

14

STANDING COMMITTEE
ON AGRICULTURE
(1996-97)

ELEVENTH LOK SABHA

MINISTRY OF FOOD PROCESSING INDUSTRIES

DEMANDS FOR GRANTS (1996-97)

*[Action Taken by the Government on the Recommendations/Observations
contained in the Fifth Report of Standing Committee on Agriculture]*

FOURTEENTH REPORT



सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

July, 1997/Shravana, 1919 (Saka)

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Presented to Lok Sabha on.....
Laid in Rajya Sabha on 31 JUL 1997



LOK SABHA SECRETARIAT
NEW DELHI

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COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE
(1996-97)

Shri Santosh Kumar Gangwar — *Chairman*

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3. Shri S. Balshekar — *Deputy Secretary*
4. Shri K.L. Arora — *Assistant Director*
5. Ms. Anita Walis — *Reporting Officer*

INTRODUCTION

I, the Chairman of the Standing Committee on Agriculture (1996-97) having been authorised by the Committee to submit Report on their behalf, present this Fourteenth Report on Action Taken by the Government on the recommendations/observations contained in the Fifth Report of the Standing Committee on Agriculture (1996-97) (Eleventh Lok Sabha) on the Demands for Grants (1996-97) of the Ministry of Food Processing Industries.

2. The Fifth Report of the Standing Committee on Agriculture (1996-97) on Demands for Grants (1996-97) of the Ministry of Food Processing Industries was presented to Lok Sabha on 29th August, 1996. The Ministry of Food Processing Industries was requested to furnish action taken replies of the Government to recommendations contained in the Fifth Report by 30.11.1996. The replies of the Government to all the recommendations contained in the Report were received.

3. The Committee considered the action taken replies furnished by the Government in its sitting held on 19th June, 1997 and approved the draft comments and adopted the 14th Report.

4. An analysis of the Action Taken by the Government on the recommendations/observations contained in the 5th Report (Eleventh Lok Sabha) of the Committee is given in Appendix II.

NEW DELHI;
July, 1997
Shravana, 1919 (Saka)

SANTOSH KUMAR GANGWAR,
Chairman,
Standing Committee on Agriculture.

CHAPTER I

REPORT

This Report of the Committee on Agriculture deals with the action taken by the Government on the recommendations contained in the Fifth Report (Eleventh Lok Sabha) of the Standing Committee on Agriculture relating to Demands for Grants (1996-97) of the Ministry of Food Processing Industries which was presented to the Lok Sabha on 29th August, 1996.

2. Action taken notes have been received from the Government in respect of all the 25 recommendations contained in the Report. These have been categorised as follows:

- (i) Recommendations/Observations that have been accepted by the Government—(Chapter II of the Report)
Recommendation Para Nos. 5.4, 5.5, 5.7, 5.9, 5.11, 5.12, 5.14, 5.15, 5.16, 5.17, 5.18, 5.19, 5.21
Total 13
- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies—(Chapter III of the Report)
—Nil—
- (iii) Recommendations/Observations in respect of which reply of the Government have not been accepted by the Committee—(Chapter IV of the Report to be commented upon in Chapter I of the Report)
Recommendation Para Nos. 5.1, 5.2, 5.3, 5.6, 5.13, 5.20, 5.23, 5.24, 5.25
Total 9
- (iv) Recommendations/Observations in respect of which final replies of the Government are still awaited—(Chapter V of the Report)
Recommendation Para Nos. 5.8, 5.10, 5.22
Total 3

3. The Committee will now deal with the recommendations which have not been accepted and have been included in Chapter IV of the Report.

Recommendation (Para No. 5.1)

The Committee have observed that the Ministry of Food Processing Industries has the responsibility to plan, assist and develop a very sound and vibrant food processing industry in the country and to provide necessary assistance in bringing about new technology in storage, transportation etc. The Committee in their 23rd report 1995-96 has observed that the total budgetary allocations of the Ministry of Food Processing Industries should be increased to at least Rs. 100 crores during 1995-96 in order to do some justice though not fully to the mandate given to the Ministry. The Committee are constrained to observe that even this year, the plan allocation are Rs. 45 crores only that is at the same level as these were in 1994-95 and 1995-96. The Committee could not appreciate the attitude of the Planning Commission and the Ministry of Finance towards this vital sector which has immense potential to help improve the lot of the rural poor in general and the farming community in particular. They wish to impress upon the Government that all planned efforts have a main focus on the challenge of alleviation of poverty and the improvement of the Food Processing Industries is one of the surest tools by which a definite dent could be made on the hardened surface of want and hunger and malnutrition. Therefore, this sector cannot be slighted this way as is evident from the continued paltry allocations and the investment in this sector cannot be dismissed away as an exercise in futility.

Food Processing is a high priority sector and has potential to transform the economy of the rural poor. The Committee is of the firm opinion that a serious attempt should be made by the Ministry to widen its area of operation and the scope of its activities and seek higher budget allocations year after year. The Committee desire that while finalising the Ninth Plan proposals, the Ministry should come out with an effective package of varied programmes which could be implemented on a much larger scale and pose it for funding to the Planning Commission. It should enable them to receive at least an allocation of Rs. 2000 crores for the Ninth Plan to achieve definite targets.

The Government in their reply has stated as under: —

As recommended by the Committee, suitable action will be taken to widen the area of operation and activities of the Ministry and seek higher Budgetary allocation. The Planning Commission in the preliminary meeting on the working group proposals of the Ministry has also accepted the need to substantially step up budget allocation to the Ministry.

Comments of the Committee

The Committee are unhappy to note that at the proposal stage the Ministry of Food Processing Industries has sought an outlay of Rs. 675.125 crores only during the 9th Plan while the Committee had recommended that the Ministry should seek an allocation of Rs. 2000 crores for the Ninth Plan to achieve definite targets by this Ministry. The Committee are of the firm opinion that any allocation in this sector would result in profitable return which will be several times higher than the allocation made. The Committee would, therefore, like to be apprised of the circumstances in which it had proposed such a low outlay despite the recommendation of the Committee. The Committee reiterate that an outlay of Rs. 2000 crores would enable the Ministry to achieve its targets for the programmes to be implemented during 9th Plan Period.

Recommendation (Para No. 5.2)

The Committee note that the number of India owned Deep Sea Fishing Vessels has not increased over the last five years and the number had remained stagnant at 180. The Committee desire that an in-depth study should be undertaken to know as to why the number of India owned Deep Sea Fishing Vessels did not increase and for identifying the root causes for such a phenomenon. Thereafter, the Ministry should formulate suitable schemes to assist the entrepreneurs and fishermen cooperatives to acquire more vessels in order to increase their presence in deep-sea fishing and to increase the total catch.

