


ESTIMATES COMMITTEE
1960-61

HUNDRED AND TWENTY-NINTH REPORT

MINISTRY OF FOOD AND AGRICULTURE
(Department of Agriculture)

DIRECTORATE OF MARKETING AND INSPECTION


लोकसभा

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LOK SABHA SECRETARIAT
NEW DELHI

March, 1961

Chaitra, 1883 (Saka)

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CORRIGENDA

Hundred and Twenty-ninth Report of the Estimates Committee on the Ministry of Food & Agriculture (Department of Agriculture) – Directorate of Marketing and Inspection.

Page 2, para 5, line 2, for 'powewrs' read 'powers'

Page 4, para 11, line 14, for 'existing' read 'existence'

Page 20, Marginal heading against para 51, for 'consignments' read 'consignments'

Page 28, Marginal heading against para 72, for 'mportance' read 'importance'

Page 28, para 73, line 8, for 'garicultural' read 'agricultural'

Page 42, Footnotes below the Table, line 4, for 'c.i.b.' read 'c.i.f.'

Page 53, Heading 1957, Sl.No.6, line 2, for 'Inapeltion' read 'Inspection' and for 'period 1949-54' read 'year 1955'

Page 55, Heading of column 3, for 'Targetted' read 'Targeted'

Page 56, Against Mysore State, for '115' read '113'

Page 57, para 2, line 3, for 'Fruit' read 'Food'

P.T.O.

Page 59, para 1, line 4, for 'oint' read 'point'
and for 'has' read 'was'

Page 59, last but one line, insert ' by' between
'finalised' and 'the'

Page 62, Sl.No.6, line 4, for 'amongt' read
'among'

Page 66, Sl.No.36, line 8, for 'mufussil' read
'mofussil'

Page 66, Sl.No.36, line 3 from bottom, insert
'that' between 'suggest' and 'the'

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1960-61

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(iv)

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SECRETARIAT

Shri Avtar Singh Rikhy—*Deputy Secretary.*

Shri K. Ranganadham—*Under Secretary.*

INTRODUCTION

I, the Chairman, Estimates Committee, having been authorised by the Committee to submit the report on their behalf present this Hundred and Twenty-ninth Report on the Ministry of Food and Agriculture on the subject "Directorate of Marketing and Inspection".

2. A statement showing an analysis of the recommendations contained in this report is also appended to the Report (Appendix XII).

3. The Committee wish to express their thanks to the Secretary of the Ministry of Food and Agriculture (Department of Agriculture) and other officers of the Ministry for placing before them the material and information that they wanted in connection with the examination of the estimates. They also wish to thank the representatives of the Government Sandalwood Oil Factories, Bangalore and of the following associations for giving evidence and making valuable suggestions to the Committee:—

- (i) Cooperative Ghee Merchants' Association Ltd., Khurja (U.P.).
- (ii) Bombay Oilseeds and Oils Exchange Ltd., Bombay.
- (iii) Bengal Oil Mills Association, Calcutta.
- (iv) All India Wool Trade Federation, Bombay.
- (v) Bikaner Wool Traders' Association, Bikaner.
- (vi) Indian Tobacco Association, Guntur.
- (vii) Indian Chamber of Commerce, Leaf Tobacco Section, Guntur.
- (viii) Indian Tobacco Dealers' Association, Chilakalurpet, Guntur District.
- (ix) All India Food Preservers' Association, Bombay.
- (x) Delhi Fruit Products Manufacturers' Association, Delhi.

NEW DELHI;
The 27th March, 1961.

The 6th Chaitra, 1883 (Saka)

H. C. DASAPPA,
Chairman,
Estimates Committee.

DIRECTORATE OF MARKETING AND INSPECTION

I. THE DIRECTORATE

A. Introduction

Agriculture in India contributes nearly 50 per cent of the national income and provides purchasing power for over 70 per cent of the population engaged in the production of crops. It is a truism that the marketing of farm produce, which involves all the processes in the movement of goods from the farm to the consumer, has obviously a significant influence on production activities and is patently as vital as the latter. The conditions under which farmers dispose of their marketable surplus in the villages and nearby mandis have therefore a significant influence on the national production programme. Low farm incomes discourage the use of fertilizers and improved seeds and push marginal lands out of cultivation and thus mar the very incentive to produce more.

Importance of agricultural marketing.

2. As the Marketing Committee of the United Nations Conference on Food and Agriculture held in October 1945 put it:—

“Marketing is the crux of the whole food and agriculture problem. It would be useless to increase the output of food, it would be equally futile to set up optimum standards of nutrition, unless means could be found to move food from the producer to the consumer at a price which represents a fair remuneration to the producer.”

3. The Office of the Agricultural Marketing Adviser (now the Directorate of Marketing and Inspection) was constituted by Government with effect from 1st January 1935, in pursuance of the recommendations made by the Royal Commission on Agriculture in 1928 which were generally endorsed by the Central Banking Enquiry Committee in 1931. Simultaneously, counterparts of this organisation were set up in the erstwhile Provinces and in some Indian States. The Central Organisation was to advise and assist in the coordination of Provincial or State activities in the field of marketing of agricultural produce.

Setting up of agricultural marketing organisations.

B. Functions

4. The functions of the Directorate of Marketing and Inspection are:—

- (i) promotion of standardisation and grading of farm produce;
- (ii) regulation of markets;
- (iii) standardisation of contract terms;
- (iv) training of marketing personnel; and
- (v) administration of the Fruit Products Control Order and the development of the Fruit and Vegetable Processing industry.

(a) Grading

5. Under the provisions of the Agricultural Produce (Grading and Marking) Act, 1937, the powers and functions relating to grading and quality control rest in the Agricultural Marketing Adviser. Whenever he considered it essential, necessary powers were delegated to the State Marketing Officers for carrying out inspection and check sampling of graded produce. In such cases, he coordinated the activities and exercised a super check so as to maintain uniformity in the working pattern and in the adoption of Agmark standards throughout the country.

(b) Marketing

Relationship with State organisations 6. As Agricultural Marketing is mainly a State subject, the Agricultural Marketing Adviser acts only in an advisory capacity in the field. It was stated that if any State Government referred any specific problems regarding agricultural marketing to the Agricultural Marketing Adviser he advised them as to what would be the best solution, keeping in view the all India position and the local conditions of the particular State.

(c) Surveys and investigations

7. It was stated that in so far as the survey work was concerned, there was distinct demarcation between the survey work conducted by the Centre and the State Governments. The Directorate of Marketing and Inspection prepared marketing survey reports on all India basis, while the State Marketing Organisations carried out surveys within the States only.

C. Organisation

8. The Directorate of Marketing and Inspection has its Set-up. headquarters at Nagpur and functions as an attached office of the Ministry of Food and Agriculture. It has a number of sub-offices under it at different places. An organisational chart showing the set-up of the Directorate is given in Appendix I.

(a) Headquarters

9. The representative of the Ministry informed the Committee that the Directorate of Marketing and Inspection had virtually been the "Cinderella" of the Department of Agriculture. The headquarters of the Central Marketing Organisation was in New Delhi until 1943, when a major portion of the office was temporarily shifted to Ajmer. From December 1945, however, until August 1958 the entire organisation was located in New Delhi. The headquarters of the Directorate of Marketing and Inspection were shifted to Nagpur in July, 1958 in pursuance of the Government's policy to shift some of the offices from New Delhi in order to relieve the congestion in the capital.

A chequered history.

(b) Regional offices

10. The Committee were informed that with a view to have more effective coordination and better contact with the civil, municipal and commercial authorities with whom the Directorate had to function in close collaboration, it has been decided that a senior officer posted at each of the subordinate offices of the Directorate at Bombay, Madras, Calcutta and Delhi should act as the coordinating authority. For this purpose the following additional posts have been sanctioned:—

Scheme for reorganisation.

- (1) One post of Senior Marketing Officer;
- (2) Two posts of Deputy Senior Marketing Development Officer.

The Committee were informed that the additional expenditure on this account would be about Rs. 18,000 per year. *The Committee hope that the reorganisation of the subordinate offices would prove conducive to efficiency and would not set in train expansion of these regional organisations to undertake duties and functions which could be attended to by the headquarters organisation at Nagpur. They hope that care will be taken to ensure that there is no duplication of effort and that the regional offices are not unduly expanded.*

D. Staff

Conversion of temporary posts into permanent ones.

11. A Study Group of the Committee who visited the Directorate at Nagpur in June, 1960 were given to understand that as a result of expansion of the activities of the Directorate the total strength of the staff had considerably increased. They were informed that the number of permanent posts available for confirmation of the employees, some of whom had put in over ten years service continued to be very small though the activities of the Directorate viz., quality control work, administration of the "Fruit Products Order" and development of Fruit Products Industry and advisory work relating to regulated markets were largely of a permanent nature. In his evidence in January, 1961 the representative of the Ministry stated that recently 60% of the temporary posts which were in existing for more than 3 years have also been made permanent. The Committee are glad to note this and hope that confirmation of the employees against these posts will be done speedily.

Housing for staff.

12. A statement showing the percentage of staff (category-wise) which have been provided with Government accommodation at Nagpur as compared to the percentage of accommodation they were enjoying in Delhi before shifting of the office is given below:—

Categories of Accommodation	At Delhi before shifting as on 1-7-1958			At Nagpur as on 10-9-1960		
	Total No. of officers before shifting the Dte. in 1958	No. having accn. before shifting Dte.	% of officers having accn. in '58 at Delhi	No. of officers	Officers having accommodation	% of officers having accommodation
Over Rs. 1500	1	1	100%	1	1	100%
Rs. 1000—1500			..	2	2	100%
Rs. 750—1000	3	2	67%	5	4	80%
Rs. 500—750	11	3	27%	10	8	80%
Rs. 250—500	30	17	57%	40	30	75%
Below Rs. 250	130	52	40%	140	106	76%
Class IV	46	19	41%	Provided out houses i.e. transit accommodation in all the cases.		

Quarters for Class IV staff.

13. The Committee note that while larger percentage of all categories of staff have been provided with Government

accommodation in Nagpur the case is otherwise for Class IV who have only been provided with transit accommodation in the out-houses of bungalows which are stated to be in dilapidated condition. The Committee were informed that the accommodation was below standard and lacked necessary amenities such as bath-rooms and lavatories, light etc. and that complaints made by the Department to the C.P.W.D. for making necessary repairs and for improving the unhygienic conditions etc. had remained unattended to. The representative of the Ministry stated during evidence that they were now constructing 100 quarters for Class IV staff of Central Government at Nagpur. *The Committee hope that the Class IV staff of the Directorate would be suitably housed early and that in the meantime effective action would be taken to ameliorate their living conditions.*

E. Finance

14. The budget estimates, revised estimates and the actuals of revenue expenditure of the Directorate for the last four years are as shown below:—

Budget Estimates, Revised Estimates and actual expenditure.

Year	Budget Estimates	Revised Estimates	Actuals	Shortfalls]
1957-58	24,81,800	22,78,800	18,92,884	3,85,916
1958-59	36,32,500	31,14,100	26,15,725	4,98,375
1959-60	36,77,800	33,61,450	30,05,355	3,56,095
1960-61	34,89,300	34,11,300		..

F. Administration report

15. The Committee were surprised to learn that the printed copies of the Administration Report of the Directorate for the year 1956 (consisting of 26 printed pages only) which was sent for printing to the Government of India Press, Simla in April, 1958 were received from the Press as late as in August, 1959. The representative of the Ministry informed the Committee that there have been unconscionably long delays in the printing of the Survey Reports and other publications of the Directorate and as an illustration the following details regarding printing of the

Printing delays

Reports of the Marketing of Mangoes and Chillies were furnished to the Committee:—

	Report on the Marketing of Mangoes in India	Report on the Marketing of Chillies in India
1. Date of requisition on Controller of Printing and Stationery	22-8-1953	12-7-1954
2. Date of receipt of 1st proof	12-12-1953	24-12-1954
3. Date of return of 1st proof	10-3-1954 (App.) 18-3-1954 (Text)	11-2-1955
4. Date of checking of final proof in the Press	Final proof was checked up on 23-11-1954	Final proof was checked up on 9-7-55
5. Date of receipt of the printed copies	December, 1959	23-3-1957
6. Remarks	7 official reminders, 3 D.O. reminders and 5 telegrams were addressed to the C.P. & S. and the Press to expedite its printing besides a number of personal contacts for the purpose.	21 official letters one savingram, 8 telegrams and a number of personal contacts were made to get the printing expedited.

The delays of 6 years and 3 years in printing some reports are astonishing. *The Committee recommend that the matter of delay may be carefully examined and suitable remedial measures taken to rectify them.*

Compilation delays.

16. While the delay in printing in this case is regrettable in itself, the Committee notice that the Directorate has been equally at default in the delayed compilation of the administration report. The reports for the year 1957 onwards have not yet been sent to the Press for printing. *The Committee suggest that a procedure may be devised to ensure that the Administration Reports are published in time. It should be possible to prepare a schedule for bringing out these reports and adhering to it.*

17. The Committee were informed that the Government collected a levy for grading work done either for the internal markets or for export. The levy is collected through the sale of agmark labels which are affixed to graded commodities. *The Committee recommend that the feasibility of showing separate figures of expenditure and receipts for each of these quality control schemes in the administration report of the Directorate may be considered.*

Collection of
levy for
grading work.

