-

2.17 In this connection, it may be brought to the notice of the Committee that industries like meat and poultry processing are in their infancy. Financial institutions do not have norms for providing assitance to such a vulnerable industry. In many cases it was observed that financial institutions are seeking the advice of the Ministry in technical matters. They are also asking the entrepreneurs to furnish the approval of the projects from the Ministry fo Food Processing Industries. In cases where Ministry has involved itself in financing and appraising a project, the financial institutions have readily agreed to provide financial assistance for the project. It is, therefore, suggested that the direct financial assistance to the industry is necessary till the industry is established fully.

Subsequent Reply

2.18 As already indicated in our reply to the Committee a Committee has been constituted under the Chairpersonship of Member, Planning Commission to prepare the National perspective plan for food processing sector including export. The Committee has already met twice and 3 sub-committees have been constituted for formulating different strategies keeping in view the need, constrains etc. of the industry. It may take sometime before the recommendations of the Committee are available.

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

Recommendation No. 3.7 (Para No. 3.7 page No. 12)

3.1 North Eastern Regional Agricultural Marketing Corporation (NERAMAC) has been incurring losses since 1985-86. Keeping in view the developmental consideration in its sensitive region, NERAMAC was granted subsidy of Rs. 60 lakhs in 1993-94 and in the Budget Estimate of 1994-95 subsidy of Rs. 60 lakhs has also been provided. A high level committee recommend that horticultural potential should be tapped to the maximum level in North Eastern Region and NERAMAC should be strengthened to cope up with such situation. The Committee further urge that the recommendations of high level Committee should be implemented in to expeditiously so that the functioning of NERAMAC is provided.

The Government in their reply has stated as under :

3.2 As observed by the Committee, North Eastern Regional Agricultural Marketing Corporation Ltd. (NERAMAC) would have to be strengthened in order to make it an effective instrument of development in the North Eastern Region. Efforts are already in progress to revamp and revitalise NERAMAC. Towards this end, a sub-committee of its Board of Directors has worked out an action plan to establish this Corporation as a nodal and catalytic agent for the development of horticulture based industries in the North Eastern Region. Regarding the recommendations of the High Level Committee, it is stated that necessary action has already been initiated and the same is at various stages of implementation.

Subsequent Reply

3.3 As observed by the Committee, North Eastern Regional Agricultural Marketing Corporation Ltd. (NERAMAC) would have to be strengthened in order to make it an effective instrument of a development in the North Eastern Region. Efforts are already in progress to revamp and revitalise NERAMAC. Towards this end, a sub-committee of its Board of Directors has worked out an action plan to establish this Corporation as a nodal and catalytic agent for the development of horticulture based industries in the North Eastern Region. A loan of Rs. 38 lakhs has been sanctioned to the Corporation during the year 1994-95 for canning facility and cashew processing. The total turnover during the first 11 months of 94-95 in respect of marketing and trading activities is Rs. 71.4 lakhs as compared to Rs. 31.67 lakhs, signifying an improvement of

225% over the previous year. Regarding the recommendations of the High level Committee, it is stated that necessary action has already been initiated and the same is at various stages of implementation. A budgetary provision of Rs. 1 crore for the year 1995-96 has been made so that the Company can consolidate its position. It will be observed to the recommendations of the Committee has been complied with.

Recommendation No. 3.8 (Para No. 3.8, Page 12)

3.4 The Committee are constrained to note that the Ministry has failed to include a very vital sector of traditional Indian practices in food processing and preservation. This is a very serious lapse as India has a valuable heritage of processing and preserving food items without using chemical and inorganic substance. Their nutritional, environmental and healthy friendly value are well known, value addition through these traditional technologies needs to machinery and no big capital investments therefore. India can emerge a pioneer in this field and reap good dividends by exporting these in the world market, where there is a new way and craze for organic and processed food. Preparing an inventory of these practices and processes and identifying produce should have been the foremost thrust area for the Ministry.