The Government in their reply have stated as under:—

The Indian owned deep sea fishing vessels were mainly acquired through finance provided by the Shipping Development Fund Committee (SDFC) upto 90-95% of the cost of the vessel as loan at interest rate ranging from 6.75% to 7.5%. The debt equity ratio was 6 : 1. The repayment period was 15 years with one year moratorium. Vessels were acquired with SDFC assistance aiming at exploitation of

shrimp resources. SDFC was abolished in 1987 and SCICI was appointed its successor. Acquisition of further shrimp trawlers was not allowed thereafter and acquisition of resource specific vessels other than shrimp trawlers was too capital intensive. The SCICI Ltd. provided financial assistance for acquisition of vessels on commercial financing pattern and not on developmental financing pattern as was earlier done by SDFC. The SCICI financing norms require the debt equity ratio of 2 : 1 or in some cases of 1 : 1. The rate of interest was as high as 18 to 20%. One more phenomenon which led to stagnation in acquisition was that the indigenous shipyards were not capable of building resource specific vessels. To overcome these difficulties in acquisition of resource specific vessels the Govt. of India announced the New Deep Sea Fishing Policy in 1991 which provided for setting up of Joint Ventures, taking foreign vessels on lease or for test fishing. Acquisition of joint venture vessels could be on deferred payment basis so that the companies could pay the price of the vessels out of their catch realisations. As a result of these schemes a significant number of resource specific fishing vessels were added to the Indian fishing fleet or were operated in Indian EEZ through lease scheme. However, due to agitation by Associations of Traditional and Mechanised Fishermen's Groups, no permissions are being given under the New Deep Sea Fishing Policy at present. The whole matter is also being reviewed for amending this policy.

Comments of the Committee

The Committee are unhappy to note that no new schemes have been formulated with easy repayment terms and low interest rates in order to increase the presence of more Indian vessels which would be operated by Indian entrepreneurs and fishermen cooperatives. The Committee, therefore, recommend that the Ministry should come up with a scheme on the lines of the one earlier operated by SFDC and the SCICI should operate that scheme to assist the entrepreneurs and fishermen cooperatives to acquire more vessels. In view of the policies of SCICI for advancing loans and the New Deep Sea Fishing Policy of the Government of India and also in view of the whole matter being reviewed for amending the policy, it is felt that urgent action is required within a period of 3 months from the date of presentation to finalise the policy.

Recommendation (Para No. 5.3)

The Committee note that the number of canning units which was 24 in 1990 has come down to 22 in 1995 and their canning capacity has decreased to 71.10 tonnes per day in 1995 from 83.5 tonnes per

day in 1990. The Committee desire that the reasons for the decline in the number of canning units and the decrease in their canning capacity should be gone into by undertaking an exercise by the Ministry with a view to coming up with suitable remedial measures and revival packages, as this is an essential component in marketing fish and fish-products especially in foreign markets.

The Government in their reply have stated as under:—

Reduction in the number of canning units and canning capacity is mainly due to reasons of economic viability of such units and their acceptance in the market. In the present times when other attractive and economical packaging materials are available and are liked in the international market, canned products have suffered a set back.

Comments of the Committee

The Committee in its recommendation has recommended that “an exercise be taken up by the Ministry with a view to coming up with suitable remedial measures and revival packages.” The reasons for the setback given by the Ministry does not give any indication that the Ministry has taken any measure to get the matter examined.

The Committee are pained to note that the Ministry has taken the recommendations of the Committee lightly and has tried to side track the thrust of the recommendation by giving evasive replies. It, therefore, reiterate its earlier recommendation that the matter may be re-examined properly and a proper reply furnished to the Committee after going into matter deeply.

Recommendation (Para No. 5.6)

The Committee also recommend that the Ministry should study the factors that have contributed to the slump in the deep-sea fisheries sector immediately and draw up a plan of action to facilitate the revival of the industry which has immense potential for earning precious foreign exchange for the country.

The Government in their reply have stated as under:—

The deep sea fishing sector suffered a slump after 1987 and some of the major reasons for this are as follows:—

1. Operation of a large number of vessels for exploitation of shrimp resources in the Northern Bay of Bengal including

trawlers as well as mechanised and non-mechanised boats, in the absence of an effective regulatory mechanism.

2. Fishing efforts directed towards and concentrated in a limited geographical area.
3. Inadequate post-harvest infrastructure and technology for processing of alternative fish resources.
4. Lack of trained crew in specialised fishing methods and inadequacy of professional management.
5. Slump in the international market for shrimp.
6. An under-developed domestic market for other fish, which is high volume, albeit of low value.

Government of India had constituted a Committee to suggest measures for revival of the industry and this Committee had submitted its report with their recommendations on revival of the Indian deep sea fishing sector, alongwith financial restructuring and reliefs in regard to SDFC assisted units. The recommendations of the Committee were placed for consideration of the Empowered Committee on SDFC matters in Ministry of Finance on 28th December, 1994. It is expected that a final decision will be taken soon.

Comments of the Committee

The Committee note there has been abnormal delay in taking decisions on the recommendations of the Committee for the revival of the deep sea fishing sector which has been under the consideration of the Empowered Committee on SDFC matters in the Ministry of Finance ever since 2nd December, 1994. This delay speaks volumes about the lethargic manner in which the government has been functioning in a vital matter which affects the lives of many poor people who are involved in the fishing sector and also affects the economy of the country and its export potential. The Committee, Therefore, deprecates the callous attitude of the government in the matter and desire that the recommendations should be implemented forthwith and a compliance report furnished to the Committee within three months from the date of presentations of this Report to the Lok Sabha.

Recommendation (Para No. 5.13)

The Committee are unhappy to note that under the Scheme of subsidy for setting up of modernised Huller Mills, the actual expenditure in the last two years was in the order of about Rs. 100

lakhs and now for the year 1996-97 only Rs. 45 lakhs have been allocated for this scheme which amounts to 55% reduction. About the reasons for reduction, the Committee have been informed that as reported by some State Governments the implementation of this scheme is slow in certain areas because the amount of subsidy provided is about 50% of the cost of modernisation of a Hulle and the rest of the money is to be arranged by the owner himself.

The Committee are surprised to note that all of a sudden how there could be low demand of funds under the scheme whereas during the first four years of 8th Five Year Plan the expenditure under the scheme is 107% of total 8th Plan outlay for the scheme. The Committee strongly feel that there is lack of vigour on the part of Ministry and the States in implementing this scheme. The Committee, therefore, recommend that the Government should seek revised enhanced estimates for this scheme and more and more persons should be encouraged to avail the benefits of this scheme.

Reply of the Government

A large number of States have already availed of assistance under this scheme, but have not yet fully utilised the amounts. Some have also expressed a desire to refund the amount. The amount has been reduced for the current year because of lack of interest from the remaining State Governments.

Comments of the Committee

The Committee express their anxiety over the reply given by the Ministry. It is evident from the reply that the Ministry have passed the buck on to the State Governments. The Committee taking a serious view of the matter would like to be apprised of the names of those States which have not utilised the amount alongwith the reasons for under-utilisation of funds under this scheme. The Committee would also like to know the names of the States which have desired to refund the amount along with reasons given by them for their desire to refund. The Committee is of the opinion that there is a lack of vigour on the part of Ministry in getting the scheme properly implemented. The Committee would, therefore, like to know the steps taken by the Ministry to popularise the scheme and enlighten the States of the benefits of the scheme.