II. STANDARDISATION AND GRADING OF AGRICULTURAL AND ANIMAL HUSBANDRY PRODUCTS

A. Introduction

Results of marketing surveys.

18. The Committee were informed that the marketing surveys carried out in the earlier years had shown how the absence of any quality standards and presence of various mal-practices in the trade had contributed to lack of confidence between the buyers and the sellers both in the home market and the importing countries. The need for standardisation of agricultural commodities and organisation of grading service had therefore been increasingly felt.

Quality control for internal markets.

19. For the internal markets the Agricultural Produce (Grading and Marking) Act, 1937 provides for the fixation of grade standards for agricultural and other products and for the grant of certificates of authorisation by the Directorate to private persons or corporate bodies for undertaking such grading on voluntary basis. This quality control for internal markets has been made applicable so far to the following commodities:

Ghee, Butter, vegetable oils, rice, wheat atta, Sugarcane, gur, mandarin oranges, sweet oranges, mangoes, apples, pears, chickoos and grapes.

Quality control for exports.

20. As regards exports the Central Government under Section 19 of the Sea Customs Act, 1878 have prohibited the export of the following items unless they are graded and marked in accordance with the provisions of the Agricultural Produce (Grading and Marking) Act, 1937:

- (i) Tobacco;
- (ii) Sann hemp;
- (iii) Wool;
- (iv) Bristles;
- (v) Lemon grass;
- (vi) Sandalwood oil.

Thus in regard to the above articles the quality control work is done on voluntary basis for the internal markets and on compulsory basis for the export of certain commodities.

B. Quality control for internal markets

(a) General

21. The Committee were given to understand that in the initial stages, stress was laid on the grading of commodities like ghee, butter, vegetable oils etc. with a view to ensuring supply of pure and quality products to the consumers. The ultimate objective of the Directorate was stated to be to progressively agmark all marketable surplus in agricultural produce. There was a proposal to extend agmarking to almost all the foodgrains, oilseeds and oil during the Third Plan. *The Committee recommend that effective measures may be taken to extend the principle to as many of the agricultural products as possible during the Third Plan.*

Objective of the Directorate.

22. The Committee understand that in the countries like the U.K. and U.S.A. even though compulsion in grading had not been introduced through legislation, almost the entire farm produce of the country was marketed on the basis of well-defined grades. Though grading is being done in India for over 23 years, the progress in respect of voluntary grading has not been very encouraging, as will be evident from the quantities of different commodities voluntarily graded during the last three years, given below:

Progress in voluntary grading.

Commodity	1957-58		1958-59		1959-60	
	No. of Pac-kers	Quantity graded	No. of Pac-kers	Quantity graded	No. of Pac-kers	Quantity graded
Butter (Lbs.)	6	2445712	10	3129956	11	3541564
Eggs(No.)	54	10535327	60	12165921	89	10542482
Ghee (Mds.)	141	149102	157	169073	169	173218
Vegetable Oils (Mds.)	33	390294	34	411928	39	358746
Gur (Mds.)	12	10246	32	15653	43	Not available
Atta (Mds.)	7	41171	7	54082	21	53493
Citrus (No.)	63	2351072	71	5480903	122	4400759
Mangoes (No.)	34	43111	24	95282	27	180465
Apples (No.)	9	377957	11	435688	12	Nil
Chickoos (No.)	5	409416	6	268368	17	365880
Pears (No.)	9	35825	9	38780	9	Nil
Grapes (Mds.)	6	30	8	30	16	..
Cotton (Bales)	8	295825	8	410084	11	474827
Rice (Mds.)	17	14674	19	32478	33	29205
Potatoes (Mds.)	3	..	13	1407	27	1504 + 115700 lots.

It will be seen that the quantities that have come under the purview of the scheme have been negligible as compared to the magnitude of production or of the likely marketable surplus. *It is obvious that the voluntary grading scheme has not made the desired impact on the producers, the consumers and the trade in the country. Educating the producer and promoting quality consciousness among the consumers are the pre-requisites for the success of the scheme.*

Observations
of the Ford
Foundation
Team.

23. In this context the Committee would like to refer to the following observations of the Ford Foundation Team mentioned in their Report on "India's Food Crisis and Steps to meet it":—

"Popularizing and securing general adoption of grading will require a concerted effort on the part of all Government sponsored institutions involved in marketing. Regulated markets and co-operative marketing societies, for example, should adopt statutory grades for their trade transactions as soon as possible. Similarly the official reporting agencies should quote prices in terms of official grades wherever possible."

24. The Committee were informed that provision is being made in the Third Five Year Plan for organisation of grading and inspection service in the States and for providing facilities for grading in important regulated markets and co-operative marketing societies. It was envisaged that with the progressive adoption of uniform grade standards in the markets, the price reporting agencies would also quote prices in terms of national grades and standards.

Higher
priorities to
graded food-
grains.

25. The Committee were given to understand that at present graded produce is not allowed any priority in the matter of movement over railways. One of the recommendations of the Agricultural Production Team sponsored by the Ford Foundation was to give higher priorities to graded foodgrains in booking on railways. The representative of the Ministry stated that it was considered necessary to widen the scope of this recommendation so as to include all commodities graded under Agmark. The Railway Board was however not agreeable to accord preferential treatment to graded commodities for movement on rail since in their opinion it might not be in accordance with the provisions of the Constitution. The Ministry of Food and Agriculture were taking up the matter further with the Railway Board. *The Committee are of the view that this facility if accorded would provide an incentive for adoption*

of Agmark grade standards and therefore recommend that the Government may examine in detail very early the question in consultation with the Ministry of Law and arrive at a decision.

26. The Committee are also of the view that it would greatly assist the grading scheme, if the Government organisations confine their purchases to agmarked products. It would also assure them the quality of the products. The representative of the Ministry stated that some State Governments had issued instructions that preference should be given for purchases of agmarked commodities. *The Committee suggest that the Ministry may persuade the other States as also the various Departments of Central Government to give preference in their purchases to agmarked products.*

Purchases by Govt. organisations.

(b) Ghee and Vegetable Oils

Grading of ghee and vegetable oils

27. The Committee learnt that grading of ghee and vegetable oils was one of the first activities undertaken by the Directorate under the Agricultural Produce (Grading and Marking) Act, 1937. The grading scheme for ghee was started in 1938, and it was followed by vegetable oils in 1939. The quantity of ghee and vegetable oils graded during the last three years was as under:—

Quantity graded.

Year	Quantity Graded	
	Ghee	Vegetable Oils
	(in maunds)	
1957-58	1,49,102	3,90,294
1958-59	1,69,073	4,11,938
1959-60	1,73,218	3,58,746

28. The Committee note that only about 1.73 lakh maunds of ghee are at present being agmarked out of a marketable surplus of 80 lakh maunds (approximately). The representative of the Ministry stated that to encourage the voluntary gradation of ghee it was proposed to restrict inter-State movement to graded ghee only. *The Committee suggest that an early decision may be taken in the matter and would also recommend that the feasibility of extending it to other commodities which are at present apt to be heavily adulterated may be examined.*

Inter-State movement of ghee and other commodities.

29. The Committee were informed that a decision was taken in 1945 to maintain a panel of approved chemists

Revised ghee grading scheme.

in the Directorate to manage the grading stations set up by the packers. Under this scheme an authorised packer was required to make an advance deposit towards the pay and allowances of the technical staff to be provided out of the panel at his grading station. The laboratory staff are thus placed under the administrative control of the Directorate though their pay is borne by the packer. This makes for the independence of the staff and engenders in them a feeling of security. The Committee were informed that the Revised Ghee Grading Scheme had been introduced in the States of Uttar Pradesh and Bihar as early as 1945 and had proved a success and that there was now a proposal to extend it to other States. *The Committee welcome this proposal. They are unable to appreciate as to why it was not extended by the Government to the remaining States much earlier. They hope that the Government would now implement their decision to extend the Revised Ghee Grading Scheme to the remaining States where there are ghee packers without delay.*

Kit for testing ghee adulteration.

30. The Committee understand that the adulteration of ghee with vegetable oil can be easily traced with the help of Boudoin Test and to facilitate the application of the test by consumers at large the Central Food Technological Research Institute, Mysore have devised a cheap kit. *The Committee suggest that this ready test for detecting adulterated ghee may be widely publicised amongst the consumers so as to help not only in the detection of adulteration but also make them quality conscious.*

Vegetable oils.

31. The Committee find that not much headway had been made in the agmarking of vegetable oils. The representative of a leading Oil Mills Association stated before the Committee in evidence that there was not a single oil mill in Calcutta which was using agmarking. They were also informed that the mustard seeds which were imported from up-country markets for crushing in Calcutta were apt to be adulterated with inferior articles which could not be detected by the naked eye. It was suggested by the representative of the oil Mills Association that the traders supplying mustard seeds should be licensed and that proper checking of seeds should be undertaken by the Agricultural Marketing Officers. *The Committee suggest that the feasibility of the above suggestion may be examined.*

Ghee and oil laboratories and Refineries.

32. The Committee were informed that to encourage grading of ghee and vegetable oils 50 grading laboratories and 100 refineries were proposed to be set up in the Third Plan by the Central Government. Since these grading

laboratories and refineries would be Government managed, it would be open to the small producers to take advantage of these facilities. *The Committee are of opinion that these laboratories and refineries would be particularly of assistance to the small producers in the grading of ghee and vegetable oils.*

C. Export quality control

(a) General

33. As already stated the export quality control has been made compulsory by prohibiting the export of certain commodities under section 19 of the Sea Customs Act, 1878, unless they are graded. Grading for export of Sann hemp began in December 1942, tobacco in May 1945, bristles in June 1954, wool in February 1955. Lemon-grass oil in January 1956 and sandalwood oil in February 1957.

Commodities prohibited for export without grading.

34. The Committee learnt that there was a proposal for extending compulsory export quality control to other commodities such as cashew-nuts, cardamoms, ginger, pepper, lac, hand picked selected ground-nuts, vegetable oils, tanned leather and kapok. These commodities were approved by the Planning Commission for such control in the First Plan. No appreciable progress was however made for want of clearance from the Ministry of Commerce and Industry whose concurrence was necessary. That Ministry had since agreed to the compulsory grading of palmrosa oil only which was to be undertaken shortly. In regard to other commodities, they thought that compulsory grading would lead to contraction of trade.

Other commodities.

35. The Committee were informed that a decision had also been taken to have voluntary grading of cashew-nut and pepper done through Export Promotion Councils. While the grade specifications for cashew-nut had been worked out, those for pepper were awaiting approval of the Ministry of Health because of inclusion of pin-heads. *The Committee suggest that the grade specifications may be finalised and the schemes for voluntary grading implemented very early. They also suggest that a careful watch may be kept by the Directorate on the work of grading by these organisations to check against disregard of standards and specifications.*

36. Two statements, one showing the annual export of pepper from India from 1951-52 to 1960 (Jan. to Oct.) and the prices and the other showing the comparative wholesale average price of black pepper in some important world markets, are enclosed as Appendices II & III. It will be observed that the average annual export during the

Export earnings from pepper.

triennium ending 1959, was 297,000 cwts. against the average annual exports of 267,000 cwts. during the triennium ending 1954-55. The total value of exports has gone down from over Rs. 23 crores in 1951-52 to about Rs. 3 crores in 1958. Though the annual average exports show a slight increase during the last three years, the total earnings have been much less than the peak year i.e., 1951-52. The representative of the Ministry stated that it was due to general recession in the prices in the international market for black pepper, as would be observed from the statement of prices (Appendix III) due to revival of Indonesian sources of export. Indonesia had entered the world market with cheap white variety. Indian pepper was however far superior, and recognised as such by the customers abroad. *The Committee consider that if the quality of pepper exported is guaranteed it is bound to be reflected in better prices and earnings. They hope that voluntary grading of pepper through Export Promotion Council will succeed in ensuring better price for it.*

(b) Wool

Grading of Wool

Specifica-
tions.

37. The Committee were given to understand that the quality of various types of wool and grade specifications, method of marking, packing etc. were last prescribed in 1956 in the Wool Grading and Marking Rules. During the year 1959-60 the Directorate of Marketing and Inspection published twice their proposals for revising specifications on wool. On both occasions the All India Wool Trade Federation submitted its objections. Representations made by them were against—

- (i) indication of actual wool yield on agmark labels and grading certificates;
- (ii) fixing of the tolerance limits of vegetable matters in the wool and its marking on agmark labels and grading certificates;
- (iii) indication of the proportions of clipped, pulled and carded wools under the mixed grades; and
- (vi) inclusion of tannery wool under the agmark scheme.

38. The Committee were informed that as a result of the discussion of the representatives of the wool trade with the Minister for Agriculture on the 30th January, 1961 the following decisions were reached:—

- (i) The bales of wools for export would continue to be marked on the slab system i.e. as containing "over 75 per cent, 80 per cent etc. of pure

wool". The actual percentage of the wool content would be marked on the certificates issued by the Agricultural Marketing Adviser but not, for the present, on the bales. In the meantime, the Agricultural Marketing Adviser will collect the comparative results of grading under the different systems and the position would be reviewed.

