

**COMMITTEE ON PUBLIC  
UNDERTAKINGS  
(1975-76)**

(FIFTH LOK SABHA)

**SEVENTY-FOURTH REPORT**

[Action taken by Government on the recommendations contained in the Fifty-Fourth Report of the Committee on Public Undertakings (Fifth Lok Sabha)].

**STATE FARMS CORPORATION OF  
INDIA LIMITED**

**Ministry of Agriculture and Irrigation  
(Department of Agriculture)**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*September, 1975/Bhadra, 1897(S)*

*Price : Rs. 3.20*

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<u>Page No.</u>	<u>Paragraph</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
1	1	1	of the Report	of the Fifty fourth Report
1	1	10	that absence	that in the absence
4	-	4	resource	resources
4	5	1	add the word "that" in between the words "stated" and "the"	
5	8	3	a Committee of high power experts	a high power Committee of experts
7	-	1	higher	of higher
11	23	5	are	acre
31	Recommendation Sl. No. 31 - Para 7.17	10	delete the word "mission"	
54	Recommendation Sl. No. 43 - Para 8.50	15	jointed	joined
54	- do -	last but one from bottom	on	of
59	- do -	10-11	conductive	conducive
60	-	21	add the words "by the" before the word "government"	
62	-	13	have	has
74	-	23	well-sorted	well-sorted
83	-	Heading	delete "paragraph No. 2"	
144	14	9	asets	assets

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**COMMITTEE ON PUBLIC UNDERTAKINGS  
(1975-76)**

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4. Shrimati Sheila Kaul
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1. Shri M. A. Soundararajan—*Chief Financial Committee Officer.*
2. Shri K. S. Bhalla—*Senior Financial Committee Officer.*

**COMPOSITION OF THE ACTION TAKEN SUB-COMMITTEE OF  
THE COMMITTEE ON PUBLIC UNDERTAKINGS**

**(1975-76)**

**CHAIRMAN**

**Shri Nawal Kishore Sharma**

**MEMBERS**

2. **Shri Harsh Deo Malaviya**
3. **Shri Vasant Sathe**
4. **Shri Amarnath Vidyalankar**
5. **Shri C. K. Jaffer Sharief**
6. **Shri Damodar Pandey**
7. **Shri Atal Bihari Vajpayee**

## INTRODUCTION

**I, the Chairman, Committee on Public Undertakings having been authorised by the Committee to submit the Report on their behalf, present the Seventy-fourth Report on Action Taken by Government on the recommendation contained in the Fifty-fourth Report of the Committee on Public Undertakings (Fifth Lok Sabha) on State Farms Corporation of India Ltd.**

2. The Fifty-fourth Report of the Committee on Public Undertakings was presented to Lok Sabha on the 29th April, 1974. The replies of Government to 54 out of 55 recommendations contained in the Report were received in batches and the last batch was received on 28th July, 1975. While further information sought in respect of some recommendations was received on the 14th August, 1975, such information in respect of certain other recommendations is still outstanding. The replies of Government were considered by the Action Taken Sub-Committee of the Committee on Public Undertakings and this Report was adopted by them at their sitting held on the 14th August, 1975. The Report was finally adopted by Committee on Public Undertakings on the 8th September, 1975.

3. The Report has been divided into the following five Chapters:

- (i) Report.
- (ii) Recommendations which have been accepted by Government.
- (iii) Recommendations which the Committee do not desire to pursue in view of Government's replies.
- (iv) Recommendations in respect of which replies of Government have not been accepted by the Committee.
- (v) Recommendations in respect of which final replies of Government are awaited.

4. An analysis of the Action Taken by Government on the recommendations contained in the Report of the Committee is given in Appendix XI. It would be observed therefrom that out of the total number of recommendations made in the Report, 53 per cent have been accepted by the Government. The Committee do not desire to

pursue 13 per cent of the recommendations in view of the Government's replies. Replies of Government in respect of 27 per cent of the recommendations have not been accepted by the Committee and final replies of Government to 7 per cent of the recommendations are outstanding.

NEW DELHI;  
9th September, 1975.  
18th Bhadra 1897 (S).

NAWAL KISHORE SHARMA,  
Chairman,  
Committee on Public Undertakings.