Recommendation (Para No. 5.20)

The Committee also recommend that suitable arrangements should be devised to examine the terms of trade where backward linkages

are established to ensure that the farmers get remunerative prices and they are not subjected to exploitation by the big companies.

The Government in their reply have stated as under:—

The scheme for backward linkages provides for grant of assistance in the form of reimbursement to the processing company to the extent of 5% of the total purchases of raw fruits and vegetables made from not less than 25 numbers of contracted farmers subject to a maximum of Rs. 10.00 lakhs in a year. Such assistance is available for a total period of three years.

Comments of the Committee

The Committee find the reply of the government not relevant to the subject matter of the recommendation. The Committee do not appreciate the evasive replies on the part of the government on an important matter relating to the protection of the interest of the farmers. They desire that the government should furnish a positive reply on the matter within three months of the presentation of the report.

Recommendation (Para No. 5.23)

The Committee note that the Modern Food Industries (India) Ltd. has started making profits since 1992-93 and the company has made a net profit of Rs. 573.99 lakhs during 1994-95 against a profit of Rs. 65.19 lakhs in 1993-94. The Committee in their 23rd report on Demands for Grants 1995-96 have desired that the reasons for lower sales in Delhi and Indore units should be found out and remedial steps to be taken to tone up the sales among the discerning consumers. Pursuant to the observation a high level Committee was set up and the recommendations of that Committee are to be implemented.

The Committee desire that the quality of bread manufactured by MFIL should be improved in order to compete with private manufacturers and to keep up the trend of making profits. The Committee also wish to point out that there is a need to adopt modern methods in production and sales and recommend that some specific schemes must be launched in this regard.

With reference to the Modern Food Industries Ltd. the Committee had recommended that a crash programme should be launched to

achieve higher rates of profits in the years to come. The Committee are not aware of any action initiated in this regard. The industry has earned a profit of Rs. 10 crores only when a subsidy of Rs. 18 crores was provided. During evidence the Ministry have stated that the benefit of Rs. 14 crores was passed on to consumers in the form of reduced price of the bread.

The Committee recommend that the Ministry should submit an action plan within 3 months to improve the performance in a way that does not require subsidy at a later date and still sell the product at competitive prices.

The Government in their reply have stated as under:—

The upgradation of technology has been identified as thrust area by the Company and it has been included as a part of Memorandum of Understanding for the year 1996-97 with the Government of India. Quality improvement is a continuous process and the Company is continuously trying to upgrade the quality through its own R&D Laboratory.

The Company has taken many corrective actions for achieving higher rates of profits which include restructuring of some of its loss making units, production and marketing of diversified products at some of the Units, manufacture of nutritional supplements, etc.

Comments of the Committee

The Committee note that the Committee had recommended for an action plan to be submitted within 3 months to improve the performance of MFIL. The Committee find that no concrete action plan has since been submitted by the Company. The Committee, once again, reiterate, that the action plan to improve the quality, increase the sales and increase profit must be given shape on priority basis. The Committee would like to see the results of this action plan reflected in the proposals through the Demands for Grants for 1998-99.

Recommendation (Para No. 5.24)

The Committee note that the North Eastern Regional Agricultural Marketing Corporation Ltd. (NERAMAC) is trying to increase its turnover as the total turnover of the Corporation during the year 1995-96 is Rs. 220.18 lakhs as against Rs. 91 lakhs during 1994-95.

The Committee have observed that the Ministry in their performance Budget 1996-97 gave the estimated loss of NERAMAC during 1995-96 as Rs. 38 lakhs and now in month of August at the time of factual verification they are stating that the losses are to the tune of Rs. 166 lakhs. The Committee wonder as to how the estimate of losses would vary so much and how losses to the tune of Rs. 128 lakhs could creep in two months. The Committee desire that the situation may be clarified urgently as to how they could project a bright picture of NERAMAC in their Performance Budget.

The Committee strongly feel that the Corporation is becoming unviable and recommend that strict measures should be taken to make it viable. However, the Committee would like that the process of revitalization should be accelerated so that by the end of this fiscal year the trend is reversed and the Corporation begins to earn profits.

The Committee recommend that the Ministry should give a special help to NERAMAC which is located in backward States and the working capital of the Corporation be increased to enhance their activities.

The Government in their reply have stated as under:—

The estimated loss of Rs. 30 lakhs was projected on the assumption that the turnover would be of the order of Rs. 240.0 lakhs and the cost of sales and production would be Rs. 278.0 lakhs. However, while making this projection, actual depreciation was not included. The annual turnover of the Corporation during 1995-96 has been Rs. 220.18 lakhs only as against the projected figure of Rs. 240 lakhs. The main reasons for increase in loss is higher cost of production/purchase.

The Corporation is making efforts to further accelerate its activities in areas of marketing, trading and processing during 1996-97 by achieving higher targets.

[Ministry of Food Processing Industries
O.M. No. 4/3/96-A.II, dated 27.11.96]

Comments of the Committee

The Committee find that the reply of the Government does not give any details about enhancing the working capital of the NERAMAC and about the special help to be given to the Corporation. The Committee, therefore, reiterate their earlier

recommendation for rendering special help to NERAMAC which is located in backward States and recommend that the working capital of the Corporation be increased to enhance their activities.

Recommendation (Para No. 5.25)

The Committee wish to point out that the Pineapple Plant of NERAMAC could be put to use only during the season when pineapple is available. The Committee recommend that the machinery installed in the Tripura unit may be modified suitably to enable it to process other horticultural produce as well in order to make use of the idle capacity. This would encourage the farmers of Tripura to cultivate a variety of horticultural crops round the year to feed the fruit processing unit. The Committee wish to draw the attention of the Government to the fact that the soil of Tripura is extremely suitable for a number of horticultural crops and, therefore, there is an urgent necessity to tap its full potential in this regard.

The Government in their reply have stated as under:—

The Corporation is trying to take up the diversification of processed products by installing canning line at Fruit Juice Concentrate Plant. The Corporation is also making efforts to increase the production of Pineapple Juice Concentrate at Nalkata.

Comments of the Committee

The Committee are not satisfied with the reply of the Ministry as they have not taken any concrete action on the modification of the machinery installed in the Tripura unit to enable it to process horticultural produce other than pineapple in order to make use of the idle capacity. The Committee, therefore, recommend that in view of the fact that the soil of Tripura is extremely suitable for a number of horticultural crops, there is an urgent necessity to tap its full potential in this regard and the Ministry should take some effective steps to ensure the full utilisation of the pineapple juice plant at Nalkata, Tripura.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 5.4)

The Committee note that most of the Schemes of the Ministry do not have any identifiable physical targets set for achievement during the Eighth Plan period. In the absence of any fixed targets, they appear to meander aimlessly and consequently could not assess their financial requirements against those fixed targets. The Committee feel that in respect of almost all the items listed in the Table in para 2.2 of the Report, they could have fixed definite targets and they could have chalked out facilitating plans to achieve those targets with adequate financial outlays. In the absence of this approach the Committee could only conclude that the entire planning exercise done in the Ministry was only a half-hearted attempt made quite mechanically without any aim. They, therefore, recommend that meaningful programmes/schemes should be chalked out with definite physical targets by the Ministry and they should be taken up for implementation with total involvement and sincerity in order to actively participate in the onerous and thrilling experience of nation-building.