- (ii) The nature of mixed wool will be indicated on the labels to be affixed on bales. The position in this regard would also be reviewed after a year or so.
- (iii) There would be no formal increase in the upper limit of burr content for export, but representations from individual traders for export of consignments containing only a slight margin over the upper limit of 5 per cent. would be sympathetically considered. The upper limit would not in any case exceed 7 per cent.

39. *The Committee are glad to learn that a settlement regarding grade specifications has been reached for the present. They recommend that full weight and consideration should be given to the views of the trade in arriving at a final decision on the questions which are subject to a review later on.*

40. The Committee learnt that for analysing samples taken by the inspecting officers under the Wool Grading Scheme there were two laboratories located at Bombay and Jamnagar respectively. One of the grounds urged by the trade against indicating actual wool yield on agmark labels and grading certificates was that the laboratories in the country were not sufficiently well equipped to give the exact yield of the wool. In his evidence before the Committee, the representative of an important Federation of Wool trade stated that if the yields were marked on the bales, foreign buyers might use them against the Indian exporters wherever it suited them. He added that the yield of wool was ultimately decided by the buyers on their own standards after testing in their laboratories. In this respect the representative of the Ministry stated that in foreign countries two or three samples were analysed separately and then an average was struck out. The laboratories of the Directorate have so far only one scouring plant each which enabled examination of only one sample. They had now secured a double set of plants so that the two samples could be examined.

Laborato-
ries.

Method of specifications.

41. The Committee further learnt that the method adopted by the Directorate for the determination of clean wool yield was based on Indian Standards Specifications IS:1349-1959, which was drawn up by the Textile Standards Sectional Committee representing varied interests. This method was similar to the Bradford method except for the fact that the vegetable matter in burry wool was to be excluded according to the Indian Standards Institute specifications. In the case of non-burry wools, the method followed by the Directorate would give the same result as that of Bradford. Both the Bradford and the Indian methods allowed a moisture regain of 16 per cent. on clean bone dry weight. The American method allowed a moisture regain of 13·6 per cent. over the bone dry weight, but as in the Indian Standards Institute method all vegetable matter was excluded in determining the clean wool contents. The representative of the Ministry stated that the basis of determination was the main reason for difference in the laboratory results of Indian and foreign countries and that it had not been clearly understood by the trade when they claimed that laboratory tests abroad gave higher yield results.

Since compulsory grading of wool is done for export, the method of grading should be according to the requirements of world market. It is therefore not clear to the Committee as to why the Indian Standard method is different both from United Kingdom and U.S.A. The Committee recommend that the method of specifications may be gone into with a view to do away with these differences.

Common name for Bombay and Jamnagar laboratories.

42. *The Committee further recommend that the laboratories at Bombay and Jamnagar for grading wool may be given a common name so that in due course they come to be as easily recognised as any other leading laboratory in the world like the Bradford Conditioning House etc.*

Packers.

43. The table below indicates the number of packers and quantity of wool graded during the last three years:—

Year	No. of packers	No. of bales marked	Value in Rupees (in lakhs)
1957-58	501	1,22,454	1088·92
1958-59	381	1,17,604	1008·38
1959-60	353	1,39,213	1234·54

The Committee gather from the above that while there has not been any decrease in the quantity of wool graded there has been an appreciable decrease in the number of packers.

It was stated that the number of certificates of authorisation in the first few years was high as any one in wool business who applied for the issue of certificate of authorisation was granted the same. Subsequently small packers who were packing 10 to 12 bales only and selling them to larger packers withdrew from the scheme. The representative of the Ministry stated during evidence that small packers packing 30 to 50 bales did not now come under the grading scheme. At present the producers who would have constituted the small packers in the past have to go to big packers for packing. *The Committee feel that the Directorate could help such packers in areas where they are in adequate number to obtain fair price for wool, by encouraging them to form themselves into a co-operative society which can be recognised as a packer under the scheme.*

Co-operatives for packers.

44. The Committee were informed that there was a scheme for setting up a large number of shearing yards in Rajasthan and gradually in the whole country. Details of the scheme for organisation of sheep shearing, grading and marketing centres is enclosed as Appendix IV. 113 shearing yards in Rajasthan had already been started. A wool advisory board had also been set up by the Government of Rajasthan to run the scheme. Gradually it was envisaged to set up a National Wool Board for the whole country. This Board would be concerned with the entire question of developing wool and sheep trade in the country. *The Committee welcome the scheme for undertaking large scale sheep shearing, grading and marketing programme as a co-ordinated organisation along with the existing sheep development work.*

National Wool Board.

(c) Tobacco

Grading of Tobacco

45. The Committee learnt that grading of tobacco before export being necessary, the quantity of tobacco graded in a year depends upon the demand in the foreign countries and the supplies of tobacco available in India. The following statement shows the quantities and approximate value of graded tobacco exported from India to foreign markets during the last four years:—

Quantity graded.

Year	Quantity	Value Rs.
1956-57	109,337,918	10,38,53,077
1957-58	92,854,870	12,17,73,591
1958-59	109,633,682	14,05,65,021
1959-60	95,091,614	13,18,17,427

Tobacco
board.

46. In their evidence the representatives of tobacco associations informed the Committee that in India there was cut-throat competition among the tobacco exporters resulting in unhealthy market practices like undercutting of prices etc. which were injurious to the trade. The Committee notice that there are a large number of tobacco Associations in Andhra State which is the chief tobacco producing area. They understand that the foreign importers take full advantage of the severe competition obtaining amongst tobacco exporters. It was stated that at the Government level 3 bodies, namely, the Directorate of Marketing and Inspection, Indian Central Tobacco Committee and Export Promotion Council were dealing with marketing of tobacco, development of tobacco and export of tobacco respectively. It was suggested to the Estimates Committee by some representatives of leading tobacco associations who appeared before them that it would be better if a Tobacco Board on the lines of Tea/Coffee Board was set up for the trade. *The Committee suggest that the feasibility of setting up such a Board may be examined. If, there is not enough justification for a separate Board for tobacco alone, the question of having a composite Board for tobacco and certain other commodities may be considered.*

Inferior
grades of
tobacco.

47. The Committee understand that one of the problems facing the tobacco trade is the production of inferior grades of tobacco e.g. PL, DG, DB etc. A number of tobacco associations in their memoranda and evidence before the Committee expressed the view that these inferior grades of tobacco should not be produced as they were uneconomical and resulted in accumulation of stock in the market thereby depressing export prices. An extract from the memorandum of one of the Tobacco Chambers which voiced the opinion of the trade in a rather emphatic language is reproduced below:—

“Grade PL is uneconomic and bringing shame upon the country. Any rate for PL obtainable from abroad can never meet its cost. Much of the agitation on tobacco is by virtue of accumulation of this rubbish.”**** This grade not only competes with our better tobacco abroad but also is lending itself to the canard in the international market that there is glut of tobacco in India. Never in the history of Indian tobacco has PL obtained grading costs at least. For the self-respect, for good economy and better markets abroad for genuine tobacco it is high time that this grade is abolished.”

The Committee recommend that this matter may be examined in detail by the Government and if it is really not economical to market PL etc. tobacco for export, it may be excluded from agmark specifications, after giving sufficient notice to the producers so that they may advantageously go over to producing better qualities.

48. The representative of the Directorate stated in his evidence that producers of tobacco were getting a better return for their produce when the Andhra Pradesh Government had a regulated market in Guntur where the tobacco used to be graded and sold by auction. On representations from the manufacturers such sale of auction was suspended by the State Government. He disclosed that during a seminar held in Guntur about four months ago the ex-State Minister, during whose tenure the orders for suspension of sale by auction were issued, had expressed himself in favour of resuming sale by auction and had added that he had recommended that course to his successor. *The Committee recommend that the Central Government may persuade the State Government to resume sale of tobacco by auction in regulated markets early.*

Benefits to
Producers.

49. The Committee were given to understand that to enable the producers to earn fair prices for their produce, the Directorate of Marketing and Inspection had suggested the formation of cooperatives for grading of tobacco and that some cooperatives had come to be established in Guntur Godavari belt. During 1956, one of the cooperative societies in East Godavari District graded and marketed the tobacco of its 40-members and it was reckoned by the society that on an average the growers were able to get about Rs. 65 per acre more than what they would have realised if they had sold the produce in ungraded form to the exporters. It was, however, mentioned during evidence that some of the packers who owned redrying plants in Guntur had said that they would not purchase tobacco from the cooperatives. *The Committee recommend that Government may examine the matter in detail and take necessary steps to ensure that the cooperatives are not discriminated against.*

Formation
of cooperatives.

50. The Committee understand that grading of tobacco in foreign countries is done at the producers' level. The Directorate has made a beginning in this direction by imparting training in grading of tobacco to Extension Service staff of Andhra Pradesh Government who would in turn disseminate the knowledge amongst the producers. *The Committee consider it a desirable development and recommend that it may be pursued vigorously by the Directorate not only in the field of tobacco but also in other fields where there is such scope in all the States.*

Grading at
producers'
level.

Rejection of
consign-
ments.

51. The Committee were given to understand that in the past, there were some complaints from the suppliers in India that many packages which were properly graded, were rejected by the representatives of the U.S.S.R. It was stated that it was presumably due to the fact that the consignment was prepared on the basis of the minimum Agmark standards while the sample sent might have been of comparatively superior tobacco though of the same grade. *The Committee feel that it may be advisable for the Directorate to get duplicates of type samples from the suppliers on the basis of which they have entered into contracts so that at the time of grading their consignment it is ensured that it is in conformity with the approved sample, thus obviating the chances of its rejection by the buyer later on the plea of difference in refraction etc.*

Conveyance
allowance to
grading
staff.

52. The Committee were informed that the tobacco grading staff in Guntur were being given conveyance allowance. Such allowance had not proved satisfactory for lack of ready availability of conveyance in that area. It was stated that a proposal to provide jeeps etc. for transport was under consideration. The Committee feel that in the absence of proper conveyance facilities, the grading staff might come to depend on the conveyance provided by the packers, which was obviously not desirable. *They, therefore, recommend that the question of providing suitable transport conveyance to the officers and staff dealing with grading to facilitate their movement, may be examined.*

(d) Sandalwood Oil

Grading of Sandalwood Oil

Compulsory
grading for
internal
markets.

53. The Committee learnt that compulsory grading of sandalwood oil prior to export was introduced with effect from 1-2-1957. There is however both demand and scope for extending compulsory grading of sandalwood oil to internal markets. The representative of the Directorate stated that the matter was examined and it was thought very desirable to have compulsory grading of sandalwood oil for internal markets, but it was found that it could not be compulsorily enforced under the existing Agricultural Produce (Grading and Marking) Act. *The Committee recommend that where compulsory grading of a commodity for internal markets is demonstrably desirable and practical, as in the case of Sandalwood Oil, Government may consider introduction of necessary legislation for the purpose of giving effect to it.*

Exports to
U.S.A.

54. The Committee understand that at present only sandalwood is exported to U.S.A. and oil is extracted in that country because the Government of U.S.A. has levied a heavy import duty on the import of sandalwood oil. *The Committee*

suggest that the matter might be taken up with the Government of U. S. A. so that export of sandalwood oil to that country is also made possible.

(e) *Sann-hemp*

Grading of Sann-hemp

55. The Committee learnt that the Sann Hemp Grading Scheme owes its origin to the repeated complaints received from the buyers abroad about the low qualities and high refraction contents in Sann-hemp exported from India. With the out-break of war in 1939 and the consequent increase in demand, there was a further deterioration in the quality of sann-hemp shipped from this country. The Government of India prohibited the export of all varieties of sann-hemp with effect from the 1st December 1942, unless they were graded and marked in accordance with standards prescribed in the Sann Hemp Grading and Marking Rules, 1942. Its origin.

56. The Committee further learnt that India's exports of Sann-hemp were averaging approximately 23000 tons a year when in the year 1957-58, a sharp decline occurred. Exports during that year fell to 14,900 tons and further decreased to 10,000 tons and 11,800 tons in the succeeding years 1958-59 and 1959-60 respectively. The exports in 1958-59 were stated to be the lowest in the last forty years. The Government of India appointed in March 1960 an *ad-hoc* Advisory Committee to investigate the reasons for the decline and to suggest measures for arresting and reversing the position. The Committee have been furnished with a copy of the draft report of the *ad hoc* Committee which had not yet finally been approved and submitted to the Government by the *ad hoc* Committee. *The Committee hope that the Report would be finalised early and that steps considered necessary would be taken thereon by the Directorate expeditiously so as to increase the export of Sann-hemp.*

57. The representative of the Directorate informed the Committee that the grades for Sann-hemp were revised in 1947-48. The trade has represented against the standards fixed. It has been stated by a leading Hemp Association in their memorandum to the Committee that— Revised grades.