## **CHAPTER I**

### **REPORT**

#### **LEASE AGREEMENTS**

##### **Recommendations Serial Nos. 4, 5 & 6 (Paragraphs Nos. 2.22, 2.23 & 2.24)**

1. In paragraphs 2.22 to 2.24 of the Report, the Committee found that even though the State Farms Corporation had acquired lands from State Governments and set up farms between the years 1969 to 1973 no lease agreements had been executed in respect of lands taken on lease except in the case of Lokichera Farm in Mizoram. The Committee also found that in the case of Suratgarh Farm in Rajasthan, the period of lease expired in 1971 but it had not been renewed till 1974. The Committee could not understand why such inordinate delays in renewal of lease agreements should be there. The Committee observed that absence of lease agreements would bound to create a climate of uncertainty which might not be conducive to efficient functioning. The Committee recommended that this matter may be accorded the priority it deserved and lease agreements should be executed without further loss of time. Wherever original period of lease had expired, action should be taken to renew the period of lease without further delay.

The Committee felt that Corporation should standardise the form of lease agreement so as to serve as a guide in the matter and help eliminate delays.

The Committee found that except in the case of Cannanore and Raichur Farms where the land was purchased by the Government of India from the State Government, the land for other farms was taken on long term lease varying from 15 to 30 years. The Committee were of the view that in the interest of long term planning of State Farms in the country, land for the new farms should be for reasonably long periods say 30 years or more.

The Committee also recommended that agreements entered into with State Governments should be firm and conclusive before the Corporation started investing its scarce resources on the development of the farms.

2. In their reply (December, 1974) the Government stated that the recommendation of the Committee in regard to execution of lease agreements pertaining to various Central State Farms had been noted. The status of the Government of India/Corporation in regard to the land and the position relating to the drawal or lease agreements where necessary is indicated in the statement as in Appendix I.

As for the lease agreements relating in Suratgarh, Jetsar, Jhar-suguda, Hissar and Jullundur farms, it may be added that the intention was that these farms will be handed over to the State Governments in case the period of lease was not extended. Hence the period of 15 years with provision for extension was laid down in the draft lease deeds. However, with the formation of State Farms Corporation of India and the establishment of farms at Chengam and Koki-labari by the Corporation, the lease deeds of both these farms had already been entered into for a period of 30 years with provision for extension for a further period of 30 years. As such the recommendation of the Committee that lease agreements with the State Government should be for 30 years, i.e., for longer periods was being implemented.

The agreements for lease were to be entered into with the State Government by the Government of India under the present arrangements. The State Farms Corporation of India was being directed that the main terms of the lease, e.g., lease money, period of lease should be firmly and conclusively finalised and got approved by the Government of India before land was taken over, so that there was no hitch at the later stages as the lease agreements had to be entered into between the Government of India and the State Governments.

As regards the recommendation that the Corporation should standardise the form of lease agreement, it might be stated in this connection that broad terms and conditions had already been laid down as indicated below:—

- “1. The land will be leased by the State Government to the Government of India for a period of 30 years. Any extension of this lease for a further period at the expiry of this period of 30 years would be done by negotiations between the two Governments. The Government of India will be free to appoint the State Farms Corporation of India Ltd., or any other agency for running a Central State Farm on the land.

2. The rent for the lease of land will be Re. 1 per acre per annum. In addition, the Government of India will pay Land Revenue and such other taxes and cesses as are payable from time to time by the owners of agricultural land in the State.
3. At the expiry of the period of lease of 30 years, if the lease is not extended all machinery at the Central State Farm received as gift from the U.S.S.R. would be transferred free of cost to the Government.
4. Machinery and equipment (other than the gift machinery, installed equipment, permanent buildings and fixtures) will be handed over to the State Governments at depreciated book value if the State Governments are willing to purchase them. If the State Governments are not willing to purchase them, the Government of India or its agents would be free to remove them.
5. The main purpose of the Farm would be to grow seeds and the programme of seed production will be drawn up by a Committee consisting of the Director of the Farm, the Director of Agriculture and the Chief Agricultural Officer of the State Farms Corporation before each cropping season. The Committee will bear in mind the needs of the State for drawing up this programme.
6. The seed produced at the Farm will be offered first to the State Government and will be disposed off by the Farm in or elsewhere if the State Government does not want to buy it. The State Government will pay for the seed at the current market rates of the seed concerned.

Certain variations have, however, been adopted on request from the State Governments concerned."

3. The Committee note that though the recommendations of the Committee in regard to the execution of lease agreements pertaining to various Central State Farms have been accepted by Government, the lease agreements have so far been finalised in respect of only six out of the 11 farms.