Reply of the Government

Ministry of Food Processing Industries does not set up any fish processing units. However, this Ministry plays a catalytic role in the development of the deep sea fishing and processing sectors by providing assistance to private entrepreneurs/cooperatives engaged in the sector. Definite physical targets would be drawn up and every effort will be made to implement the schemes/programmes so as to achieve the objectives and the schemes/programmes under the 9th Plan will be formulated accordingly.

Recommendation (Para No. 5.5)

The Committee note that there are three schemes in operation under the Eighth Plan for promotion of deep-sea fishing under the Ministry of Food Processing Industries, *viz* Scheme for assistance in deep sea

fishing and processing ventures; scheme for providing interest subsidy on loans for acquisition of deep-sea fishing vessels; and scheme for assistance in Diversified Fishing.

The Committee observe that with the funds provided by the Ministry, MPEDA could participate in the equity of 3 companies only and that too only upto 1993-94. The performance of MPEDA, under the scheme for Grant-in-aid for Deep-Sea Fishing and Processing Ventures, is 'nil' during the last two years of Eighth Plan period. This year there is provision of only 5 lakhs rupees under this scheme. The Committee note that under the scheme for Interest Subsidy no amount has been disbursed out of Budget allocation of Rs. 50 lakhs. Under the third scheme, *i.e.* Scheme for assistance in Diversified Fishing the performance is 'nil' during the last 3 years and Budget Estimate for 1996-97 is only 5 lakhs as against R.E. of Rs. 50 lakhs during 1995-96.

The Committee are of the opinion that in view of heavy short-falls, non-utilisation of funds and almost 'nil' performance, the Ministry should have a relook at these schemes. The Committee feel that heavy reduction in budget allocation under these schemes by way of only a token grant indicates that the Ministry is no longer interested in the continuation of these schemes.

The Committee find that under the scheme for providing interest subsidy on loans for acquisition of deep-sea fishing vessels most of the loanees defaulted due to slump in deep sea fisheries sector and they are not eligible for the loans according to the criteria/guidelines of funding. The Committee desire that the report of the Committee set up to make recommendations for rehabilitation of the defaulting deep-sea fishing companies should be implemented at the earliest so that the objective of the Scheme could be realised.

The Committee regret to point out that the Ministry with all its planning expertise could not formulate even a single scheme which could be successfully and completely implemented, as these schemes miserably failed to take-off with no takers for them. Even after successive failures year after year, no mid-course correction/modification was attempted by the Ministry and things were allowed to drift, as the Ministry could not come up with new plans or modified plans as an alternative. The Committee feel that the users in the fishing industry should have been first consulted to know what they want and then the Ministry should have formulated need-based plans which would have become sure success. The Committee strongly feel that at

the time of formulating estimates for IXth Plan the performance of these schemes should be kept in mind and Ministry should review them before their further continuation or otherwise.

Reply of the Government

The 9th Plan of the Ministry is under preparation. The Sub-Committee of the Working Group on Fisheries had representatives from various fields including members of Sea Food Processors' Association, Fishermen's organizations, private processors and Deep Sea Fishing Industries Association. Taking into consideration the performance of these schemes it is proposed that in the 9th Plan, emphasise shall be laid on:—

1. Training of traditional fishermen in deep sea fishing;
2. Facilitating the development of cold chain so as to ensure better preservation of fish from the time of landing until its sale.

It is expected that decisions on the recommendations of the Murari Committee set up in February, 1995 will be taken soon.

Recommendation (Para No. 5.7)

The Committee observe that under the scheme for setting up of infrastructural facilities for preservation and processing of fish, which envisages to provide financial assistance (grant-in-aid) to the tune of 50% of the total cost of the plant and machinery, the actual expenditure was Rs. 446.00 lakhs as against a Budget Estimate of Rs. 360.00 lakhs during 1995-96. The Committee are surprised to note that during 1996-97 only Rs. 350.00 lakhs have been allocated under the 'scheme whereas there is a need for enhanced allocation as fish is a highly perishable item and utmost care has to be taken in its preservation and processing to avoid wastage and deterioration in quality. The Committee desire that the Ministry should refix their priorities by according prime of place to development of processing infrastructure among other schemes under the fisheries sector, as value-addition is directly dependent on the availability and adequacy of processing facilities. The Committee recommend that allocation for development of fish processing facilities should be stepped up at the revised estimate stage, as there has been heavy reductions in allocations under the three schemes for the development of Deep Sea Fisheries and the extent of money reduced in those schemes should be reallocated to this vital schemes.

Reply of the Government

The allocation under the scheme for fish processing and preservation has been kept at Rs. 3.50 crores only because the total Budget allocation for the Ministry for the current year *i.e.* 1996-97 is at the same level as that of the previous year. However, if the requirement for funds is found to be more on the basis of proposals received, minor reappropriation within the same head would be possible. It is proposed to step up the allocation for this sector substantially in the 9th Plan as preservation and processing of fish is essential for better value addition.

Recommendation (Para No. 5.9)

The Committee are of the opinion that an action plan should be prepared for promoting cooperatives to undertake large scale deep sea fishing. The Committee, therefore, recommend that the Ministry should put up a proposal for adequate fund allocation for the schemes for encouraging cooperatives in the IX plan.

Reply of the Government

While formulating the schemes for 9th Plan, development of fisheries cooperatives would be given due consideration as recommended by the Committee. During the 8th Plan also, cooperatives were eligible for assistance. Funds were granted to West Bengal Fishermen's Cooperative, West Bengal (BENFISH). During the current year also, the Ministry is considering proposals from cooperatives and also actively interacting with National Cooperative Development Corporation (NCDC) so as to assist the cooperatives.

Recommendation (Para No. 5.11)

During evidence, the Committee pointed out that a lot of foreign fishing vessels intrude into our exclusive economic zone and there is an urgent need to step up activities to guard our fishery resources from poaching by them. The Committee recommend that the matter should be suitably taken up with the Ministry of Defence to come up with adequate proposals to augment the presence of our Coast Guards in the EEZ.

Reply of the Government

The matter has been taken up with the Ministry of Defence requesting them to ask the Coast Guard to submit proposals to augment the presence of the Coast Guard in the EEZ. The matter will be pursued.