“While the members of the Association are in full agreement with the Government that the quality of exportable hemp should be acceptable to the buyer, they do not find any justification for maintaining a very high standard and supplying a better quality hemp to the foreign

consumers and obtain at the same time a lower price for the same. For instance, varieties of green hemp such as Seoni, Itarsi, Red Dressed etc. which were available in plenty previously are now slowly going out of the market. This is due to the fact that the cultivator diverts his attention to the growing up of other crops, because the standards fixed by the Agmark authorities are quite high (due to revision of grades).

58. The Committee were, however, given to understand that these standards were fixed on the samples furnished by the London Hemp Association and that revision, if any, has to be related to their requirements since U. K. was the major purchaser. *The Committee hope that a final decision in the matter will be arrived at early after giving the fullest consideration to the views of the trade.*

D. Scheme for the establishment of the Central Control Laboratory and the Regional Subsidiaries Laboratories

Origin.

59. The Committee were informed that with the increasing tempo of grading in respect of export as well as internal trade, the need for providing facilities for analysis of agricultural and animal husbandry produce for laying down the grade standards, for actual grading and for further improvement of grade standards had been formulated for setting up one Central Control Laboratory and 8 Regional Subsidiary Control Laboratories during the First Five Year Plan.

Progress in
the First
Plan.

60. It was, however, stated that the schemes for setting up Central and regional laboratories could not be implemented during the First Plan for the following reasons:—

- (i) The scheme was included in the Plan after a lapse of $2\frac{1}{2}$ years.
- (ii) Various formalities had to be completed before administrative approval could be granted.

The total amount involved was more than Rs. 10 lakhs and as such the scheme had first to be approved by the Departmental Finance Committee who examined it in July, 1955. In the meantime, the Directorate took necessary steps to select a suitable site for the Central Control Laboratory at Nagpur and Hyderabad and finally decided to locate it at Nagpur.

- (iii) After the scheme was examined and approved by the Departmental Finance Committee, detailed plans and estimates had to be prepared by the C.P.W.D.
- (iv) Possession of the plot selected at Nagpur was handed over by the erstwhile Madhya Pradesh Government only in September, 1956.

61. The Committee are constrained to observe that year after year provision was included in the budget estimates and was not utilised as will be clear from the following:—

Year	Budget estimates	Actual expenditure
1957-58	15,39,000	Nil
1958-59	9,16,000	1,408*
1959-60	6,75,000	Nil
1960-61	8,72,000	2,00,000 @

62. Little progress has been made so far in the setting up of these laboratories as will be evident from Appendix V, which indicates the present position. Only one Laboratory at Guntur has so far been established in hired accommodation. The Committee would like to refer in this connection to the following observations made by the Study Group of Planning Commission on the Third Five Year Plan:—

Achievement
in the
Second Plan.

“The essentiality of having a net-work of subsidiary regional control laboratories for implementing the work on grading effectively has already been accepted by the Planning Commission. This would become all the more necessary on account of the intensification and expansion of the grading programme as envisaged in the Third Five Year Plan, and for training of grading staff.

“As these laboratories would require special fittings and layouts it would neither be possible nor be economical to have these laboratories in hired buildings.”

*Represents expenditure incurred during 1957-58 by CPWD on laying of foundation stone of Central Control Laboratory at Nagpur.

@ Revised estimates.

The delays at every stage and the poor progress so far made in the implementation of the scheme in the two Five Year Plans are unfortunate. Special efforts are necessary if the performance is to be bettered during the Third Plan as indeed it should be, in the context of ambitious plans of the Directorate to extend agmarking to all the foodgrains, oilseeds and oil during that period.

III. MARKET SURVEYS AND REGULATIONS

A. Surveys and Investigations

63. The importance of reliable and accurate data on conditions relating to marketing of agricultural commodities and livestock products is obvious. Market surveys have a three-fold purpose, first, to spot weaknesses in the marketing system; secondly, to facilitate developmental measures; and thirdly, to study and assess the benefits to the producer as a results of improvements in marketing of agricultural produce.

Importance of survey Reports.

64. The Committee were given to understand that the collection of statistics and other data from the markets was generally done by issuing questionnaires, to the State Marketing Officers, Chambers of Commerce and other trade organisations. Officers, engaged on a particular report also visited the markets, the headquarters of the State Marketing Officers and collected the required material. The State Marketing Organisations assisted the Central Organisation in providing all the information available with them. In some cases, they also collected information from the markets in their States.

Collection of statistics and other data.

65. The Committee learnt that during the past 25 years, the Reports and Brochures on the marketing of 40 commodities covering various stages in the chain of marketing from the time the produce is ready for harvest until it reaches the final consumer had been published. A list of survey reports completed and published during the last 25 years is enclosed as Appendix VI. The survey of any new commodity on all India basis is undertaken either *suo moto* or when there is a specific request from any institution or organisation such as the Indian Council of Agricultural Research or Commodity Committees etc.

Achievements.

66. The process of marketing is dynamic and marketing methods, channels of distribution etc. change from time to time according to the changes in the pattern of production and in the development of industries and consumers preferences. It is considered necessary that the reports are revised from time to time to make them up-to-date. No specific interval was stated to have been fixed for the revision of the reports. It is however stated that due to paucity of staff it was not possible to keep the various Marketing Survey Reports up-to-date after their release. The Directorate may, however, after taking into consideration the importance of a particular commodity and the changes that have taken place

Revision of Reports.

in the marketing trends and pattern decide to revise the relevant report. Revision of the report relating to a commodity for which there is a Commodity Committee, is also taken up at the instance of that Committee.

67. The Committee understand that the Study Group of Planning Commission on Agricultural Marketing had emphasised in its recent study the necessity of bringing up-to-date the marketing survey reports so as to provide reliable data for planning.

68. *The Committee hope that during the Third Plan a regular procedure will be devised for bringing the survey reports up-to-date. In this connection they would like to emphasise that the Directorate should make increasing use of the services of State Marketing Officers and inspectors etc. for collecting material required for their survey reports for it is not desirable that there should be duplication of machinery at the Central and State level merely for compilation of data.*

Utilising
State
machinery
for collec-
tion of data.

69. The Committee were informed by the representative of the Directorate during the course of evidence that they had not been successful in utilising extensively the services of the State Marketing Departments for this purpose so far because of shortage of staff in the States. Study Group of the Planning Commission have recommended the strengthening of the State machinery of marketing in the Third Plan. The reorganisation suggested by them for State Marketing Departments is on the following lines:—

“The pattern of staffing in the State Departments should be on the basis of one Assistant Market-officer (Class II Gazetted) and two Inspectors (Non Gazetted for each district and one Class I Officer for every 10 districts. On this basis the total personnel requirements of the States would work out to 42 Class I Officers, 310 Class II Officers and 634 Inspectors. Out of these, the present stating position is 12 Class I Officers, 75 Class II Officers and 266 Inspectors only. The additional staff requirements during the Third Five Year Plan period therefore would be roughly 30 Class I Officers, 235 Class II Officers and 377 Inspectors. As the scale of pay differs from State to State, it is not possible to work out accurately the funds required for the additional personnel. Assuming that the average pay for Class I, Class II Officers and Inspectors is Rs. 500. Rs. 300 and Rs. 200 per month respectively, the total cost of additional

staff would be approximately Rs. 1 crore. The State Governments may make necessary provision for the same in their respective Third Five Year Plans."

The Committee hope that during the Third Plan the Government will be able to persuade the State Governments in the matter of strengthening their marketing organisations wherever necessary and of bringing about uniformity as suggested above.

70. The Committee were given to understand that there were only two permanent senior officers to write the survey reports, and that for compilation of reports staff was temporarily appointed. The Committee are not happy with these make shift arrangements. *They suggest that the section dealing with survey reports may be suitably staffed to discharge the responsibility devolving on it satisfactorily.*

Drafting of reports.

71. Another difficulty in the expeditious completion of the reports was stated to be that the Agricultural Marketing Adviser who had to render general guidance to the Senior Marketing Officers in the preparation of questionnaires, drawing up of synopsis for the reports etc. was not able to devote sufficient time to this work due to his various duties. The Committee understand that the Agricultural Marketing Adviser is at present a member of 81 Committees, boards and other organisations. It was stated that generally, Agricultural Marketing Adviser in his official capacity was nominated as a member on various Committees and Boards. The meetings were attended either by him or by a representative of the Directorate nominated by him. It was claimed that ordinarily, the Agricultural Marketing Adviser attended only the more important meetings of committees, boards etc. *The Committee have been noticing a proliferation of Committees in many Ministries. If those on which the Agricultural Marketing Adviser serves reach a total of 81 one can easily understand the total number of committees in the Ministry. In the result, quite apart from the time that such committees cut into the normal work of the local officers, much of the time of members from mofussil stations especially official members will be taken away from their posts of duty. That committees have their proper function to perform is not to be disputed, but their multiplication in various forms is what should be kept within limits. It would be very interesting and possibly revealing if an analysis is attempted of the number of the meetings held of allied committees, the attendance of common members, the time taken by each committee during a year etc. Quite often the time taken in transacting its business is short. The Estimates*

Delays in Compilation of reports.

Committee would suggest in the first place an amalgamation of these committees with a view to reducing the number. Secondly, there may be a proper planning of the meetings of the various committees having regard to the common membership so as to utilise as large a number of them as possible during the same visit and to obviate the necessity for the same member to come too often to the detriment of his regular work at his own place. There is need both for rationalisation of committees and their meetings. The committee would also suggest that the membership of any one person may be limited to a reasonable number of committees/bodies.

B. Regulated Markets

- Importance:** 72. A regulated market serves as a means for promoting orderly marketing, adoption of fair trading practices and maintenance of competitive conditions in buying and selling. It strengthens the position of the cultivator and enables him to obtain a fair price for his produce.
- Origin in the country.** 73. The poor standard of primary and secondary commodity markets, prevalence of various mal-practices like short weights, excessive market charges, un-authorised deductions and allowances made by commission agents, absence of any machinery to settle disputes between sellers and buyers which resulted in the realisation of low net prices by the producer sellers, led to the statutory regulation of agricultural markets in the country. The Planning Commission in its First Five Year Plan stressed the importance of agricultural marketing and recommended to the State Governments to enact legislation to regulate markets. This recommendation was reiterated in the Second Plan.
- Responsibility of the States.** 74. The Committee were informed that the regulation of markets was carried out under Acts passed by State Governments and was therefore the direct responsibility of the States and the Centre only coordinated and played an advisory role.
- Achievements in Second Plan.** 75. The Committee were given to understand that at a Conference held in November, 1955 in Hyderabad all the States undertook to have the necessary legislation to regulate markets and the objective laid down was that by the end of the Second Plan all the important market centres should be covered. A scheme for providing financial assistance to regulated markets for purposes of developing market yards and for providing other amenities was also drawn up. Despite the undertaking Assam, Rajasthan, Uttar Pradesh and West Bengal had not yet enacted necessary legislation for introduction of regulated markets and

out of the Union territories, Manipur had not yet adopted the necessary Act. Further out of about 2300 important wholesale markets in the country of which 469 had been covered by the end of the First Plan, only 363 were targeted for regulation during the Second Plan, thus making a total of 832 regulated markets by the end of the Second Plan. Even out of the Second Plan target of 363 additional markets in States where necessary legislation had been passed, only 232 had been regulated upto July 1960. As regards the Union Territories only three markets have been regulated in Delhi. In Tripura and Himachal Pradesh where necessary legislation has been made applicable no regulated markets have been established so far. A statement showing the target laid down for the setting up of additional regulated markets during the Second Plan (State-wise) and target achieved upto July 1960 is enclosed as Appendix VII. The representative of the Directorate stated during evidence that actually the States did not evince the same interest as was expected of them particularly because of opposition from the trade. The Committee regret that such a desirable step which costs little as compared to the advantages it brings in has not received adequate response.

76. The representative of the Ministry informed the Committee that now it was expected to regulate all the important wholesale markets by the end of the Third Plan. The Committee find from the programme indicated by the Study Group of the Planning Commission in Third Five Year Plan (reproduced in Appendix VIII) that considerable leeway has to be made up during the Third Plan. *The Committee recommend that the Central Government may actively pursue the matter and persuade States which have not yet enacted the necessary legislation, namely, Uttar Pradesh, West Bengal, Rajasthan and Assam to pass the same and follow it up into action. The Central Government may show the way by extending legislation to Manipur and by making concrete progress in setting up regulated markets in the Union Territories where the Committee regret to observe that not even one out of the 107 markets had been regulated upto the end of March, 1959 and only three thereafter upto now.*

**Targets for
Third Plan.**

77. The Committee understand that the following are some of the important problems which are required to be tackled in connection with the regulated markets:—

**Working of
Regulated
Markets.**

- (i) The constitution of market committees as provided in various Acts of the States are far from uniform. In regard to representations of various interests, there is variety both in respect

of numerical strength and mode of representation. The objects of these Acts being the same viz. to secure a fair deal to the farmer sellers and to improve conditions and services in the primary assembly markets where the cultivators change their produce into cash, there is no reason why the constitution of market committees, the Chief instrument of regulation, should be so dissimilar.

The Directorate may also use its influence with the State Governments to ensure that State Acts provide for representation of growers which may not be less than 50% of the total strength of the market committee and that a fair representation is also given to co-operative marketing societies.