The Committee are not happy over the long delay in completing the requisite formalities in respect of the remaining five farms. They would like to stress speedy action for finalisation of lease agreements

in respect of the remaining five farms also. The Committee would also like to reiterate that in respect of new farms the Corporation should enter into firm and conclusive agreements with the State Governments before it starts investing its scarce resource on the development of the farms and in the case of renewal of lease agreements action to complete all formalities for renewal of the leases should be initiated well before the expiry of the lease period.

#### IRRIGATION FACILITIES

**Recommendation Sl. Nos. 8, 9, 10, 11, 12 and 13 (Paragraphs Nos. 3.15, 3.22, 3.26, 3.29, 3.32 and 3.39)**

#### **Recommendation Serial No. 8, Paragraph No. 3.15**

4. The Committee found that in the Hissar Farm which was set up in 1968, against the requirement of 75 Cu. of water assured by the Government of Haryana, the water now available was only 37 Cu. When the Farm was fully developed the requirement of water would be of the order of 80 Cu. on the basis of 10 Cu. for thousand acres of cultivated area. The Committee also noted that there was hardly any scope for the Corporation to get additional water supplies from the State Government until the additional water supply of canal water was made available from the Ravi-Beas Complex or by having separate tubewells project. The Committee were surprised that the Corporation had not so far sought the assistance of the Ministry of Agriculture to tackle the irrigation problem at Hissar and had been persuing the matter at the Corporation level. The Committee recommended that Government having siezed of the problem should consider the feasibility of taking up the matter seriously with the Ministry of Irrigation and Power and the authorities of the Beas Control Board to find a solution for this problem in the interest of fully developing the area covered by the State Farm. The Committee desired to be informed of the action taken in the matter.

5. The Government in their reply (5-10-1974) stated the recommendations of the Committee had been noted.

In order to implement the recommendations of the Committee on Public Undertakings, Government of India had requested the Ministry of Irrigation & Power to take up the matter with the State Government and the Beas Control Board to find a solution for providing adequate water supplies at the Central State Farm, Hissar. The reply of the Ministry of Irrigation and Power was still awaited.

In addition to this as per Committee's general recommendation contained in paragraph 3.39 of the Report Government of India had constituted a Committee of high power experts who would look into the irrigation problems at the various existing Central State Farms. The Committee's report was still awaited and necessary reply would be sent to the Lok Sabha Secretariat on its receipt by the Government of India.

**Recommendation Serial No. 9, Paragraph No. 3.22**

6. The Committee found that the Raichur Farm set up in 1969 with an area of nearly 7300 acres under the command of the Left Bank Canal of the Tungbhadra Project was served by two distributories. The irrigation requirements of the farm were calculated at 40 Cu. In spite of the assurance given by the State Irrigation Department that it would meet this water requirement of the farm, the Committee found that irrigation channels were not being run to their full supply level and the existing channels had to be modified for increasing the water supply. As a result of protracted correspondence and discussions with the State Government some temporary heading up of a water had been done by the State Irrigation authorities. In spite of this, the farm was able to get only 11 Cu. of water, though the requirement at present was of the order of 48 cu.

The Committee also found that when the matter was taken up with the Mysore State Government, a suggestion was made by them in October, 1973 that the Corporation should exploit the ground water potential available in the area and had a number of wells so that a system of conjunctive use of ground and canal waters could be arranged. The Committee would like Government/Corporation to tackle this problem in all seriousness with the State Government of Mysore so that remodelling of irrigation channels could be taken up and irrigation water supply provided to the Farm as originally assured. The Committee would also like that the Corporation should as suggested by the State Government consider exploiting the ground water potential of the area, to supplement the canal irrigation by well irrigation.

7. In their reply (5-10-1974), the Government stated that the recommendations of the Committee had been noted.

To implement the recommendation of the Committee, State Farms Corporation of India/Government of India were in correspondence

with the State Government of Mysore for taking up the work of remodelling of irrigation channels at the Farm and also agreed to the installation of pumping sets on the nearby river banks for the direct pumping of water by the Farm from the river itself. Regarding further progress of the work, Lok Sabha Secretariat would be informed, in due course.

**Recommendation Serial No. 10 (Paragraph No. 3.26)**

8. The Committee noted that in the case of Chengam Farm started in 1971, out of 150 open wells which were proposed to be dug up for providing irrigation facilities, only 35 open wells had so far been constructed and most of the crops were being grown under the rain-fed conditions. The Committee were informed that the Corporation was facing certain difficulties in obtaining particular types of equipments from the State Government for the purpose of digging wells and there were also some labour problems.

The Committee would like Government Corporation to take up the matter at the highest level in the State Government so that these difficulties could be solved and irrigation facilities developed in full at the earliest.