Recommendation (Para No. 5.12)

The Committee have noted that the Fishery Survey of India through vessel based survey, provide the information base for all deep sea fishing developmental activities and is a nodal agency under the Government of India for the survey and assessment of marine fishery resources of Indian EEZ. The Committee observe that the achievements with respect to area surveyed under different types of surveys are far below the targets despite full utilisation of the allocated funds. About the poor physical performance in respect of area covered by surveys the Committee have been informed that the survey vessels being very old required frequent repairs. The Annual plan of the Ministry has made a mention of the recent recommendation of the Parliamentary Committee on Agriculture for modernization of the existing fleet and acquisition of new vessels to carry on resource survey activities at an accelerated pace. It has been proposed to acquire 4 survey vessels which would require about Rs. 36 crores. The Committee suggest that adequate funds should be made available for this purpose during 1996-97 itself at the Revised Estimate stage without waiting for the purchase after the commencement of the Ninth Plan.

The Committee strongly feel that there is an urgent need to acquire modern survey vessels. The Committee, therefore, recommend that Ministry should have a perspective plan to completely modernize/rehabilitate/replace all the existing survey vessels available with the FSI and suitable demands should be raised in 9th plan.

Reply of the Government

An internal Committee was constituted in the Fishery Survey of India in 1994 and it has recommended that six new vessels should be acquired in a phased manner as replacements. Proposal for acquiring six vessels is being included in the Ninth Five Year Plan and every

effort will be made to speed up the acquisition of the vessels. Action to firm up the specifications is on hand and action to call the tender etc. will be taken immediately.

Recommendation (Para No. 5.14)

The Committee note that the Ministry came up with a bill for the deregulation of the Rice Milling Industry during the Tenth Lok Sabha and the Bill lapsed with the dissolution of the Lok Sabha. The Committee recommend that the Bill should be revived and introduced in the Parliament for immediate enactment.

Reply of the Government

Action has been initiated to obtain Government approval for introducing the Bill in the Parliament for rescinding the Rice Milling Industry (Regulation) Act.

Recommendation (Para No. 5.15)

The Committee have noted that food grain milling activities which have been covered by the Ministry relate mainly to wheat, rice and pulses. The Committee in their report on the last year's Demands-for-Grants had recommended that the Ministry of Food Processing Industries should formulate urgently a suitable scheme for processing of coarse-grains and launch them urgently and seek budget allocations for 1996-97. But the Committee have found that there is no allocation made for this scheme in 1996-97. The Committee have been informed that the Ministry had formulated a scheme for strengthening backward linkages for maize and coarse-grain processing industry but the Planning Commission was not willing to take up a new scheme in the terminal year of 8th Plan. The Committee are constrained to observe that such grains are grown over large tracts of land owned by resource-starved farmers and an initiative on the lines suggested would fetch them better returns and the need to help them out can brook no delay. The Committee, hence, recommend that the comprehensive proposal submitted by the Ministry should be given adequate outlay during 1996-97 itself at the revised estimate stage instead of waiting for the finalisation of the Ninth Plan.

The Committee further recommend that research activities in processing of coarse grains to convert them into attractive food products to catch the large urban markets should be initiated and be supported with adequate budget outlays for the purpose.

Reply of the Government

A scheme for processing of coarse grains and for development of ready to eat snacks from coarse grains will be funded by the Ministry and a suitable scheme is being formulated in consultation with CFTRI.

Recommendation (Para No. 5.16)

The Committee in their 23rd report on Demands for Grants 1995-96 have recommended that special incentives should be offered to enterprises to set up units closer to the rural sources of raw materials and to reorient the Government policy of assistance which might induce the entrepreneurs to set up food processing industries in rural areas to take advantage of the benefits offered by the Government. The Committee is disappointed to note that no budgetary allocation has been made in this regard. The Committee recommend that the special efforts should be taken in this direction while finalising schemes for the Ninth Five Year Plan and the Government policy should be reviewed in this regard to have exclusive schemes of assistance to promote the establishment of food processing units in the rural areas.

Reply of the Government

A comprehensive scheme of assistance to promote establishment of food processing industries in the rural areas would be formulated while finalising the schemes of Ninth Plan.

Recommendation (Para No. 5.17)

The scheme for extending assistance for setting up Processing Units and Training Centre envisages granting of financial assistance. The Committee note that during the first four years of 8th plan

Rs. 589.57 lakhs have been spent to assist 204 Food Processing Training Centres against an Eighth Plan target of 250 such centres where entrepreneurs who intend to set up food processing units are trained. Out of 204 Centres, only 58 FPTCs have become functional and a total of 2535 trainees were trained therein. The Committee find that during 1995-96 only 1 FPTC has become functional and only 25 persons could be trained. The Committee strongly feel that there are some drawbacks in the scheme content, as out of the 204 centres assisted by the Ministry, only 58 could become functional in the course of the last four years. The Committee desire that suitable arrangements should be incorporated in the scheme to ensure that all the FPT Centres assisted become fully functional within a time frame. The Committee desire that farmers should also be trained in these Centres so that benefits of the scheme could be passed on to the farmers. The Committee recommend that some product specific and location specific curricula may be evolved and the scheme for assistance for the training centres should be adequately published to generate awareness and to create demands for assistance so that more and more persons are trained in food & vegetable processing and the farmers could be encouraged to produce more in view of the increase in demand from the entrepreneurs.

Reply of the Government

While extending assistance for setting up Food Processing and Training Centres to the implementing agencies, a copy of the sanction is also endorsed to the State Govt./Nodal agency concerned. Normally, Utilisation Certificate in respect of grant-in-aid is required to be furnished within a period of 18 months. In order to monitor the activities of FPTCs the Nodal agencies have been requested to constitute committees giving representation to all interests, including the Ministry of Food Processing Industries. In future, while issuing the sanctions, a specific clause is proposed to be added that the FPTC should be set up within a period of 12 months from the date of release of funds. The scheme envisages that the Centres will be set up in the rural areas, the trainees including farmers would normally be trained from the rural areas. As recommended by the Committee, the Implementing Agency would be specifically advised to train as many farmers as possible so that the benefits of the scheme could be passed on to the farmers.

The scheme envisages entrepreneur development and transfer of technology for rural processing of agricultural raw materials into food products wherein "hands on" experience is provided to the trainees for operating and managing small units. The Scheme also envisages training to rural entrepreneurs in each activities such as technology, production, marketing, book-keeping, quality control, etc. so as to instil confidence in the trainees to run commercial ventures. It is observed that the curricula followed by the Centres are normally finalised in consultation with the Agricultural Universities/State Government etc. It may not be possible for the Central Govt. to fix a particular Curricula/syllabus to be followed by all the Centres.

As per the recommendations of the Committee, the implementing agencies are being advised to give adequate publicity for these training programmes so that it may generate awareness among the farmers.