- (ii) News about rates for various commodities in the market and other important market centres may be widely disseminated amongst producers who come to the market.
- (iii) Grading facilities may be provided to make the producers quality conscious and facilitate sale of their produce.

The Committee hope that the above points and others which came out as a result of the study being made of regulated markets by the Directorate would be suitably taken up by them with the State Governments with a view to effect improvements in the working of regulated markets.

C. Marketing Notes and Intelligence Bulletins

78. The Committee understand that the Directorate bring out Intelligence Bulletins on Sann Hemp and Tobacco in addition to monthly "Marketing Notes" and a quarterly "Agricultural Marketing". The representative of a member of tobacco associations who appeared before the Committee had urged that improvement should be made in the news bulletins with a view to furnish up-to-date statistics regarding market conditions. *The Committee would suggest that the Directorate may effect the necessary improvement in the news bulletins so as to serve better the interest of marketing. The Directorate may also consider the feasibility of bringing out similar news bulletins for other commodities which are subject to quality control.*

IV. ADMINISTRATION OF FRUIT PRODUCTS ORDER, 1955 AND DEVELOPMENT OF FRUIT & VEGETABLE PRESERVATION INDUSTRY

A. Introduction

79. The quality of the fruit products produced in the country is controlled by a Fruit Products Order promulgated under the Essential Commodities Act, 1955. This order prescribes minimum standards of quality and maintenance of hygienic conditions in the factories. The Directorate of Marketing & Inspection is responsible for the enforcement of the Fruit Products Order as also for promotion and development of the fruit and vegetable preservation industry on scientific lines. Responsibility of Directorate.

80. The Committee were given to understand that the country does not lack in adequate resources for developing the fruit products industry. They would like to refer in this connection to the following observations made by the Panel constituted by the Government Of India for drawing out development programme for fruit and vegetable preservation industry in 1955:— Report of the Panel.

“The potentialities for developing the fruit and vegetable industry in this country are immense. The fact that at present only 0·12 per cent of the production of fresh fruits and vegetable is utilized by the industry and that nearly 15 to 20 per cent of the production goes to waste owing to transport and other bottlenecks, emphasizes the immensity of the potentialities. . . The vast areas in the foot-hills of Himalayas from Kashmir to Assam also afford immense possibilities for horticultural development. These areas are not only suitable for the temperate region fruits but also for varieties of fruits which are generally grown in lower altitudes.”

81. The representative of the Ministry informed the Committee that the present annual production of fruit products in the country was about 40,000 tons while about 2 million tons of fruits and vegetables were going waste annually due to lack of transport and preservation facilities. A note from the Directorate stating the steps taken during Scope for development.

the last four years to stop wastage of fresh fruits and vegetables due to lack of transport and preservation facilities is reproduced in Appendix IX. The target for the Second Plan was a total production of 50,000 tons and it was expected to achieve the same. The target laid down for the Third Plan was 1,00,000 tons. *The Committee are of the view that in contrast to the tremendous scope for development of fruit and vegetable preservation industry in a predominantly agricultural country like India, the existing state of the industry is far from satisfactory. The potentialities of development of this industry on the one hand and the need for providing transport and more particularly preservation facilities on the other are great and call for action.*

B. Export of fruit products

Second Plan targets and achievements.

82. The Committee learnt that the target set to be achieved by the end of the Second Plan for export of fruit products was 11,000 tons. As against this the total yearly estimated exports have been as under:—

	Export (in tons)	Value (in lakhs)
1956	1,287	22
1957	1,762	31
1958	1,716	32
1959	1,478	29

It is evident from the above that the progress regarding export of fruit products has been rather disappointing. This slow progress is ascribed to the comparatively higher cost of production of Indian products. The factors which contribute to the high cost were stated to be—

- (i) high cost of packing material;
- (ii) high cost of sugar; and
- (iii) high incidence of rail and sea freight.

High cost of packing material.

83. The Committee learnt that it was considered in 1957 that the high cost of cans (ranging from nearly 20 to 30 per cent of the total cost of canned products) was to a large extent responsible for slow progress in the manufacture of canned fruits and vegetables. On the recommendations of the Tariff Commission (1957) a scheme for supply of subsidised cans to fruit preservation industry was drawn up. It provided for a subsidy at the rate of Rs. 500 per ton on tin-plate used in the manufacture of open top sanitary cans

by the fruit preservation industry. It came into operation from the 19th June, 1958 and would remain operative as long as the price of tin-plate, whether indigenous or imported, continued to exceed Rs. 1,200 per ton.

84. An additional import duty of Rs. 200 was levied on tin-plate with effect from the 1st April, 1960. The Committee were informed that since the fabricators of open top sanitary cans, who were using imported tinsplate were carrying forward old stocks, no repercussion of the increase was felt immediately. The question had been examined by the Department in consultation with the Ministry of Finance and as a result, it was agreed that the subsidy might be increased from Rs. 500 to Rs. 700 per ton. *The Committee hope that the increase in subsidy will be given effect to quickly. They feel that the decision in the matter should have been taken and announced earlier to set at rest apprehensions of the trade on this score.*

85. The representative of the Directorate informed the Committee that the price of sugar in India was substantially ^{High cost of} higher than the international price.* The following schemes were stated to be in operation to off-set the high cost of sugar in the exported fruit products:

- (a) A rebate of excise duty on sugar, contained in exported fruit products @ Rs. 10·70 per maund is given under a scheme operated by the Ministry of Finance (Department of Revenue).
- (b) Scheme for stepping up exports of fruit products (excluding mango chutneys), biscuits and confectionery operated by the State Trading Corporation.

86. The representative of the Directorate informed the Committee that under the scheme mentioned at (b) above the State Trading Corporation subsidised sugar to the extent of Rs. 8 only, which did not cover the gap between the Indian price of sugar and the international price. Further the State Trading Corporation also wanted to study the working cost structure of the manufacturers before giving any subsidy.

87. The Committee have referred to the matter of export of sugar in their one hundred and twenty seventh Report on

*It was stated by the Deputy Minister of Agriculture in reply to starred question No. 177 on 21. 2. 1961 that—

“Our sugar is costlier by nearly Rs. 300 per ton as compared with the world sugar price.” (L.S.S. Debates dated 21. 2. 1961 Col. 1020)

the Directorate of Sugar and Vanaspati. *They are of the view that sugar, if exported to the extent possible, in the form of fruit products is likely to yield better return in terms of foreign exchange. They recommend that the feasibility of allotting a quota of sugar at world market price to the fruit products industry on the condition that fruit products with that sugar content are exported may be examined.*

High incidence of rail and sea freight.

88. The Committee learnt that to reduce the high incidence of rail charges, 50 per cent concession of transport of finished fruit and vegetable products by rail to the nearest port in India for export was allowed. High sea freight rates, however, continue to be a major handicap in stepping up exports. The freight from Italy to Bahrein, for example, was stated to be just half of what it is from Bombay to Bahrein, while the distance is more or less the same. The representative of the Directorate stated that they were already seized of the matter. *The Committee recommend that an early solution may be found for the problem in consultation with the Ministries of Transport and Commerce & Industry.*

Third Plan targets.

89. The Committee were given to understand that the export targets for the fruit and vegetable products in the Third Plan could be put at 20,000 tons valued at Rs. 400 lakhs by the year 1965-66 out of the total production of one lakhs ton. The year to year target would be—

Year	Export target
1961-62	7,000
1962-63	10,000
1963-64	13,000
1964-65	16,000
1965-66	20,000

This target is stated to be realistic considering the fact that the industry would be given special assistance for developing export trade. *The Committee suggest that in view of the difficulties referred to above concerted efforts are necessary to introduce and to make a success of assistance schemes relating to this industry.*

C. Scheme of loan assistance

Second Plan provision and utilization.

90. The Committee were given to understand that a provision of Rs. 55 lakhs by way of loan assistance was made in the Second Plan for setting up five large scale units (at a cost of Rs. 7 lakhs each and 200 small scale units at a cost

of Rs. 10,000 each). The currency of the loans would be for a period of 13 years and carried an interest rate of 4.25 per cent as against 3 per cent in the case of loans given under the Industrial Aid Act. The undermentioned States have been granted loans so far:—

(Rs. in lakhs)

Sl. No.	Name of the State	Amount of loans sanctioned
1	Uttar Pradesh	6.5
2	West Bengal	0.7
3	Bihar	0.5
4	Orissa	0.4
5	Punjab	0.3
6	Kerala	0.6
Total .		9.0

In addition to the above loans, the Directorate is stated to have recommended a loan of Rs. 4 lakhs to Himachal Pradesh and Rs. 7 lakhs to Andhra Pradesh Governments for setting up large scale units at Joginder Nagar and Kodur respectively.

91. A note furnished by the Ministry explaining the reasons for the poor utilisation of the loan assistance scheme is at Appendix X. The Committee are not satisfied with the explanation that the shortfall was primarily due to change in categorisation of loan scheme from 'A' to 'B' in 1958-59. The Committee are inclined to agree with the following observations made by the Study Group of the Planning Commission on the Third Five Year Plan:—

Inclusion of the Scheme in a different category.

"The loan facilities in the Second Five Year Plan have not been fully utilised because of procedural difficulties. It has, however, been ascertained that the industry has been clamouring for loans for expansion of activities and for establishing new units. The loan scheme for fruit and vegetable industry in the Third Five Year Plan should be implemented through the State Departments of Industries under the State Aid to Industries Act on the lines in which the loans facilities are extended through the Ministry of Commerce and Industry."

92. *In view of the fact that the fruit and vegetable preservation industry has immense potentiality for development, the Committee recommend that the matter of procedural difficulties in providing for loan assistance may be gone into and removed expeditiously so that no hindrance is caused to the progress of the scheme in the Third Plan.*

D. Working of the Fruit Products Order

Collection of samples.

93. The Committee learnt that for effective enforcement under the Fruit Products Order, the technical staff of the Directorate carries out inspections of manufacturing premises at regular intervals to ensure that these were maintained according to the provisions. A large number of check samples were collected both from the manufacturers (free of cost) and the retail market (on payment) for analysis at the laboratory maintained by the Directorate at the Central Food Technological Research Institute, Mysore. The defects noticed, together with suggestions for improvement were communicated to the licencees. The number of samples collected from the manufacturers and retail shops during each of the last four years is as under:—

Year	Number of samples collected
1956	7,404
1957	7,618
1958	6,081
1959	5,964

It will be seen that the number of samples collected has decreased from 7,404 in 1956 to 5,964 in 1959. The representative of the Directorate stated that the staff remained pre-occupied largely with development works and therefore the sampling work suffered to a certain extent. *The Committee would like it to be ensured that there is no slackness in vigilance work under that Order due to other work entrusted to the staff.*

94. The representative of the Directorate informed the Committee that all the samples taken under Fruit Products Order, 1955 were checked at the Central Food Technological Research Institute, Mysore and this resulted in considerable delay in obtaining results for industries remotely situated.

Regional laboratories.

95. A scheme for the setting up of five regional laboratories for fruit and vegetable preservation was included in the Second Five Year Plan on the recommendation of the

Panel for the Development of Fruit and Vegetable Preservation Industry and a provision of Rs. 12.00 lakhs was made therefor.

The Committee were informed that in 1958 it was decided that these regional laboratories would work under the Council of Scientific & Industrial Research to whom the sum of Rs. 12 lakhs was transferred.

96. The Committee learn that these regional laboratories were intended, in addition to checking of samples, to conduct research work including that of finding out suitability of different varieties of fruits for canning purposes. The importance of such work for developing canning varieties needs no stress. *The Committee regret that the scheme has been unduly delayed and has made very little progress all these years. They recommend that the Ministry should impress upon the Council of Scientific and Industrial Research the need for expeditious implementation of the scheme.*

NEW DELHI;
The 27th March, 1961

The 6th Chaitra, 1883 (Saka)

H. C. DASAPPA,
Chairman,
Estimates Committee.

APPENDIX II

(Vide Para 36)

Statement showing Annual exports of black Pepper from India from 1951-52 to 1960 (Jan. to Oct.) and the Prices

Years	Quantity (In 000 cwts.)	Value (Lakhs Rs.)
1951-52	298	2,322
1952-53	248	1,606
1953-54	255	1,287
1954-55	276	699
1955-56	263	471
1956 (March-Dec.)	148	196
1957	305	312
1958	282	298
1959	304	427
1960 (Jan.-Oct.)	309	881

NOTE:—Exports prior to 1957 include small quantities of white and long pepper.

APPENDIX III

(Vide para 36)

Statement showing the comparative average wholesale prices of black pepper in some important world markets

Year	Indo- nesia	Singa- pore	India (Cochin)	London		New York
				Sarawak black	Malabar	
1951	6.75	3.59	2.81	5.56	3.81	3.74
1952	2.84	2.75	2.26	3.61	3.37	3.41
1953	2.27	2.14	1.89	2.81	2.87	2.82
1954	1.30	1.11	0.95	1.17	1.62	1.64
1955	0.65	0.74	0.71	0.83	1.02	0.99
1956	0.48	0.51	0.53	0.60	0.79	0.70
1957	0.28	0.39	0.42	0.49	0.58	0.60
1958	0.16	0.38	0.41	0.48	0.58	0.58
1959	N.A.	N.A.	N.A.	0.65	0.70	0.79
1960	N.A.	N.A.	N.A.	1.33	1.33	1.61

Notes:—Indonesia—Black Lampung, export price f.o.b.