9. In their reply (5-10-1974) the Government stated that the recommendations of the Committee had been noted.

To implement the recommendation of the Committee the Government had taken up the matter with the Chairman, Central Ground Water Board, New Delhi. In this connection, the Chief Hydrogeologist & Member, Central Ground Water Board had already issued necessary instructions for undertaking the survey work, to the Director, CGWB, Southern Zone. Further progress in the matter was still awaited and the Lok Sabha Secretariat would be informed of the position, in due course.

**Recommendation Serial No. 11 (Paragraph No. 3.29)**

10. The Committee noted that the water requirement of Koki-labari Farm which was set up in 1971 with an area of 5000 acres, was of the order of 40 Cu. and the major period for which the irrigation water would be required was only 4 months, i.e., from November to February and this was provided by flow irrigation after diversion of perennial streams. The Committee also noted that the Corporation had introduced double cropping to the extent of 910 acres and was proposing to have a pucca diversion bund after the survey for the same was completed. Possibilities of irrigation

higher spots by lift irrigation were also being examined. The Committee desired that the work in this regard should be completed soon so that the water requirements of the farms were met in full.

11. The Government in their reply (July, 1975) stated that the recommendations of the committee had been noted.

The State Farms Corporation of India had worked out the additional facilities to be created to provide sufficient irrigation facilities at Kokilabari farm. Further the Department of Agriculture had already constituted a High Level Committee of Engineers to examine the irrigation facilities required at the different farms of the S.F.C.I. and what needs to be done. The terms of reference of the Committee are as in Appendix II. Provision of irrigation facilities at Kokilabari farm was also to be examined by this Committee. As soon as its report was received further action would be initiated.

#### **Recommendation Serial No. 12 (Paragraph No. 3.32)**

12. The Committee noted that the Mizoram Farm set up during 1970-71 covering an area of 1293 acres consists of two units, the Lokichera and Lushaichera. The water requirements for these units were estimated at 5119 Lt. per minute and 11943 Lt. per minute respectively. At present the source of water supply for Lokichera was only impounded rain water in the four earthen check dams across the deep gullies and another across the perennial Loki Lui nala flowing through the farm area from which the farm was able to get only about 1706 Lt. per minute.

In the case of Lushaichera, the water supply was reported to be from the perennial single Luai and Lushai Lui by lift irrigation and the supply was reported to be sufficient.

The Committee also found that the Central Ground Water Board who had made hydrogeological investigation of the farm had come to the conclusion that ground water development through tubewells was uneconomical.

The Committee expected that Government would take suitable measures to provide the necessary facilities for augmenting the existing water supply arrangements to enable the Corporation to arrange adequate water supply to the Lokichera unit.

13. The Government in their reply (5.10.1974) stated that the recommendation of the Committee had been noted.

The Central Ground Water Board who had made a hydrogeological investigation of the Mizoram farm had come to the conclusion

that large storage of ground water was not expected in the area. They had recommended that a permanent solution would be to increase the height of the existing earthen dams and construction of new ones across the untapped gullies and nearby perennial nallas and streams to harness more water as per needs. The Director of the Farm had been instructed to take necessary action in the matter. The Lok Sabha Secretariat would be informed of the progress in due course.

**Recommendation Serial No. 13 (Paragraph No. 3.39)**

14. The Committee pointed out that Government/Corporation did not appear to have learnt a lesson from their experience that there was a wide gap between the promises made at the time of taking over the land for setting up the State Farms and the provision of irrigation facilities on assured basis. The Committee would like Government to draw firm guidelines in this behalf so that in future land was not acquired for setting up the farm which did not have already assured means of water supply or it had been established beyond doubt after detailed investigation that adequate water facilities could be developed as per time bound programme which should be specified in that behalf. The Committee had no doubt that Government would carefully go into the economies of the project with particular reference to availability of water before setting up new farms.

As regards the farms which had already been established but which did not have adequate irrigation facilities the Committee would like Government to set up a high power team of experts to review systematically the irrigation facilities in each of the farms and recommended concrete measures for developing the irrigation facilities in order to meet the demand in full in the interest of maximising production.

The Committee would like to be informed of the concrete measures which were taken by the Government/Corporation in implementation of these recommendations.

15. The Government in their reply (November, 1974) stated that the recommendations of the Committee had been noted.

In order to implement the recommendations of the Committee, the Government of India have constituted a Committee to look into the irrigation problems at the various Central State Farms.