The Government in their reply has stated as under :—

3.5 In this connection, it is worth mentioning that processing and preservation of food items by traditional Indian methods is suitable for local/home consumption. So far as export of these items is concerned, traditional methods like mashing with hands, drying the products in the sun, cooking on open fire, mixing etc. may not perhaps be acceptable in the foreign countries as these methods are considered unhygienic. However, this Ministry has sponsored a study in 1992-93 for listing the items of traditional foods, methods used for processing and preservation etc. The report is expected by the end of 1994. One of the objects of the study is to suggest steps for export of such items. Besides, the Ministry has also constituted a panel of experts to look into the aspect of traditional foods, including exports.

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation No. 2 (Para No. 3.1, Page 10)

4.1 The Committee in para 3.1 in the 11th Report had observed that on the matter of priorities enumerated by the Ministry, no concrete schemes have been brought to the notice of the Committee for establishment of infrastructural facilities for storage, preservation processing and marketing of food products neither there has been any evidence of creating employment opportunities in this sector especially for workmen and unemployed youth close to the area of production.

The Government in their reply have stated as under :—

4.2 The Ministry's Plan schemes for infrastructural facilities for storage, preservation and processing, etc. are reflected in the Plan Schemes on infrastructure for fruits & vegetable processing, assistance for infrastructure for storage, transportation of meat, poultry and fish products, etc. In the case of distribution in the meat sector, there are schemes in which assistance is provided for setting up of refrigerating systems which is being utilised by the unemployed youth. With regard to women, the Food Processing Training Centres, which are being promoted by this Ministry, train mainly women entrepreneurs for production of food processing items.

Recommendation No. 4 (Para 3.3, Page 10)

4.3 The Committee in para 3.3 in the 11th report had observed that on the matter of setting up of training centres a target of 250 centres to be established by the end of VIII Plan seems to be thoroughly inadequate. It is not known to the Ministry whether the 38 centres which had been extended assistance in the year 1992-93 and 70 centres which are reported to have been set up during 1993-94 are functioning or not. The Committee have been informed that the Ministry even do not have any idea of the total need of such training facilities in the country. The Committee are of the view that such needs and the objectives and the curriculum to be adopted by such centres must be evolved by the Ministry and implementation thereof should be left to technical education department of the Centre and States.

The Government in their reply have stated as under :—

4.4 The Plan scheme for providing assistance for setting up Food Processing and Training Centres in rural areas in different States and Union

Territories was formulated for the first time in 1992-93 by this Ministry for implementation during the Eighth Five Year Plan. Since the scheme was of pioneering nature and ultimate number would depend upon several factors such as availability of resources, availability of locally available raw materials, existence of infrastructural facilities for imparting training and processing facilities, an initial target of 250 such centres has been fixed for the 8th Five Year Plan. During 1992-93 assistance could be rendered for setting up 38 such centres whereas the scheme became more popular and the Ministry could assist setting up of 83 centres during the year 1993-94. In other words, it is expected that the Ministry would be able to achieve the initial target of 250 centres in the 5 year period. However, if requests are received from different organisations and State Governments for setting up of more such Training Centres, depending upon the total outlay made available by the Planning Commission, a higher target would be considered. In reply to another recommendation of the Standing Committee on Agriculture, it had already been stated that out of centres for which the assistance was extended during 1992-93, 22 centres became operational in 1993-94 and as per information available 589 persons have been trained in these centres.

4.5 Our scheme envisages that the Training Centres will provide "hands-on" experience in operating and managing a small unit apart from hygiene and technology of marketable food products. The scheme also envisages providing assistance for training of trainers from the Central Food Technological Research Institute and other Government approved institutions so that the training imparted by the trainers have sufficient technical and other necessary managerial contents. Since the training in these centres would depend upon several variable factors such as availability of raw material, market etc., the training need to be necessarily flexible and informal. Moreover, these training programmes are aimed at building up capabilities and confidence among the trainees rather than giving any certificates. After a few years of experience of successful operations of these centres formal training programme can be evolved.

Subsequent Reply

4.6 While replying to the Committee we have already stated that a target of 250 FPTCs to be assisted during the 8th Five Year Plan is expected to be achieved. Accordingly, during the first 3 years of the 8th Plan, namely 1992-93, 93-94 and 94-95 assistance has been extended for setting up of 150 such centres.