Singapore—Black Lampung, wholesale price.

India (Cochin)—Black Choice, wholesale price.

London—Black Sarawak, c.i.b. Black Malbar, c.i.b.

New York—Black Malabar, spot.

APPENDIX IV

(Vide Para 44)

Details of the scheme for organisation of Sheep Shearing Grading and Marketing Centres

The annual production of wool in India is estimated at 70 million lbs. Of this quantum, 38 million lbs. of wool is produced in the dry northern zone which includes the States of Rajasthan, parts of the Punjab and U.P., and North Gujerat. The major produce is exported as carpet wools. The grading of wools at the time of shearing is not practised and the good wools along with the coarser product is mixed and exported under different trade names. Unless the wools are graded at the time of shearing, it is not possible to separate various classes required for different manufacturing purposes.

As the export trade is built to meet the needs of the carpet manufacturers in other countries, considerable quantities of good wools, which could be utilized for apparel purposes, are lost to the country. The survey, as regards the qualities available in Rajasthan and other adjacent States, has indicated that 22 to 25 per cent of the clip, i.e. 8 to 10 million lbs. could be salvaged and utilized in the manufacture of apparel. Unless good wool is separated and flock owners are helped with proportionate prize incentive, it will not be possible to effectively carry out sheep and wool development programme.

During the First and Second Plan periods, the work of establishing sheep breeding farms and extension centres has been carried out in Rajasthan to form the basis for organising a large scale project not only for the development of sheep but also to properly organise the disposal of wools correctly. This State produces 26 millions lbs. of wool, i.e. 45 per cent of the total clip in India.

The scheme proposes to undertake a large scale sheep shearing, grading and marketing programme as a coordinated organisation along with the existing sheep development work. Although wools of better quality can be obtained in the Punjab, U.P., and North Gujerat, it is proposed to initiate the wool grading programme in Rajasthan.

Organisation

The work of shearing of sheep has to be carried out at the village level and a number of well-equipped shearing yards have to be provided for this purpose. Depending on the density of sheep population and the requirements for collecting wool at different centres, it is considered essential to have three categories of shearing, baling and warehousing organisation. A small shearing centre will have to be located in a sheep population ranging from 5000 to 10000 sheep. The medium scale centres will have to cater for grading and disposal of wools obtained from 15 to 20 thousand sheep. Wool stores, cleaning, deburring and baling organisations will have to be set up at suitable centres.

Taking into account the number of sheep and density of population, along with the necessity of collecting wool at central places, it is estimated that the following will be the basic needs for State of Rajasthan.

	<i>Number</i>
1. Large scale wool grading pressing and marketing centres.	20
2. Medium scale shearing and grading centres.	40
3. Small scale shearing and grading centres.	200

At the medium and small scale centres, it is proposed to provide a shed for systematic shearing and grading of wool, drafting yards, sorting tables, sheep washing dips, equipment necessary for shearing, loose baling, etc. The half-pressed bales will then be transferred to the central wool stores for pressing, cataloguing and marketing. After the final appraisal of the grades, deburring will be carried out and the wool will be full-pressed for disposal. The work of organising, shearing and grading programme will have to be linked up with the sheep improvement work which has already been set up during the First and Second Plan periods. There are, at present, 113 centres where the improvement work is undertaken with the sheep population ranging from 3 to 4 thousand. This work is proposed to be extended during the Third Plan period to a sheep population ranging from 5 to 10 thousand. Thus, the organisation of sheep improvement and the proposed shearing and grading centres will be able to cover the entire State of Rajasthan. The staff and facilities provided at the existing sheep and wool extension centres will deal with the grading programme as well. The linking of these two aspects, *viz.*, the sheep improvement and the wool grading and marketing, is the only method of obtaining the desired improvement in wool quality as well as augmenting the quantum.

One of the important aspects of this work is the organisation of co-operatives of the primary producers. The village level co-operatives will be linked by establishing a Rajasthan Wool Board, preferably with statutory recognition. In this connection, the State authorities had already approached the Reserve Bank of India to finance the procurement of wool. The Banks has assured to advance short term loans to the extent of 75 per cent of the cost of the clip pooled at the wool stores. The loans to the primary societies will be routed by the Board through the co-operatives. The total clip which will be handled under the scheme is estimated at 28 million lbs. This would amount to the handling of approximately Rs. 8 crores worth of produce. Hence an importance is laid in the scheme for the formation of the Board (on the lines which is in operation in U.K.). The cost on the working of the scheme as given below will lay a foundation for the Board to take up the entire organisation on its own.

Financial implications

The following are the broad estimates for establishing different categories of shearing, grading and marketing centres.

I. LARGE SCALE SHEARING, GRADING AND MARKETING CENTRES—

A. *Non-recurring:*

1. Construction of buildings (Warehouse, wool grading and sorting shed, office, quarters for staff, baling room)	Rs. 70,000·00
2. Equipment (naling machine, deburring equipment, laboratory equipment)	Rs. 20,000·00
TOTAL	<u>Rs. 90,000·00</u>

B. *Recurring:*

1. Staff (officers in charge, trained graders and sorters, laboratory staff and workers, office staff)	Rs. 65,000·00
2. Contingencies	Rs. 15,000·00
TOTAL for 5 years.	<u>Rs. 80,000·00</u>

II. MEDIUM SCALE SHEARING, GRADING AND MARKETING CENTRES—

A. *Non-recurring:*

1. Construction of buildings (Washing and drying shed, well, watering trough and dipping trough, shearing shed and a small warehouse, office, enclosures or sheep yards, halting places for flock owners and quarters for staff)	Rs. 85,000·00
2. Equipment (shears, baling machine, weigh bridges and laboratory equipment)	Rs. 20,000·00
TOTAL	<u>Rs. 115,000·00</u>

B. *Recurring:*

1. Staff (one Inspector, 2 wool sorters and graders, recorder, master shearer, watchman, sweeper)	Rs. 60,000·00
2. Contingencies	Rs. 15,000·00
TOTAL for 5 years.	<u>Rs. 75,000·00</u>

III. SMALL SCALE SHEARING, GRADING AND MARKETTING CENTRES—.

A. *Non-recurring:*

1. Buildings (drying sheds, shearing and sorting sheds, enclosure for sheep and halting place for flock owners)	. Rs. 20,000·00
2. Equipment (shears, laboratory equipment)	. Rs. 5,000·00
TOTAL :	. Rs. 25,000·00

B. *Recurring:*

1. Staff (master shearers, sorters and graders)	. Rs. 25,000·00
2. Contingencies Rs. 5,000·00
TOTAL for 5 years.	. Rs. 30,000·00

The cost on the working of the scheme including that of the organisation of the Board is given below. The organisation has to be set up on a phased basis.

	1st Year	2nd Year	3rd Year	4th Year	5th Year	
Small	10	20	60	70	40	N.R. Rs. 50·00 lks. R. Rs. 29·40 "
Medium	2	4	12	14	8	N.R. Rs. 46·00 " R. Rs. 14·70 "
Large		2	4	5	9	N.R. Rs. 18·00 " R. Rs. 6·24 "
						Rs. 164·34 lks. 5·66 "
					Wool Board	Rs. 170·00 lks.

APPENDIX V
(Vide Para 62)

Present position of Establishing the Central Control and 8 Regional Subsidiary Laboratories of the Directorate

The present position in regard to the establishment of one Central Control Laboratory at Nagpur and eight Regional Control Laboratories of this Directorate at Kanpur, Bombay, Cochin, Guntur, Chandigarh, Rajkot, Calcutta and Madras is as detailed below:—

Central Control Laboratory, Nagpur:

The construction work of this laboratory has already been allotted by the Central Public Works Department to a contractor. The Superintending Engineer, IIIrd Circle, Central Public Works Department, New Delhi recently informed this Directorate that, while making the trial pits at the site of work, bad soil had been noticed, which has necessitated the revision of foundation designs etc. Accordingly, the drawings are being modified by the Senior Architect concerned and thereafter the estimates shall have to be recast by the Superintending Surveyor of Works North Zone, New Delhi. As such there is no physical progress on this work at present.

Regional Control Laboratories:

The Indian Sugar Institute has given a site measuring **Kanpur.** about 1 acre free of cost for the construction of the Regional Laboratory in the year 1960. Preliminary estimates have been examined and expenditure sanction issued by the Ministry on February, 1961. The C.P.W.D. has been approached to take up the construction work as early as possible.

Administrative approval and expenditure sanction for **Cochin.** construction of this laboratory have been issued. The Superintending Engineer, C.P.W.D., Madras has been approached to take up the construction work. It has been intimated by the S.E. that tenders for the construction have been invited and the last date for submission of the tenders is 13th February, 1961. The construction is likely to be taken in hand soon thereafter.

The laboratory has been established in the hired accommodation. Fittings, chemicals and apparatus are being **Guntur.** purchased to equip the laboratory.

The Wool laboratory is already functioning at **Bombay.** Bombay. For additional accommodation required for setting up a

laboratory for palmarosa|oil, the Estate Manager, Bombay had allotted a hall in the L.I.C. Building on the Carnac Road, for purposes of setting up of the laboratory. The Municipal authorities of Bombay, however, did not permit the setting up of the laboratory in that building on the ground that the building is for residential purposes. The accommodation had, therefore, to be surrendered. The Ministry of Works, Housing and Supply were approached to allot some alternative accommodation in a suitable locality for the laboratory.

A proposal to purchase a plot of land on the Tulsi pipe Road, Bombay for constructing a pucca building for the laboratory is also under the active consideration of the Ministry of Food & Agriculture (Department of Agriculture), in consultation with the Ministry of Finance.

Chandigarh, Rajkot, Calcutta and Madras Laboratories:

It has been proposed to establish these laboratories during the Third Five Year Plan period.

APPENDIX VI

(Vide Para 65)

List of survey Reports completed and published by the Directorate of Marketing and Inspection during the past 25 years

1937

1. Report on the Marketing of Wheat in India.
2. Report on the Cold Storage and Transport of perishable produce in Delhi.
3. Agricultural Produce (Grading and Marking) Act, 1937.

1938

1. Report on the Marketing of Linseed in India.
2. Report on the Marketing of Eggs in India & Burma.
3. Abridged edition of the Report on the Marketing of Wheat in India (Hindi).
4. Abridged edition of the Report on the Marketing of Wheat in India (Urdu).
5. Abridged edition of the Report on the Marketing of Wheat in India (English).

1939

1. Report on the Marketing of Tobacco in India & Burma.
2. Abridged edition of the Report on the Marketing of Linseed in India (English).
3. Abridged edition of the Report on the Marketing of Linseed in India (Bengali).
4. Abridged edition of the Report on the Marketing of Linseed in India (Hindi).
5. Abridged edition of the Report on the Marketing of Linseed in India (Urdu).

1940

1. Report on the Marketing of Grapes in India & Burma.
2. Abridged edition of the Report on the Marketing of Linseed in India (Marathi).
3. Agricultural Produce (Grading & Marking) Act.
4. Report on the Marketing of Coffee in India & Burma.
5. Abridged edition of the Report on the Marketing of Eggs in India (English).

1941

1. Report on the Marketing of Rice in India and Burma.
2. Report on the Marketing of Potatoes.
3. Report on the Marketing of Groundnuts.
4. Report on the Marketing of Milk.
5. Preliminary Guide to Indian Fish, Fisheries, methods of Fishing and Curing.
6. Abridged edition of the Report on the Marketing of Eggs in India and Burma (Hindi).
7. Abridged edition of the Report on the Marketing of Eggs in India and Burma (Urdu).
8. Abridged edition of the Report on the Marketing of Potatoes in India and Burma (English).
9. Abridged edition of the report on the Marketing of Grapes in India and Burma (English).
10. Abridged edition of the Report on the Marketing of Milk in India and Burma (English).

1942

1. Abridged edition of the report on the Marketing of Groundnuts in India and Burma (English).
2. Abridged edition of the Report on the Marketing of Rice in India and Burma (English).
3. Abridged edition of the Report on the Marketing of Tobacco in India and Burma (English).
4. Handbook on Wool.

1943

1. Report on the Marketing of Sugar in India and Burma.
2. Report on the Marketing of Milk (2nd Edition).
3. Report on the Marketing of Lac in India and Burma.
4. Report on the Marketing of Skins in India and Burma.
5. Report on Fairs & Markets in India.
6. Reports on Cooperative Marketing of Agricultural Products.
7. Report on the Marketing of Hides in India and Burma.
8. Report on the Marketing of Citrus Fruits in India and Burma.

1944

1. Report on the Marketing of Cocount and Coconut products in India and Burma.
2. Report on the Marketing of Cashewnuts in India and Burma.