The terms of the Committee were stated to be as under:—

- (i) to review systematically the irrigation facilities in each of the farm already set up but which do not have adequate irrigation facilities; and
- (ii) to recommend concrete measures for development of the irrigation facilities in order to meet the demand in full in the interest of increasing production.

The Committee would be informed of the further progress made in the implementation of the suggestions of the Expert Group from time to time. The report of the Group was yet to be prepared.\*

16. The Committee regret to note that though in pursuance of their recommendations, the Corporation/Government are in correspondence with the State Governments/other authorities concerned for arranging adequate irrigation facilities for their farms, the matters are not being pursued vigorously and at sufficiently high level with the result that the correspondence has not yielded any fruitful results. They also note that the Government had set up, as recommended by them, a Committee to look into the irrigation problems at the various Central State Farms which was scheduled to submit its report by November, 1974. The Committee regret to note that the Expert Committee has not so far submitted its report. The Committee urge that the Expert Committee should finalise their report early and Government should lose no time thereafter to take effective follow-up action to meet the irrigation needs of the State farms and report to Parliament about the action taken in the matter.

#### AVERAGE YIELD OF PRODUCTION

##### Recommendation Serial No. 23 (Paragraph No. 5.43)

17. The Committee found that against the all India average yield of 5.07 quintals of wheat per acre, the farm at Suratgarh achieved an average yield of 7.96, Jetsar 5.85, Hissar 8.06, Raichur 3.76, Ladhawal 4.75 quintals. The Committee also found that the average yield at Jetsar and Ladhawal farms had been less than the yield in the farms of the State Government in the same area. It had been admitted by the Corporation that "per acreage average yields at our

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\*At the time of factual verification, the Ministry in their further reply (14.8.75) stated the latest position of irrigation facilities at the C.S. Farms. Hissar, Raichur, Chengam, Kokilabari and Mizoram, details of which are given as "further reply of Government" under recommendation No. 13 in Chapter IV of the Report.

farms are extremely low when compared with those obtained by the Agricultural Universities|Progressive farmers as well as the All India average yields and average yields of respective states.”

The Committee recommended that Government should undertake an analytical study to compare the productivity of the farms run by the Corporation with the yield per acre achieved in private farms|State Government|Governmental universities so as to introduce suitable cropping patterns and farm practices in the farms of the Corporation.

18. The government in their reply (November, 1974) stated that in order to undertake an analytical study to compare the productivity of the farms run by the Corporation with the yield per acre achieved in private|State Government|University farms, the Government of India had decided to entrust this work to the team headed by Prof. P. S. George, Chairman, Central Farm Management in Agriculture, Institute for Management, Ahmedabad.

19. On a further enquiry as to what were the reasons for delay in taking the decision to entrust the work to the team headed by Prof. Geogre, the Ministry in a reply (14-8-1975) stated that after visiting some of the Farms by the team headed by Prof. P. S. George and their discussions with some of the officers of the State Farms Corporation, it had been observed that with the appointment of Dr. D. P. Singh as Chairman of the SF CI, a number of improvements were being effected at various Central State Farms operations and a detailed calender of operations was being prescribed. In the light of these changes, the expert team was of the view that the study to be conducted could be deferred for some time.

20. The Committee regret to note that although, in pursuance of their recommendation, a Study Team headed by Prof. P. S. George, Chairman, Central Farm Management in Agriculture, Institute for Management, Ahmedabad has started an analytical study to compare the productivity of the farms run by the Corporation with that at private/State Government/University Farms, further study by the Team has been deferred for some time on the ground that number of improvements are being effected at various farms of the Corporation and a detailed calendar of operations is being prescribed. The Committee see no justification in deferring the analytical study and reiterate that the study may be completed soon and in the light of the results thereof, suitable cropping patterns and farm practices may be introduced in the farms of the Corporation.

## CONSUMPTION OF POL

### Recommendation Serial Nos. 24 and 25 (Paragraph Nos. 5.54 and 5.55)

#### Recommendation Serial No. 24 (Paragraph 5.54)

21. The Committee found that the actual cost of consumption of POL per acre was of the order of about Rs. 33 in Suratgarh, while it varied from Rs. 16 to Rs. 38 in Jetsar, Rs. 28 to Rs. 31 in Hissar during the period from 1969-70 to 1972-73. The Committee, however, found that the cost per acre of consumption of POL in the case of Raichur Farm in 1972-73 was Rs. 90, an abnormally high figure. In the case of Ladhawal, the rate was Rs. 175.66 per acre during 1971-72 and in the case of Cannanore it was Rs. 109.84 per acre during 1972-73. The Committee pointed out that such heavy costs on POL were bound to affect adversely the cost of production. The Committee recommended that Government should investigate into the causes of these high rates of consumption of POL per acre in Raichur, Ladhawal and Cannanore with a view to ensuring that these were not due to pilferages or thefts, or wasteful practices etc. The Committee also recommended that the Corporation should on the basis of experience of working of the machinery fix suitable norms for consumption of POL per acre so that abnormal increases were readily identified and remedial measures taken without delay.