Recommendation No. 5 (Para 3.4, Page 10)

4.7 The Committee in para 3.4 in the 11th report observed that the Budget Estimate for Fishery survey of India during 1994-95 has been of the order of Rs. 13.70 crores against the Budget Estimate of Rs. 13.75 crores during

1993-94 which is less than the previous years. The Committee find that the achievements in respect of resources survey are not satisfactory. The reasons cited by the Deptt. on that the vessels requires frequent repairs.

4.8 In the matter of dissemination of information relating to the sector only some publications have been brought out by the Ministry. These too are not available in regional languages and are reported to have been mailed only to 133 parties which include universities, embassies abroad, corporations and cooperatives. The critical sector of reaching this information to the fishermen has been left totally untouched. Mailing these publications to just 133 parties cannot be termed as a national effort commensurate with the status of the Ministry. Nothing at all has been brought to the notice of the Committee about organizing seminars, workshops, exhibition sets. A very important priority identified by the Ministry is the survey and R & D activities in the sector. The Committee has failed to lay hands on any R & D activity being done by the Ministry and the work of survey is also very surfacial and peripheral.

4.9 The Committee feel that Budget allocation under this head needs to be increased so that achievements for Resources Survey could be improved.

4.10 The Committee further note that during 1992-93, 22 publications were released and only 17 were projected during 1993-94. Rs. 1.26 lakhs were spent during 1992-93 and Rs. 3.90 lakhs, Rs. 4.70 lakhs and Rs. 5.70 lakhs have been provided in Budget Estimates (1993-94) Revised Estimates (1993-94) and Budget Estimates (1994-95) respectively which shows that Budget allocation has been increasing steadily under this head. However, publications projected during 1993-94 are less than the year 1992-93. Further, the Performance Budget also does not reveal as to how many publications has been released out of 17 during 1993-94. The Committee recommend the Performance Budget should be more transparent in showing Ministry's activities during the year. The Committee do not find any justification for increased financial allocation with less publications. The Committee would like the Budget allocation to be re-considered under this head.

The Government in their reply have stated as under :—

4.11 The actual Budget proposal for the last five years are furnished below :

1990-91	9.57 crores
1991-92	11.61 crores
1992-93	12.09 crores
1993-94	13.75 crores
1994-95	13.70 crores

4.12 The reduction in budget proposals for 1994-95 to the tune of Rs. 5 lakhs was due to surrender of some posts.

4.13 Regarding the shortfall in respect of resources survey it is stated that :

The FSI has already completed the survey of demersal resources upto a depth of about 70 M earlier and that of deeper water demersal resources is nearing completion. At present, FSI's thrust is on pelagic surveys and monitoring of demersal surveys. Survey of other resources including oceanic (tuna) and pelagic resources is in progress. Some of the vessels acquired by the FSI during 1979-81 which are already old, require frequent repairs. They are not that suitable for extended surveys in deeper waters of the EEZ in respect of different kinds of resources which have to be surveyed now. There is a proposal for refitting/repairs of two surveys vessels of FSI with Danish Aid.

4.14 Regarding dissemination of information, FSI is publishing fisheries resources information, targeting and users viz. fishermen, entrepreneurs, Govt. agencies and development agencies, in the form of Bulletins, Resources Information Series, Meena News, Chartered Fishing Vessels Data, Annual Report, Special publications etc. These publications are regularly being mailed free of charge to 133 parties which include fishermen's cooperatives, fisheries corporations, fisheries departments, fisheries companies, Universities, Central and State Fisheries Organisations, Ministries, Indian Embassies abroad and international agencies etc. Further, copies at nominal prices are being made available to any user on request. A wide spectrum of users make use of this information for exploitation of fishery resources as well as formulation of fishery projects.

4.15 Apart from the regular publications, monthly fishing reports from different FSI bases are sent to State Fisheries departments.

4.16 Further information of immediate relevance is published through leading fisheries journals. Also rediotalks in regional languages are given by the field officers of FSI.

4.17 The observations of the parliamentary Standing Committee in regard to publication of information in regional languages was communicated by Ministry of Food Processing Industries (MFPI) to FSI. Further action is being taken to achieve this objective. FSI is also taking action to hold workshops/seminars on dissemination of information.

4.18 During the current year, a series of workshops in association with the State Fisheries Departments, Central Marine Fisheries Research Institute and the Central Institute of Fisheries Technology are being contemplated in the State of Maharashtra. Discussions on the matter are in progress with the Department of Fisheries, Maharashtra.