1945

1. Report on the Marketing of Gram in India and Burma.
2. Report on the Marketing of Barley in India and Burma.
3. Report on the Marketing of Bananas in India and Burma.
4. Report on the Marketing of Sheep and Goats in India and Burma.

1946

- I. Report on the Marketing of Fish in India and Burma.

1947

1. Report on the Marketing of Cattle in India.
2. Report on the Marketing of Wool & Hair in India.
3. Report on the Marketing of Castorseed in India.

1948

1. Supplement of the Report on the Marketing of Wheat in India.
2. Brochure on the Marketing of Fish in India.
3. Brochure on the Marketing of Wool in India.
4. Report on the Marketing of Cardamom in India.
5. Report on the Marketing of Ghee and other Milk Products in India.

1949

1. Brochure on the Marketing of Milk in the Indian Union.
2. Brochure on the Marketing of Isubgol in India.
3. Report on the Marketing of Arecanuts in India.
4. Report on the Marketing of Castorseed in India.

1950

1. Report on the Marketing of Rapeseed and Mustard in India.
2. Bulletin on the Marketing of some Important Stove, Pome and Small Fruits and Pine-apples in India.
3. Bulletin on the Marketing of Sann Hemp in India.

1951

1. Brochure on the Marketing of Groundnuts in India.
2. Brochure on the Marketing of Kapok and Akund Floss in India.
3. Report on the Marketing of Milk in the Indian Union.
4. Abridged edition of the Report on the Marketing of Milk in Indian Union (Hindi).

1952

1. Report on the Marketing of Fish in the Indian Union.
2. Report on the Marketing of Hides in India.
3. Preliminary Guide to Indian Fish, Fisheries, Methods of Fishing and Curing.
4. Atlas on Livestock and Livestock Products in India.
5. Brochure on the Marketing of Bristles in India.

1953

1. Report on the Marketing of Groundnuts in India (Second Edition).
2. Report on the Marketing of Sesamum and Nigerseed in India.

1954

1. Report on the Marketing of Maize and Millets in India.
2. Methods of Sampling and Testing Vegetable Oils and Fats under Agmark.
3. Methods of Sampling and Testing Butter-Fat (Ghee) and Butter under Agmark.
4. Brochure on the grading of Tobacco in India.

1955

1. Report on the Marketing of Rice in India.
2. Report on the Marketing of Tobacco in India.
3. Report on the Marketing of Skins in India.
4. Ghee Series I in English.
5. Ghee Series II in English.
6. Brochure on the Marketing of Fish in India (Hindi).
7. A note for the guidance of the parties wishing to grade ghee under Agmark.

1956

1. Report on the Marketing of Meat in India.
2. Report on the Marketing of Potatoes in India.
3. Report on the Marketing of Cattle in India.
4. Report on the Marketing of Poultry in India.
5. Report on the Marketing of Tapioca in India.
6. Bulletin on the Marketing of Palmyra Fibre in India.
7. Brochure on the Marketing of Henna in India.
8. Report on the Analysis of Fruit and Vegetable Products in India.

9. Report on the Regulated Markets in India—Vol. I—Legislation.

10. Report of an *ad hoc* survey of cold storage for fruits and vegetables in consuming centres in India.

11. Administration Report of the Directorate of Marketing and Inspection for the period 1949-54.

1957

1. Report on the Marketing of Linseed in India.

2. Report on the Marketing of Chillies in India.

3. Report on the Fruit & Vegetable Murrabba Industry in India.

4. Ghee Series I in Hindi.

5. Ghee Series II in Hindi.

6. Administration Report of the Directorate of Marketing and Inspection for the period 1949-54.

7. Ata Grading Instructions.

8. Fruit Grading Instructions.

1958

1. Instructions on grading and marking of creamery butter in India.

2. Brochure on the Marketing of Henna in India in Hindi.

3. Report on the Marketing of Ghee and Other Milk Products in India.

4. Hand Book on Grading of Bristles in India.

5. Report on the Chutney Industry in India.

6. Brochure on Standard Methods of Wool Analysis.

7. Report on the Marketing of Bones and Bonemeal in India.

8. Fruit Products Order, 1955.

1959

1. Report on the Marketing of Mangoes in India.

2. Sugarcane Gur (Jaggery) Grading Instructions.

3. Hand Book on Grading of Sann Hemp in India.

4. Atlas on Marketing aspects of Food Crops.

5. Atlas on Marketing aspects of Commercial Crops.

6. Report on the Marketing of Pulses in India.

7. Administration Report of the Directorate of Marketing and Inspection for the year 1956.

8. **Twenty Five Years of Agricultural Marketing in India** (Two Editions).

1960

1. **Instructions for grading Lemongrass and Sandalwood Oils.**

Publications in the Press—

1. **Report on the Marketing of Lac in India.**

2. **Brochure on the Marketing of Myrabalans.**

3. **Monograph on Types and Grades of Unmanufactured Tobacco exported from India in 1957.**

4. **Agricultural Produce (Grading & Marking) Act, 1937 (up-to-date).**

5. **Hand Book on Grading of Bristles in India (Hindi).**

6. **Brochure on the Standard Methods of Wool Analysis in India (Hindi).**

7. **A note for the guidance of the parties wishing to grade creamery butter under Agmark.**

8. **A note for the guidance of the parties wishing to grade ghee under Agmark.**

9. **A note for the guidance of the parties wishing to grade vegetable oils under Agmark.**

APPENDIX VII

(Vide para 75)

Statement showing the target laid down for the setting up of additional regulated markets during the Second Plan (State-wise) and target achieved upto July, 1960.

Name of State	Number of Targetted markets re- gulated at the end of First Five Year Plan	for regu- lation during the Second Plan period.	Actually regulated during the Second Five Year Plan upto July, 1960	Total of columns 2 and 4
1	2	3	4	5
Andhra Pradesh	62	84	21	83
Bombay (Gujerat & Mahara- shtra)	168	143	124	292
Kerala	Nil	12	4	4
Madhya Pradesh	59	29	27	86
Madras	19	37	7	26
Mysore	47	23	21	68
Punjab	114	11	14	128
Orissa	Nil	15	11	11
Delhi	Nil	9	3	3
TOTAL	469	363	232	701

APPENDIX VIII

(Vide Para 76)

Statement showing the Number of Markets Regulated in each State upto March, 1959, those to be regulated in the remaining Second Plan period and the Markets that are proposed to be regulated in the Third Five Year Plan

States	Total No. of Markets	Regulated upto end of March 1959	Expected to be regulated during the rest of the 2nd Plan period	Total No. to be regulated upto end of 2nd Five Year Plan	Proposed to be regulated during the 3rd Plan period.
Andhra Pradesh .	247	81	63	144	103
Assam . . .	65	..	5	5	60
Bombay . . .	354	234	66	300	54
Bihar . . .	146	..	15	15	131
Kerala . . .	41	4	12	16	25
Madhya Pradesh	223	78	7	85	138
Madras . . .	99	21	30	51	48
Mysore . . .	116	57	15	72	41
Orissa . . .	69	3	12	15	54
Punjab . . .	126	126	..	126	..
Rajasthan . . .	130	..	10	10	120
Uttar Pradesh .	377	..	20	20	357
West Bengal . .	212	..	10	10	202
Delhi . . .	24	..	6	6	18
Himachal Pradesh	14	14
Tripura . . .	56	..	10	10	46
Manipur . . .	13	13
TOTAL .	2,309	604	281	885	1,424 +200 New Markets

APPENDIX IX

(Vide para 81)

Note stating the steps taken during the last four years to stop wastage of fresh fruits and vegetables due to lack of transport and preservation facilities

Answer: With a view to minimising wastage of fruits and vegetables and utilizing the local production for processing, the Directorate has been exploring possibilities of setting up fruit and vegetable preservation units in concentrated areas of production. Extensive surveys of some areas where fruits and vegetables grow in abundance were initiated and suitable schemes prepared for the utilisation of surplus production. With a view to utilising the surplus fruits and vegetables grown in the interior parts and inaccessible areas in the country, schemes have been drawn up by the various State Governments in consultation with the Agricultural Marketing Adviser for the establishment of large and small scale fruit preservation units near to such areas. Large scale factories have already been set up at Gauhati in Assam and Agartala in Tripura and small scale units at Trichur (Kerala) and Ratanagri and Nasik (Maharashtra). A large scale factory is being set up at Joginder Nagar in Himachal Pradesh by M/s. Midland Fruit Products (P) Ltd. New Delhi. It is expected that the entire surplus fruits and vegetables grown in Kulu valley and Himachal Pradesh would be utilised by this factory when it goes into production in May, 1961. Large scale factories are also proposed to be set up at Pecharthal in Tripura and Kodur in Andhra Pradesh during this year.

In order to improve the transport facilities for fruits and vegetables, the Ministry of Railways are also undertaking experiments, in collaboration with the Central Fruit Technological Research Institute, Mysore for transporting perishables over long distances in refrigerated vans. Adequate measures are also being taken by the Government to improve the efficiency in the movement by rail of fruits and vegetables. Provision have also been made under the Third Five Year Plan for the development of Cold Storage Industry which would also go a long way in developing the fruits and vegetables preservation industry in the country.

As a result of the efforts made by this Ministry during the Second Five Year Plan, following units have been or are being set up in different parts of the country:—

A. Under the Central Loan Assistance Scheme through the State Governments or Centrally Administered Areas

(1) Government Fruit Preservation Unit C/o Director of Agriculture, Agartala, Tripura Administration.

(2) Government Fruit Preservation Unit at Imphal, Manipur Administration.

* (3) M/s Midland Fruit & Vegetable Products Private Ltd., Joginder Nagar, Himachal Pradesh.

This factory is to be established by a private party, M/s Midland Fruit Vegetable Products Private Ltd., New Delhi.

* (4) M/s Fruit and Vegetable Preservation Unit, Silchar, Assam.

This factory is to be set up by the Assam Government through M/s. Birla, a Private enterprise.

* (5) Fruit and Vegetable Preservation Unit, Kodur, Andhra Pradesh.

This factory is to be set up by the Andhra Pradesh Government.

(6) M/s. Malda Mango Processing Cooperative Society Ltd., Malda, West Bengal.

(7) U.P. Government Fruit Processing Factory, Ramgarh, U.P.

B. Units set up under Loan Assistance given by the State Governments.

(1) M/s. Mango Growers and Sellers Cooperative Society, Pardi, Bulsal, Gujerat.

* (2) M/s. Gamdevi Mango Growers Cooperative Society, Gamdevi, Gujerat.

(3) M/s. Pimpalgaon Baswant Grape Growers Cooperative Society, Pimpalgaon Baswant, Nasik District, Maharashtra.

C. Under Private Sector

(1) M/s. Allahabad Canning Co., Allahabad, Uttar Pradesh.

(2) M/s. Midland Fruit and Vegetable Products (India) Private Ltd., Erumpatty, Elempel, Ponalur (Kerala).

(3) M/s. Canned Food Products, 740, Shivaji Nagar, Ratnagiri.

*The Schemes for setting up these units have been finalised and are expected to go into production in the near future.

APPENDIX X

(Vide Para 91)

Discussion between the Department of Agriculture and the Planning Commission about loan assistance scheme for fruit preservation industry

No formal reference to the Planning Commission was sent in this regard. The whole question was discussed with the members of the Planning Commission during the discussion of the State Plans in the Ministry of Food and Agriculture. The point which has pointed out to the members of the Planning Commission, was that during 1957-58 this was a category 'A' scheme and as such the provision was shown in the plan of the Ministry of Food and Agriculture, Central assistance for the Scheme was not shown in the State Plan ceilings. In case, however, canneries are to be operated by State Government they have to make matching contribution i.e. their share of expenditure in their State Plan ceilings. The Central assistance to States and Plan provision for these schemes was not tied up with the result that the State Government took loans under this Scheme without curtailing their State Plan ceilings. In 1958-59, however, Central assistance to States and provision in State Plans were tied up. As such the entire Central assistance to the States for setting up small scale canneries had to be reflected in State Plans. Even in cases when State Governments wanted to set up these canneries under their own aegis the Plan provision would relate to the assistance received from the Centre as well as the State share of the cost of the canneries. This has resulted in many States not coming forward for loans from Centre. As consequent on the slashing of their Plan provision in the State sector by the Planning Commission which became difficult for them to accommodate the Central assistance for this Scheme as well.

It was, therefore, urged that the Central assistance for this Scheme may continue to be outside the State Plan as was the case during 1957-58. The members of the Planning Commission explained that while it may be true that the Scheme was originally categorised as 'A' the financial pattern of assistance is such that it cannot now continue to be a liability on Central Government. All loans to State Government will have to be provided for in their respective budget and as such necessary provision will have to be made in the State sector. They further pointed out that Central assistance by way of loan was quite different than subsidy or grant which are in fact the liability of the Centre and can therefore be treated as category 'A'. In view of this whether the Scheme be described as 'A' or 'B' according to the initial qualifications made by the Ministry of Food and Agriculture is of no great consequence and it is hardly necessary to pursue it. They further pointed out that since the loan is to be finalised the State Governments who are also responsible for its return and most of the small scale Fruit Preservation Units or

large factories will be started by private parties or cooperatives with the assistance rendered through the State Governments it cannot be possible to reflect the entire loans provision under the Central Ceiling.