#### Recommendation Serial No. 25 (Paragraph 5.55)

22. The Committee recommended that the Corporation should, on the basis of working machinery in the different farms, fix suitable norms for the different types of agricultural operations and work out standard costs therefore so that any variations from these norms or the cost could be analysed and remedial measures taken to effect economies in the cost of operations and consequently in the cost of production.

23. The Government in their reply (5-10-74) stated that the recommendation of the Committee had been noted. It was further stated that the Government of India had deputed a senior technical officer of the Ministry of Agriculture who would investigate into the causes of high rates of consumption of POL per acre in Raichur, Ladhawal and Cannanore, with a view to find out whether these were due to pilferages or thefts, or wasteful practices etc. The report of the study in question was yet to be received and a reply to this recommendation would be sent to the Lok Sabha Secretariat, in due course. As regards the recommendation for the fixation of norms for consumption of POL etc. was concerned, necessary background data

from the respective Farms were being collected to examine it before the norms were fixed. As soon as the data is received necessary action will be taken and report sent to the Lok Sabha Secretariat.

24. The Ministry in their reply (August, 1975) stated that "a review is being made every month of the actual 'P.O.L.' consumption by various tractors and this is compared with the norms so as to locate cases of abnormal consumption. The Corporation has also since fixed norms of Agricultural operations for different crops. Based on these norms, the norms of diesel consumption per acre are also being fixed separately. After these have been fixed, it would be possible to work out standard cost.

Various norms laid down by State Farms Corporation of India are given in the attached statement (Appendix V)."

25. The Committee note from the reply furnished by Government in October, 1974 that a senior Technical Officer has been deputed to investigate the causes of high rates of consumption of POL per acre in Raichur, Ladhawal and Cannanore with a view to find out whether these were due to pilferages or thefts or wasteful practices etc. The Committee regret to note that even after a lapse of 10 months the report of Senior Technical Officer has not become available and follow up action to control the high rate of consumption of POL which depended on the outcome of this investigation has been consequently delayed.

The Committee are not happy at the dilatory manner in which this recommendation of the Committee has been dealt with. The Committee expect that investigation should be completed without any further delay and follow up action taken by the Government immediately thereafter and the Committee informed about it.

The Committee are not happy at the unduly long time taken in collecting data from the State Farms and fixing norms for consumption of POL per acre and working out standard costs. They recommend that Corporation should lose no more time in working out the Standard Costs so that excessive consumption and pilferages of POL can be checked and timely remedial measures taken to effect economies in the cost of operations.

## PRICING POLICY

**Recommendation (Serial No. 27, Paragraph No. 6.19)**

26. The Committee noted that the seeds produced by the Corporation were at present "truthfully labelled" as distinct from the seeds produced and marketed by National Seeds Corporation and Tarai Development Corporation which carried the label 'certified seeds'. Though the Corporation claimed that there was no difference between the 'truthfully labelled' seeds and the 'certified seeds' of the National Seeds Corporation and Tarai Development Corporation, the fact was that they had been pricing their seeds lower than the 'certified seeds' so as to stand competition in the market. The Committee considered that Government should have a well-coordinated policy in the key sector of providing good quality seeds as an essential input for achieving optimum production of foodgrains. The Committee felt that both in the interest of inspiring confidence in the farmers as also to get better prices, it was high time that the seeds of the Corporation were also examined for quality and marketed as 'certified seeds'. The Committee strongly urged the need for closer coordination between all the Corporation engaged in the production and marketing of seeds.

As regards pricing policy to be followed for marketing of seeds, the Committee agreed that there had been an element of competitiveness between the Corporations in the interest of sustaining and improving the quality and reducing the cost of production. Nevertheless it was obvious that there should be a well-sorted out and coordinated pricing policy in the interest of ensuring that the seeds were made available to the farmers at reasonable prices and that the Corporations might not suffer a loss in this process. The Committee noted that the Government had belatedly realised the importance of evolving such a policy of coordination and consultation with the Agricultural Prices Commission and the Corporations concerned. The Committee would like this matter to be processed with utmost expedition. The Committee should be informed within three months of the pricing policy evolved by the Government and the action taken by the Corporation in implementation of the same.