4.19 Regarding the number of publications, it is stated that during the year 1993-94, 17 publications were projected of which 16 were actually released. While some of the publications are released periodically, others are on specific subjects and issued as and when significant finds are observed. It was during the year 1993-94 that FSI issued a publication covering the results of research in India on the different tuna resources. This volume, containing 204 pages, has been well accepted by those concerned with tuna fishery which is considered a thrust area for the development of oceanic fishery in India. Further, it was during 1993-94 that an important document on Bioeconomics of shrimp fisheries of the north east coast of India, was published by the FAO which involved appreciable contribution from FSI. While considering the information contained in these two issues also, the quantum of information published during 1993-94 was much greater than the information released in the earlier years.

Subsequent Reply

4.20 The Budget Estimates for the last five years are as under :

1990-91	9.57 crores
1991-92	11.61 crores
1992-93	12.09 crores
1993-94	13.75 crores
1994-95	13.70 crores

4.21 For 1995-96, an outlay of Rs. 14.53 crores including Rs. 0.6 crores for Danidas Aid was projected. However, the Budget Estimates actually allotted during 1995-96 are Rs. 11.10 crores under plan and Rs. 1.90 crores under Non-Plan. No increase in survey activities could be planned during the current year, because the budget proposals in this respect were not accepted by the Planning Commission. The overall allocation to the Ministry was retained at the same level as for 1994-95 and therefore, it was not possible to increase the allocations to FSI for survey work. However, the Government will review the situation midday during the financial year in order to ascertain whether funds available under other fisheries schemes can be re-appropriated for the FSI for this purpose.

4.22 The publication of information bulletins by FSI, in regional languages is proposed to be started during 1995-96. The proposed plan includes delegation of powers to the Zonal Directors who will be authorised to publish the resource data bilingually English and in local languages of the Zone/State where the FSI base is located. In addition, conference/seminars are proposed to be held at each Zonal base during the current year to which all the target

groups i.e. representatives from State Fishery Deptts./Corporations, Fisheries Associations, private entrepreneurs, traditional fishermen etc. will be invited for interaction and dissemination of information.

4.23 In keeping with the recommendations made by the Standing Committee of Parliament, the department had planned to set up a deep sea fishery data centre during 1995-96. However, since adequate funds have not been allotted in this year, the proposal may not take shape during the current year.

4.24 Regarding dissemination of information, FSI is publishing fisheries resources information, targeting end users viz. fishermen, entrepreneurs, Govt. agencies and development agencies in the form of Bulletins, Resources Information Series, Meena News, Chartered Fishing Vessels Data, Annual Report, Special publications etc. These publications are regularly being mailed free of charge of 133 parties which include fishermen's cooperatives, fisheries corporations, fisheries departments, fishing companies, universities, Central and State Fisheries Organisations, Ministries, Indian Embassies abroad and international agencies etc. Further, copies at nominal prices are being made available to any user on request. A wide spectrum of users make use of this information for exploitation of fishery resources as well as formulation of fishery projects. Keeping in view the recommendations made by the Standing Committee, the budget estimates for 1995-96 have been limited to Rs. 2.35 lakhs as against Rs. 5.70 lakhs in 1994-95.

CHAPTER V
RECOMMENDATIONS/OBSERVATIONS IN RESPECT
OF WHICH REPLIES OF THE GOVERNMENT
ARE STILL AWAITED

— NIL —

NEW DELHI ;
12 May, 1995

22 Vaisakha, 1917 (Saka)

NITISH KUMAR,
Chairman,
Standing Committee on Agriculture.

APPENDIX I

MINUTES OF THE SEVENTY SEVENTH SITTING OF THE SUB-COMMITTEE 'E' ON MINISTRY OF FOOD PROCESSING INDUSTRIES HELD ON 2.5.1995 AT 15.30 HRS. IN ROOM NO. 118, PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Sub-Committee met from 15.30 hrs. to 16.00 hrs.