Recommendation (Para No. 5.18)

The Committee find that huge quantities of fruits and vegetables produced in the farms have to be virtually discarded by the farmers, as they do not have any cold storage facilities in their vicinity in the far-flung rural areas. Many farmers also are not aware of various post-harvest preservative methods to safeguard their produce and many cannot afford to adopt them even if they are aware of it. Under these circumstances, the farmers resort to distress sale and even abandon their produce and suffer great losses. The Committee, therefore, recommend that suitable schemes of assistance to the public sector and private sector and cooperatives to establish an infrastructure of cold storage facilities exclusively in the rural areas should be drafted by the Ministry and taken up for implementation. The Committee recommend that the Ministry may also move the other sister ministries to offer other incentives such as tax concessions, concessional electricity tariff etc. for the rural infrastructure.

Reply of the Government

The present scheme being operated by the Ministry is for extending assistance for setting up infrastructural facilities including cold storage, post-harvest handling facilities and pre-cooling etc. While there is no bar in setting up such cold storages in rural areas, there is no higher percentage of assistance for doing so. As recommended by the

Committee, higher quantum of assistance for setting up of cold storages in rural areas would be formulated while finalising the 9th Five Year Plan. The Ministry of Finance is being requested to offer incentives such as tax concessions and the Ministry of Power is being requested to take appropriate action to persuade State Government's to provide concessional electricity tariff, etc. for developing rural infrastructure.

Recommendation (Para No. 5.19)

The Committee recommend that separate brochures in respect of various agro-climatic zones may be got prepared in local languages indicating the various kinds of fruits and vegetables which could be taken up profitably in each season and round the year. These brochures may be liberally distributed among the farmers to create awareness among them about the various potentials for cultivation of fruits and vegetables.

Reply of the Government

Action has been initiated for preparation of separate brochures in respect of various agro-climatic zones in local languages.

Recommendation (Para No. 5.21)

The Committee have observed that in meat and poultry sector the total expenditure during the first four years of the Eighth Plan has been Rs. 13.53 crores and the allocation for the 8th plan period works out to Rs. 19.13 crores against the original outlay of Rs. 23 crores. The Committee observe that the average expenditure in the last four years has been only Rs. 3.32 crores and in the year 1994-95 the actual expenditure was as low as Rs. 1.71 crores.

The Committee are unhappy about the heavy shortfalls in achieving the financial as well as physical targets in meat and poultry processing sector. In most of the schemes shortfalls are noticed. One of the reasons for poor utilisation of funds is the frequent change in the mode of releasing the funds under the plan schemes. The Committee desire, that the Ministry should evolve a firm procedure with adequate safeguards for expeditious release of funds under various schemes and put the procedure into practice. The Committee are of the opinion that more direct contacts at very high levels with the State

Governments, approvals for projects could be got expedited and timely release of funds could be ensured from the States. The Ministry should, therefore, make some extra efforts in hard cases in order to ensure full utilisation of the funds.

Reply of the Government

In the past Joint Secretary/Secretary, Ministry of Food Processing Industries wrote to the Chief Secretaries/Secretaries of States to expedite the progress and release of matching funds. However, this could not bring the desired results. It is now being proposed to call meetings by the Secretary/Joint Secretary with concerned State Authorities and emphasise to release matching share of funds so that the funds may be released by the Ministry. The suggestion will be kept in view while formulating the schemes for the IXth Plan.

CHAPTER III

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

— NIL —

CHAPTER IV

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

Recommendation (Para No. 5.1)

The Committee have observed that the Ministry of Food Processing Industries has the responsibility to plan, assist and develop a very sound and vibrant food processing industry in the country and to provide necessary assistance in bringing about new technology in storage, transportation etc. The Committee in their 23rd report 1995-96 has observed that the total budgetary allocations of the Ministry of Food Processing Industries should be increased to at least Rs. 100 crores during 1995-96 in order to do some justice though not fully to the mandate given to the Ministry. The Committee are constrained to observe that even this year, the plan allocation are Rs. 45 crores only that is at the same level as these were in 1994-95 and 1995-96. The Committee could not appreciate the attitude of the Planning Commission and the Ministry of Finance towards this vital sector which has immense potential to help improve the lot of the rural poor in general and the farming community in particular. They wish to impress upon the Government that all planned efforts have a main focus on the challenge of alleviation of poverty and the improvement of the Food Processing Industries is one of the surest tools by which a definite dent could be made on the hardened surface of want and hunger and malnutrition. Therefore, this sector cannot be slighted this way as is evident from the continued paltry allocations and the investment in this sector cannot be dismissed away as an exercise in futility.

Food Processing is a high priority sector and has potential to transform the economy of the rural poor. The Committee is of the firm opinion that a serious attempt should be made by the Ministry to widen its area of operation and the scope of its activities and seek higher budget allocations year after year. The Committee desire that while finalising the Ninth Plan proposals, the Ministry should come out with an effective package of varied programmes which could be implemented on a much larger scale and pose it for funding to the Planning Commission. It should enable them to receive at least an allocation of Rs. 2000 crores for the Ninth Plan to achieve definite targets.

Reply of the Government

As recommended by the Committee, suitable action will be taken to widen the area of operation and activities of the Ministry and seek higher budgetary allocation. The Planning Commission in the preliminary meeting on the working group proposals of the Ministry has also accepted the need to substantially step up budget allocation to the Ministry.

Recommendation (Para No. 5.2)

The Committee note that the number of India owned Deep Sea Fishing Vessels has not increased over the last five years and the number had remained stagnant at 180. The Committee desire that an in-depth study should be undertaken to know as to why the number of India owned Deep Sea Fishing Vessels did not increase and for identifying the root causes for such a phenomenon. Thereafter, the Ministry should formulate suitable schemes to assist the entrepreneurs and fishermen cooperatives to acquire more vessels in order to increase their presence in deep-sea fishing and to increase the total catch.

Reply of the Government

The India owned deep sea fishing vessels were mainly acquired through finance provided by the Shipping Development Fund Committee (SDFC) upto 90-95% of the cost of the vessel as loan at interest rate ranging from 6.75% to 7.5%. The debt equity ratio was 6 : 1. The repayment period was 15 years with one year moratorium. Vessels were acquired with SDFC assistance aiming at exploitation of shrimp resources. SDFC was abolished in 1987 and SCICI was appointed its successor. Acquisition of further shrimp trawlers was not allowed thereafter and acquisition of resource specific vessels other than shrimp trawlers was too capital intensive. The SCICI Ltd. provided financial assistance for acquisition of vessels on commercial financing pattern and not on developmental financing pattern as was earlier done by SDFC. The SCICI financing norms require the debt equity ratio of 2 : 1 or in some cases of 1 : 1. The rate of interests was as high as 18 to 20%. One more phenomenon which led to stagnation in acquisition was that the indigenous shipyards were not capable of building resource specific vessels. To overcome these difficulties in acquisition of resource specific vessels the Govt. of India announced the New Deep Sea Fishing Policy in 1991 which provided for setting up of Joint Ventures, taking foreign vessels on lease or for test fishing. Acquisition of joint venture vessels could be on deferred payment basis so that the companies could pay the price of the vessels out of their catch realisations. As a result of these schemes a significant

number of resource specific fishing vessels were added to the Indian fishing fleet or were operated in Indian EEZ through lease scheme. However, due to agitation by Associations of Traditional and Mechanised Fishermen's Groups, no permissions are being given under the New Deep Sea Fishing Policy at present. The whole matter is also being reviewed for amending this policy.