27. In their reply (July, 1975) the Ministry stated that the Government of India had decided that the seed production organised at the Central State Farms should be invariably got certified. This had been put into vogue by the new Chairman of the Corporation. As far as the pricing policy of seed was concerned, it may be stated that a detailed policy was being evolved. Under the National Seeds Project twin objectives of ensuring that large quantities of high

quality seed material was used in the traditional seed producing areas and also with a view to avoiding the diversion of seeds for consumption purposes other than as seed in deficit areas were being kept in view. In this connection it may be relevant to state that as a result of inter-zonal movement restrictions on the movement of cereals from one zone to another the price of grain varied considerably from surplus areas to deficit areas like, for example, Punjab, Haryana on the one hand and West Bengal and Maharashtra on the other, in the case of wheat. Since the grain prices in the deficit areas were much higher than in wheat surplus areas, fixation of standard price of wheat after taking into consideration the market price of grain in the deficit areas make the seed prices unattractive for the farmers to take to certified seeds in traditionally surplus areas. In the National Seeds Programme a dual pricing policy was to be adopted so as to ensure that the prices of seeds in surplus areas would be less than those of deficit areas. Often times on account of differences in grain prices in different States seed price was fixed in relation to market prices in the deficit areas, since if the seed prices were less than the grain prices in the deficit areas this would result in use of seed for human consumption. It was being envisaged under the National Seeds Programme that all marketing agencies like the State Seed Corporations or National Seeds Corporation may work on service charge basis which would result in considerable lowering of sale price of certified seeds.

28. The Committee note with regret that, while the Government had realised the importance of evolving a policy of coordination and consultation with the Agricultural Prices Commission and the Corporations concerned with the production of seeds, the Government had not informed the Committee of the pricing policy evolved by them within three months of the presentation of their Report as desired by the Committee. The Committee further note that the Government have not even finalised the pricing policy till now. The Committee strongly emphasise the need for an early decision in the matter in the interest of making the seeds available to the farmers at reasonable price and also avoiding loss to the Corporation in the process and recommend that the pricing policy evolved in this regard may be reported to Parliament expeditiously.

#### FIXED ASSETS

##### Recommendation (Serial No. 49, Paragraph No. 10.18)

29. The Committee noted that although the Corporation was set up as far back as 1969, the fixed assets of the Corporation had not

yet been transferred in the name of the State Farms Corporation of India. The Committee were informed that the delay was due to the non-receipt of the verification and certificate of assets and liabilities by the Accountant General, Haryana.

The Committee deplored this inordinate delay and recommended that this matter should be pursued and settled without any further loss of time.

30. The Government in their reply (December, 1974) stated that the recommendation of the Committee had been noted.

The certified statements of the assets and liabilities of the various Central Farms as on 31-7-69 had been received by the Corporation from the respective Accountant Generals. These were being consolidated by the State Farms Corporation of India. The consolidated statement of assets & liabilities would be placed before the Board of Directors for their approval and onward transmission to Government for approval. As soon as the statements were approved by the Government a deed of transfer of the assets and liabilities would be drawn up in consultation with the Ministry of Law and executed with the Corporation.

31. The Committee regret to note the leisurely pace at which action to finalise this long outstanding issue of transfer of assets and liabilities is being taken by the Corporation. They would urge the Corporation to finalise this matter without further delay.

#### STAFF STRENGTH

##### Recommendation Serial No. 54, (Paragraph No. 11.20)

32. The Committee noted that the actual staff strength of the Corporation had increased from 792 as on 30th June, 1971 to 990 as on 30th June, 1973. The sanctioned strength as on 30th June, 1973 was stated to be even higher i.e. 1200. Besides, the Corporation had a sizeable strength of casual labourers. The Committee found that the Corporation had not as yet fixed any staffing norms. The Committee recommended that while reviewing the organisational set up of the Corporation a review of the staffing pattern should also be undertaken in order to fix appropriate norms for the different categories of staff.

The Committee also recommended that as agricultural operations were of a seasonal nature, regular staff of the Corporation should be

trained in more than one operations and skills in the interest of greater utilisation of staff and effecting economies in expenditure.

33. In their reply (July, 1975), the Ministry stated that the recommendations of the Committee had been noted. The State Farms Corporation of India was fixing up staffing norms to be adopted at various farms. The recommendation that agricultural operations being of seasonal nature, regular staff of the Corporation should be trained more than one operation or skill was being taken note of while arranging for training programmes etc.