PRESENT

1. Shri H. Hanumanthappa — *Convenor*
2. Shri Nathuram Mirdha
3. Shri Upendra Nath Verma

SECRETARIAT

1. Smt. Roli Srivastava — *Joint Secretary*
2. Shri P.D.T. Achary — *Director*
2. The Sub-Committee took up for consideration the Memorandum on Action Taken Replies furnished by the Ministry of Food Processing Industries in respect of recommendations contained in the Eleventh Report of the Committee on Agriculture (1994-95).
3. The Sub-Committee decided to include the following 4 recommendations in Chapter-II of the Action Taken Report :
(Para Nos. 3.2, 3.5, 3.6 and 3.9)
4. In view of Government's reply the Sub-Committee did not desire to pursue recommendations contained in Para Nos. 3.7 and 3.8 of their Eleventh Report.
5. As the reply of the Government in respect of recommendations at Para Nos. 3.1, 3.3 and 3.4 were not satisfactory, the Sub-Committee decided to include it in Chapter-IV of the Action Taken Report and decided that these should be commented upon in Chapter-I and approved the draft Chapter-I annexed to Memorandum.
6. The Sub-Committee also decided to place the Action Taken Report as approved by them before the whole Committee for their consideration and adoption.

The Sub-Committee then adjourned.

MINUTES OF THE EIGHTY FIRST SITTING OF THE STANDING
COMMITTEE ON AGRICULTURE HELD ON TUESDAY, THE 9TH MAY,
1995 AT 15.30 HRS. IN COMMITTEE ROOM 'C', PARLIAMENT HOUSE
ANNEXE, NEW DELHI

The Committee sat from 15.30 hrs. to 17.40 hrs.

PRESENT

Shri Nitish Kumar — *Chairman*

MEMBERS

Lok Sabha

2. Shri Birbal
3. Shri Nathuram Mirdha
4. Shri G. Ganga Reddy
5. Shri Govindrao Nikam
6. Shri Tara Singh
7. Shri Uttamrao Deorao Patil
8. Shri Rajvir Singh
9. Dr. Gunawant Rambhau Sarode
10. Shri Zainal Abedin
11. Shri Upendra Nath Verma

Rajya Sabha

12. Shri Govindrao Adik
13. Shri H. Hanumanthappa
14. Shri David Ledger
15. Shri Bhupinder Singh Mann
16. Shri N. Thangaraj Pandian
17. Dr. Ranveer Singh
18. Shri Som Pal

SECRETARIAT

- | | | |
|-------------------------|---|-----------------------------|
| 1. Shri S.N. Mishra | — | <i>Additional Secretary</i> |
| 2. Smt. Roli Srivastava | — | <i>Joint Secretary</i> |
| 3. Shri P.D.T. Achary | — | <i>Director</i> |

At the outset Chairman (AC) welcomed the Members to the sitting of the Committee and requested them to take up the adoption of the Draft Action Taken Reports on the Demands for Grants for 1994-95 in respect of all five Departments/Ministries.

2. Members drew the attention of Chairman (AC) to the shortage of staff in the Agriculture Committee Branch and expressed the hope that the shortage will be fulfilled without any further delay failing which they would address the Hon'ble Speaker in the matter.

3. The Draft Reports were considered one by one and adopted with certain modifications. The Members of the Committee, thereafter, authorised the Chairman to present the Action Taken Reports on Demands for Grants 1994-95 in respect of Ministry of Agriculture (Department of Agricultural Research & Education), Ministry of Agriculture (Department of Animal Husbandry & Dairying), Ministry of Agriculture (Department of Agriculture & Cooperation), Ministry of Water Resources and Ministry of Food Processing Industries to the House on a date convenient to him.

The meeting then adjourned.

APPENDIX II

(Vide Introduction of the Report)

Analysis of Action Taken by Government on the 11th Report of Standing Committee on Agriculture (10th Lok Sabha)

I.	Total number of Recommendations	9
II.	Recommendations/Observations which have been accepted by Government (Para Nos. 3.2, 3.5, 3.6 & 3.9)	
	Total	4
	Percentage	44.44%
III.	Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies (Para Nos. 3.7 & 3.8)	
	Total	2
	Percentage	22.22%
IV.	Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee (Para Nos. 3.1, 3.3 & 3.4)	
	Total	3
	Percentage	33.33%
V.	Recommendations/Observations in respect of which final replies are still awaited	NIL