Recommendation (Para No. 5.3)

The Committee note that the number of canning units which was 24 in 1990 has come down to 22 in 1995 and their canning capacity has decreased to 71.10 tonnes per day in 1995 from 83.5 tonnes per day in 1990. The Committee desire that the reasons for the decline in the number of canning units and the decrease in their canning capacity should be gone into by undertaking an exercise by the Ministry with a view to coming up with suitable remedial measures and revival packages, as this is an essential component in marketing fish and fish-products especially in foreign markets.

Reply of the Government

Reduction in the number of canning units and canning capacity is mainly due to reasons of economic viability of such units and their acceptance in the market. In the present times when other attractive and economical packaging materials are available and are liked in the international market, canned products have suffered a set back.

Recommendation (Para No. 5.6)

The Committee also recommend that the Ministry should study the factors that have contributed to the slump in the deep-sea fisheries sector immediately and draw up a plan of action to facilitate the revival of the industry which has immense potential for earning precious foreign exchange for the country.

Reply of the Government

The deep sea fishing sector suffered a slump after 1987 and some of the major reasons for this are as follows:—

1. Operation of a large number of vessels for exploitation of shrimp resources in the Northern Bay of Bengal including trawlers as well as mechanised and non-mechanised boats, in the absence of an effective regulatory mechanism.
2. Fishing efforts directed towards and concentrated in a limited geographical area.
3. Inadequate post-harvest infrastructure and technology for processing of alternative fish resources.

4. Lack of trained crew in specialised fishing methods and inadequacy of professional management.
5. Slump in the international market for shrimp.
6. An under-developed domestic market for other fish, which is high volume, albeit of low value.

Government of India has constituted a Committee to suggest measures for revival of the industry and this Committee had submitted its report with their recommendations on revival of the Indian deep sea fishing sector, alongwith financial restructuring and reliefs in regard to SDFC assisted units. The recommendations of the Committee were placed for consideration of the Empowered Committee on SDFC matters in Ministry of Finance on 28th December, 1994. It is expected that a final decision will be taken soon.

Recommendation (Para No. 5.13)

The Committee are unhappy to note that under the scheme of subsidy for setting up of modernised Huller Mills, the actual expenditure in the last two years was in the order of about Rs. 100 lakhs and now for the year 1996-97 only Rs. 45 lakhs have been allocated for this scheme which amounts to 55% reduction. About the reasons for reduction, the Committee have been informed that as reported by some State Governments the implementation of this scheme is slow in certain areas because the amount of subsidy provided is about 50% of the cost of modernisation of a Huller and the rest of the money is to be arranged by the owner himself.

The Committee are surprised to note that all of a sudden how there could be low demand of funds under the scheme whereas during the first four years of 8th Five Year Plan the expenditure under the scheme is 107% of total 8th Plan outlay for the scheme. The Committee strongly feel that there is lack of vigour on the part of Ministry and the States in implementing this scheme. The Committee, therefore, recommend that the Government should seek revised enhanced estimates for this scheme and more and more persons should be encouraged to avail the benefits of this scheme.

Reply of the Government

A large number of States have already availed of assistance under this scheme, but have not yet fully utilised the amounts. Some have also expressed a desire to refund the amount. The amount has been reduced for the current year because of lack of interest from the remaining State Governments.

Recommendation (Para No. 5.20)

The Committee also recommend that suitable arrangements should be devised to examine the terms of trade where backward linkages are established to ensure that the farmers get remunerative prices and they are not subjected to exploitation by the big companies.

Reply of the Government

The scheme for backward linkages provides for grant of assistance in the form of reimbursement to the processing company to the extent of 5% of the total purchases of raw fruits and vegetables made from not less than 25 numbers of contracted farmers subject to a maximum of Rs. 10.00 lakhs in a year. Such assistance is available for a total period of three years.

Recommendation (Para No. 5.23)

The Committee note that the Modern Food Industries (India) Ltd. has started making profits since 1992-93 and the company has made a net profit of Rs. 573.99 lakhs during 1994-95 against a profit of Rs. 65.19 lakhs in 1993-94. The Committee in their 23rd report on Demands for Grants 1995-96 have desired that the reasons for lower sales in Delhi and Indore units should be found out and remedial steps to be taken to tone up the sales among the discerning consumers. Pursuant to the observation a high level Committee was set up and the recommendations of that Committee are to be implemented.

The Committee desire that the quality of bread manufactured by MFIL should be improved in order to compete with private manufacturers and to keep up the trend of making profits. The Committee also wish to point out that there is a need to adopt modern methods in production and sales and recommend that some specific schemes must be launched in this regard.

With reference to the Modern Food Industries Ltd. the Committee had recommended that a crash programme should be launched to achieve higher rates of profits in the years to come. The Committee are not aware of any action initiated in this regard. The industry has earned a profit of Rs. 10 crores only when a subsidy of Rs. 18 crores was provided. During evidence the Ministry have stated that the benefit of Rs. 14 crores was passed on to consumers in the form of reduced price of the bread.

The Committee recommend that the Ministry should submit an action plan within 3 months to improve the performance in a way that does not require subsidy at a later date and still sell the product at competitive prices.

Reply of the Government

The upgradation of technology has been identified as thrust area by the Company and it has been included as a part of Memorandum of Understanding for the year 96-97 with the Government of India. Quality improvement is a continuous process and the Company is continuously trying to upgrade the quality through its own R&D Laboratory.

The Company has taken many corrective actions for achieving higher rates of profits which include restructuring of some of its loss making units, production and marketing of diversified products at some of the Units, manufacture of nutritional supplements, etc.

Recommendation (Para No. 5.24)

The Committee note that the North Eastern Regional Agricultural Marketing Corporation Ltd. (NERAMAC) is trying to increase its turnover as the total turnover of the Corporation during the year 1995-96 is Rs. 220.18 lakhs as against Rs. 91 lakhs during 1994-95.

The Committee have observed that the Ministry in their Performance Budget 1996-97 gave the estimated loss of NERAMAC during 1995-96 as Rs. 38 lakhs and now in month of August at the time of factual verification they are stating that the losses are to the tune of Rs. 166 lakhs. The Committee wonder as to how the estimate of losses would vary so much and how losses to the tune of Rs. 128 lakhs could creep in two months. The Committee desire that the situation may be clarified urgently as to how they could project a bright picture of NERAMAC in their Performance Budget.

The Committee strongly feel that the Corporation is becoming unviable and recommend that strict measures should be taken to make it viable. However, the Committee would like that the process of revitalization should be accelerated so that by the end of this fiscal year the trend is reversed and the Corporation begins to earn profits.