APPENDIX XI

Summary of recommendations/conclusions contained in the Report

Sl. Reference No.	to Para No.	Summary of recommendation/conclusion
1	2	3
1	10	The Committee hope that the reorganisation of the subordinate offices would prove conducive to efficiency and would not set in train expansion of these regional organisations to undertake duties and functions which could be attended to by the headquarters organisation at Nagpur. They hope that care will be taken to ensure that there is no duplication of effort and that the regional offices are not unduly expanded.
2	13	The Committee hope that the Class IV staff of the Directorate would be suitably housed early and that in the meantime effective action would be taken to ameliorate their living conditions.
3	15-16	(i) The Committee recommend that the delay in printing of Administration Reports and other publications of the Directorate may be carefully examined and suitable remedial measures taken to rectify them. (ii) The Committee suggest that a procedure may be devised to ensure that the Administration Reports are published in time. It should be possible to prepare a schedule for bringing out these reports and adhering to it.
4	17	The Committee recommend that the feasibility of showing separate figures of expenditure and receipts for each of the quality control schemes in the Administration Report of the Directorate may be considered.
5	21	The Committee recommend that effective measures may be taken to extend the principle of grading to as many of the agricultural products as possible during the Third Plan.

1	2	3
6	22	Voluntary grading scheme has not made the desired impact on the producers, consumers and the trade in the country. Educating the producer and promoting quality consciousness amongst the consumers are the pre-requisites for the success of the scheme.
7	25	The Committee are of the view that the facility of allowing priority to graded produce in the matter of movement over railways if accorded would provide an incentive for adoption of Agmark grade standards and therefore recommend that the Government may examine in detail very early the question in consultation with the Ministry of Law and arrive at a decision.
8	26	The Committee suggest that the Ministry may persuade the States as also the various Departments of Central Government to give preference in their purchases to agmarked products.
9	28	The Committee suggest that an early decision may be taken in the matter of restricting inter-State movement to graded ghee only and would also recommend that the feasibility of extending it to other commodities which are at present apt to be heavily adulterated may be examined.
10	29	The Committee welcome the proposal of extending the Revised Ghee Grading Scheme to States other than Uttar Pradesh and Bihar where it was introduced as early as 1945. They are unable to appreciate as to why it was not extended by the Government to the remaining States much earlier. They hope that the Government would now implement their decision to extend the Revised Ghee Grading Scheme to the remaining States where there are ghee packers without delay.
11	30	The Committee suggest that the ready test for detecting adulterated ghee devised by the Central Food Technological Research Institute, Mysore may be widely publicised amongst the consumers so as to help not only in the detection of adulteration but also make them quality conscious.
12	31	The Committee suggest that the feasibility of the suggestion that the traders supplying mustard seeds to oil mills should be licensed and that proper checking of seeds should be undertaken by the Agricultural Marketing Officers may be examined.

1	2	3
13	32	The Committee are of opinion that the laboratories and refineries to be set up in the Third Plan by the Central Government would be particularly of assistance to the small producers in the grading of ghee and vegetable oils.
14	35	The Committee suggest that the grade specifications for pepper may be finalised and the schemes for voluntary grading of cashew-nut and pepper through Export Promotion Councils implemented very early. They also suggest that a careful watch may be kept by the Directorate on the work of grading by these organisations to check against disregard of standards and specifications.
15	36	The Committee consider that if the quality of pepper exported is guaranteed it is bound to be reflected in better prices and earnings. They hope that voluntary grading of pepper through Export Promotion Council will succeed in ensuring better price for it.
16	39	The Committee are glad to learn that a settlement between the trade and the Government regarding grade specifications for wool has been reached for the present. They recommend that full weight and consideration should be given to the views of the trade in arriving at a final decision on the questions which are subject to a review later on.
17	41	Since compulsory grading of wool is done for export, the method of grading should be according to the requirements of world market. It is therefore not clear to the Committee as to why the Indian Standard method is different both from United Kingdom and U.S.A. The Committee recommend that the method of specifications may be gone into with a view to do away with these differences.
18	42	The Committee further recommend that the laboratories at Bombay and Jamnagar for grading wool may be given a common name so that in due course they come to be as easily recognised as any other leading laboratory in the world like the Bradford Conditioning House etc.
19	43	The Committee feel that the Directorate could help small packers in areas where they are in adequate number to obtain fair price for wool, by encouraging them to form themselves into a cooperative society which can be recognised as a packer under the scheme.

1	2	3
20	44	The Committee welcome the scheme for undertaking large scale sheep shearing, grading and marketing programme as a coordinated organisation along with the existing sheep development work.
21	46	The Committee suggest that the feasibility of setting up a Tobacco Board on the lines of Tea/Coffee Board may be examined. If there is not enough justification for a separate Board for tobacco alone, the question of having a composite board for tobacco and certain other commodities may be considered.
22	47	The Committee recommend that the matter regarding inferior grades of tobacco <i>e.g.</i> PL, DG, DB etc. may be examined in detail by the Government and if it is really not economical to market such tobacco for export, it may be excluded from agmark specifications, after giving sufficient notice to the producers so that they may advantageously go over to producing better qualities.
23	48	The Committee recommend that the Central Government may persuade the Andhra Pradesh Government to resume sale of tobacco by auction in regulated markets early.
24	49	The Committee recommend that Government may examine the matter of non-purchase of tobacco by the packers owning redrying plants in Guntur from the cooperatives in detail and take necessary steps to ensure that the cooperatives are not discriminated against.
25	50	The Committee consider it a desirable development that training is imparted by the Directorate in grading of tobacco to extension service staff of Andhra Pradesh Government who would in turn disseminate the knowledge amongst the producers so as to enable grading at their level and recommend that it may be pursued vigorously by the Directorate not only in the field of tobacco but also in other fields where there is such scope in all the States.
26	51	The Committee feel that it may be advisable for the Directorate to get duplicates of type samples from the suppliers on the basis of which they have entered into contracts so that at the time of grading their consignment, it is ensured that it is in conformity with the approved sample; thus obviating the chances of its rejection by the buyer later on the plea of difference in refraction etc.
27	52	The Committee recommend that the question of providing suitable transport conveyance to the officers and staff dealing with grading to facilitate their movement may be examined.

1	2	3
28	53	The Committee recommend that where compulsory grading of a commodity for internal markets is demonstrably desirable and practical, as in the case of sandalwood oil, Government may consider introduction of necessary legislation for the purpose of giving effect to it.
29	54	The Committee suggest that the matter regarding the heavy import duty levied by the Government of U.S.A. on the import of sandalwood oil as a result of which only sandalwood is exported to that country may be taken up with that Government so that export of sandalwood oil to that country is also made possible.
30	56	The Committee hope that the Report of the <i>ad-hoc</i> Advisory Committee set up to investigate the reasons for the decline in export of sann hemp in the year 1958-59 and to suggest measures for arresting and reversing the position would be finalised early and that steps considered necessary would be taken thereon by the Directorate expeditiously so as to increase the export of sann hemp.
31	58	The Committee hope that a final decision regarding Agmark specifications provided for sann hemp will be arrived at early after giving the fullest consideration to the views of the trade.
32	62	The delays at every stage and the poor progress so far made in the implementation of the scheme for the establishment of the Central Control Laboratory and eight regional subsidiary laboratories for quality control purposes in the First and Second Five Year Plans are unfortunate. Special efforts are necessary if the performance is to be bettered during the Third Plan as indeed it should be, in the context of ambitious plans of the Directorate to extend agmarking to all the foodgrains, oilseeds and oil during that period.
33	68	The Committee hope that during the Third Plan a regular procedure will be devised for bringing the survey reports up-to-date. In this connection, they would like to emphasise that the Directorate should make increasing use of the services of State Marketing Officers and inspectors etc. for collecting material required for their survey reports for it is not desirable that there should be duplication of machinery at the Central and State level merely for compilation of data.

1

2

3

- 34 69 The Committee hope that during the Third Plan the Government will be able to persuade the State Governments in the matter of strengthening their marketing organisations wherever necessary and of bringing about uniformity as suggested by the Study Group of the Planning Commission.
- 35 70 The Committee suggest that the section dealing with survey reports may be suitably staffed to discharge the responsibility devolving on it satisfactorily.
- 36 71 The Committee have been noticing a proliferation of committees in many Ministries. If those on which the Agricultural Marketing Adviser serves reach a total of 81, one can easily understand the total number of committees in the Ministry. In the result, quite apart from the time that such committees cut into the normal work of the local officers, much of the time of members from mufussil stations especially official members will be taken away from their posts of duty. That committees have their proper function to perform is not to be disputed but their multiplication in various forms is what should be kept within limits. It would be very interesting and possibly revealing if an analysis is attempted of the number of the meetings held of allied committees, the attendance of common members, the time taken by each committee during a year etc. Quite often the time taken in transacting its business is short. The Estimates Committee would suggest in the first place an amalgamation of these committees with a view to reducing the number. Secondly, there may be a proper planning of the meetings of the various committees having regard to the common membership so as to utilise as large a number of them as possible during the same visit and to obviate the necessity for the same member to come too often to the detriment of his regular work at his own place. There is need both for rationalisation of committees and their meetings. The Committee would also suggest the membership of any one person may be limited to a reasonable number of committees/bodies.
- 37 76 The Committee recommend that the Central Government may actively pursue the matter regarding regulation of markets and persuade States which have not yet enacted the necessary legislation, namely, Uttar Pradesh, West Bengal, Rajasthan and Assam to pass the same and follow it up into action. The Central Government may show the way by extending legislation to Manipur and by making concrete progress in setting up regulated markets in the Union Territories where the Committee regret

1	2	3
		to observe that not even one out of the 107 markets had been regulated upto the end of March 1959 and only three thereafter upto now.
38	78	The Committee suggest that the Directorate may effect the necessary improvement in the news bulletins brought out by it on sann-hemp and tobacco so as to serve better the interests of marketing. The Directorate may also consider the feasibility of bringing out similar news bulletins for other commodities which are subject to quality control.
39	81	The Committee are of the view that in contrast to the tremendous scope for development of fruit and vegetable preservation industry in a predominantly agricultural country like India, the existing state of the industry is far from satisfactory. The potentialities of development of this industry on the one hand and the need for providing transport and more particularly preservation facilities on the other are great and call for action.
40	84	The Committee hope that the increase in subsidy on tin-plates from Rs. 500 to Rs. 700 per ton agreed to in consultation with the Ministry of Finance will be given effect to quickly. They feel that the decision in the matter should have been taken and announced earlier to set at rest apprehensions of the trade on this score.
41	87	The Committee are of the view that sugar, if exported to the extent possible, in the form of fruit products is likely to yield better return in terms of foreign exchange. They recommend that the feasibility of allotting a quota of sugar at world market price to the fruit products industry on the condition that fruit products with that sugar content are exported may be examined.
42	88	The Committee recommend that an early solution may be found for the problem of high sea freight rates in consultation with the Ministries of Transport and Commerce and Industry.
43	89	The Committee feel that concerted efforts are necessary to introduce and to make a success of assistance schemes relating to fruit and vegetable preservation industry in the Third Five Year Plan.

1	2	3
44	92	In view of the fact that the fruit and vegetable preservation industry has immense potentiality for development, the Committee recommend that the matter of procedural difficulties in providing for loan assistance may be gone into and removed expeditiously so that no hindrance is caused to the progress of the scheme in the Third Plan.
45	93	The Committee would like it to be ensured that there is no slackness in vigilance work under Fruit Products Order, 1955 due to other work entrusted to the staff.
46	96	The Committee regret that the scheme for the setting up of five regional laboratories for fruit and vegetable preservation has been unduly delayed and has made very little progress all these years. They recommend that the Ministry should impress upon the Council of Scientific and Industrial Research the need for expeditious implementation of the scheme.

APPENDIX XII

Analysis of recommendations contained in the Report

I. CLASSIFICATION OF RECOMMENDATIONS

A.	Recommendations for improving the organisation and working	
	S. Nos. 1, 3, 4, 6, 7, 10, 13, 14, 16, 17, 20, 21, 26, 27, 30, 31, 32, 33, 34, 35, 37, 38, 39, 43, 44, 45 and 46	27
B.	Recommendations for improving and/or extending welfare activities in the country (including those for checking adulteration of food products)	
	S. Nos. 5, 9, 11, 12, 19, 22, 24 and 25	8
C.	Recommendations for effecting economy	
	S. Nos. 36 and 41	2
D.	Miscellaneous	
	S. Nos. 2, 8, 15, 18, 23, 28, 29, 40 and 43	9

II. ANALYSIS OF THE MORE IMPORTANT RECOMMENDATIONS DIRECTED TOWARDS ECONOMY

Sl. No.	No. as per summary of recommendation	Particulars
1	36	Meetings of the various committees to be properly planned having regard to the common membership so as to utilise as large a number of them as possible during the same visit and to obviate the necessity for the same member to come too often to the detriment of his regular work at his own place.
2	41	Sugar, if exported to the extent possible, in the form of fruit products is likely to yield better return in terms of foreign exchange.