The Committee recommend that the Ministry should give a special help to NERAMAC which is located in Backward States and the working capital of the Corporation be increased to enhance their activities.

Reply of the Government

The estimated loss of Rs. 30 lakhs was projected on the assumption that the turnover would be of the order of Rs. 240.0 lakhs and the cost of sales and production would be Rs. 278.0 lakhs. However, while making this projection, actual depreciation was not included. The annual turnover of the corporation during 1995-96 has been Rs. 220.18 lakhs only as against the projected figure of Rs. 240 lakhs. The main reason for increase in loss is higher cost of production/purchase.

The Corporation is making efforts to further accelerate its activities in areas of marketing, trading and processing during 1996-97 by achieving higher targets.

Recommendation (Para No. 5.25)

The Committee wish to point out that the pineapple plant of NERAMAC could be put to use only during the season when pineapple is available. The Committee recommend that the machinery installed in the Tripura unit may be modified suitably to enable it to process other horticultural produce as well in order to make use of the idle capacity. This would encourage the farmers of Tripura to cultivate a variety of horticultural crops round the year to feed the fruit processing unit. The Committee wish to draw the attention of the Government to the fact that the soil of Tripura is extremely suitable for a number of horticultural crops and, therefore, there is an urgent necessity to tap its full potential in this regard.

Reply of the Government

The Corporation is trying to take up the diversification of processed products by installing canning line at Fruit Juice Concentrates Plant. The Corporation is also making efforts to increase the production of Pineapple Juice Concentrate at Nalkata.

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

Recommendation (Para No. 5.8)

During the evidence, it was, pointed out that nearly 80 lakh people are employed in various aspects of the deep sea fishing industry and hence the problems they face due to the licences granted to the foreign fishing vessels should not be allowed to persist for long. The Committee are at a loss to understand as to why there is delay in implementation of Murari Committee's recommendations on the subject which have been already examined and agreed upon. The Committee recommend that Murari Committee recommendations should be implemented forthwith.

Reply of the Government

The Review Committee on Deep Sea Fishing Policy which was constituted to make recommendations for review of the new Deep Sea Fishing Policy announced by the Government in 1991, had submitted its report on 8th Feb., 1996. The recommendations of the committee have been examined in consultation with other concerned Ministries and a final view is expected to be taken soon.

The Committee may be apprised of the final view in the matter.

Recommendation (Para No. 5.10)

The Committee find that at present the Ministry of Agriculture (Department of Agriculture & Cooperation), the Ministry of Food Processing Industries and the Ministry of Commerce deal with the promotion of fishing industry by implementing various schemes leading to duplication and triplication of efforts with lot of establishment costs. The Committee recommend that all the activities relating to the promotion of fishing industry should be under one Ministry to achieve the best results and to ensure accountability.

Reply of the Government

The Review Committee on Deep Sea Fishing Policy has recommended that all types of marine fisheries should come under one Ministry. The committee has also recommended the setting up of a Fishery Authority of India for formulation and implementation of policies on fisheries. This matter would be examined in consultation with other concerned Ministries.

The Committee desire on early action and the results be conveyed to the Committee as soon as a decision is taken.

Recommendation (Para No. 5.22)

The Committee observe that with a view to organising the meat industry, there was a proposal for the establishment of National Livestock Products Development Council in the 8th Plan. The Committee are pained to find that not even a single rupee has been spent for this scheme against the provision of Rs. 100 lakhs during the 8th Plan; When asked about the reasons for non-utilisation of funds it was informed that the Ministry of Agriculture have shown some reservation in supporting the case.

To the Committee it appears that the scheme was initiated/proposed without any consultation with the Agriculture Ministry and precious 4 years have been wasted in wasteful wranglings with no solution in sight. The Committee strongly recommend that the Council should be established immediately within a period of three months, as the establishment of National Livestock Products Development Council is vital for the development of the otherwise deteriorating meat industry.

Reply of the Government

Action has been initiated to obtain approval for the setting up of the National Livestock Products Development Council.

NEW DELHI;
July, 1997
Shravana, 1919 (Saka)

SANTOSH KUMAR GANGWAR,
Chairman,
Standing Committee on Agriculture).

APPENDIX I

Minutes of the 31st Sitting of the Standing Committee on Agriculture Held on Thursday, the 19th June, 1997 at 1500 Hrs. In Committee Room 'B', Parliament House Annexe, New Delhi.

The Committee sat from 1500 hrs. to 1700 hrs.

PRESENT

Shri Santosh Kumar Gangwar — *Chairman*

MEMBERS

Lok Sabha

2. Shri Thawar Chand Gehlot
3. Shri Padamsen Chaudhary
4. Shri Bhimrao Badade
5. Shri Manibhai Chaudhuri
6. Shri Sohanveer Singh
7. Smt. Ratna Singh
8. Shri Gangadhar Kunturkur
9. Shri Gulam Mohd. Mir Magami
10. Shri Vishveshwar Bhagat
11. Shri Meti Hullappa Yamanappa
12. Shri Sukdeo Paswan
13. Shri Mahaboob Zahedi
14. Shri Bhim Prasad Dahal
15. Smt. Satwinder Kaur

Rajya Sabha

16. Maulana Habibur Rahman Nomani
17. Dr. Ranbir Singh
18. Shri Anil Kumar

19. Shri Ramnarayan Goswami
20. Shri Devi Prasad Singh
21. Shri Sharief-ud-din Shariq

SECRETARIAT

1. Shri S. Balshekar — *Deputy Secretary*
2. Shri K.L. Arora — *Assistant Director*

At the outset, Chairman (AC) welcomed the Members to the sitting of the Committee. Memorandum No. 1 relating to the Action Taken by the Government on the recommendations contained in the 5th Report of the Committee on Demands for Grants 1996-97 in respect of Ministry of Food Processing Industries was taken up for consideration.

The Draft Report was considered and unanimously adopted without any change.

The Committee, then authorised the Chairman to present the Action Taken Report on the recommendations contained in the 5th Report of the Committee on Demands for Grants 1996-97 in respect of Ministry of Food Processing Industries to the House on a date and time convenient to him.

The Committee then adjourned.

APPENDIX II

(Vide Introduction of the Report)

*Analysis of Action Taken by Government on the 5th Report of
Standing Committee on Agriculture (11th Lok Sabha)*

I.	Total number of Recommendations	25
II.	Recommendations/Observations which have been accepted by Government (Nos. 5.4, 5.5, 5.7, 5.9, 5.11, 5.12, 5.14, 5.15, 5.16, 5.17, 5.18, 5.19, 5.21)	
	Total	13
	Percentage	52%
III.	Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies NIL	
	Percentage	0%
IV.	Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee (Nos. 5.1, 5.2, 5.3, 5.6, 5.13, 5.20, 5.23, 5.24, 5.25)	
	Total	9
	Percentage	36%
V.	Recommendations/Observations in respect of which final replies are still awaited (Nos. 5.8, 5.10, 5.22)	
	Total	3
	Percentage	12%