34. Asked about the details of the staffing norms and result thereof, the Ministry in their further reply (August, 1975) stated that it had not yet been possible to fix the norms. In so far as the Ministerial staff was concerned, a study of the organisational set up of the Head Office of the Corporation had been completed by the Deptt. of Administrative Reforms and report had since been received. The report was under consideration and further follow up action would be taken shortly.

In so far as norms for the ministerial staff at the Farms was concerned, Ministry of Agriculture which had agreed to send its work study team to the farms, was expected to send its Team in August, 1975.

In so far as Engineering staff at the farms was concerned, the Farm Director and other organisations, namely, State Agro Industries Corp., State Farming Corporation etc. had been approached. The reports from some of them had been received. From some of these organisations, replies were still awaited. Further action would be progressed in the light of the reports received, and norms fixed.

Norms for agricultural staff were under consideration and were expected to be finalised shortly.

35. The Committee note that studies to fix norms for the staff and workers for the various farms and departments have been initiated/ conducted by the Corporation. The Committee hope that these studies will be finalised expeditiously and suitable norms for the staff and workers fixed early keeping in view the recommendation of the Committee that the regular staff of the Corporation should be trained in more than one operation and skills to ensure that there is a greater utilisation of the staff and workers and economies are effected in the expenditure.



36. Although Government have to furnish replies to the Committee's recommendations within six months of the presentation of the report, the Committee regret to note that replies to many recommendations had been received very late and the replies to many other recommendations were not complete and necessitated calling for further information. They deprecate the delay in furnishing the replies/further information to the Committee in respect of their recommendations.

## CHAPTER II

### RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

#### Recommendation Serial No. 1 (Paragraph No. 1.14)

The Committee note that since its incorporation in May, 1969, the State Farms Corporation of India has devoted itself to only two out of the eight main objectives for which it was set up viz. (i) production of seeds and (ii) reclamation and development of land. Besides, the State Farms Corporation of India, there is another public sector Corporation engaged in the production of seeds viz. National Seeds Corporation. During evidence the Committee were informed that the question of ensuring collaborative relationship between these Corporations including the question of merger was being considered by Government. The Committee understand that a decision has recently been taken that the National Seeds Corporation should get the foundation seed production programme organised on the farms of the SFCI and the latter should set higher standards of seed production and produce only certified seeds and contract for them. The Committee were also informed that an Advisory Committee has also been constituted associating the ICAR and the National Seeds Corporation and the question of delineating the roles of NSC and SFCI would be taken by the Advisory Committee so that they would supplement and not overlap each other. The Committee recommend that the roles of SFCI and NSC should be clearly demarcated and arrangements for coordination finalised early so as to ensure a judicious management of the expertise available with the National Seeds Corporation and an optimum utilisation of the farms in the possession of the SFCI.

#### Reply of Government

The Government have noted the recommendation for delineating the roles of National Seeds Corporation and the State Farms Corporation of India and for making arrangements for coordination between the two Corporations.

The Government decided in August, 1974 to appoint a single person as Chairman of both S.F.C.I. and the N.S.C. with a view to

ushering in greater coordination in the working of the two undertakings. Shri D. P. Singh, ex-Vice Chancellor, G.B. Pant University of Agriculture and Technology, Pantnagar was appointed on whole time basis as Chairman of these two Corporations, and took over in December, 1974. Since his appointment he has taken up a complete review of the working of the two Corporations with a view to coordinating the activities.

The Government of India further decided in November 1974 to take up a National Seeds Programme (Project) which would enable setting up of a number of organised seed production agencies in different States so that larger quantities of high quality seeds of different varieties of various crops would be produced so that the entire seed requirements of the farmers are met. Shri D. P. Singh was appointed as Chairman of a Joint Working Party to draw up the National Seeds Project. This envisages the setting up a number of State Seed Corporations in the States by associating all the agencies concerned with seed production. Such corporations will be incorporated and will have shareholders State Governments, State Governmental undertakings, agriculture universities, Central State Farms (SFCI), N.S.C. and seed growers concerned, on the lines of TDC. The Central State Farms falling within the compact area chosen for seed production in different States will also become grower shareholder and will participate in the share capital of the State Seed Corporation in proportion to lands put up for seed production. The seed Corporations are expected to get high quality certified seeds produced under arrangements with its grower-shareholders and get the seeds processed at the processing plants set up by them and take up marketing in association with the NSC. In the light of this the Central State Farms of the SFCI are expected under the Programme to take up principally production of certified seeds and the NSC will withdraw from certified seed production through contract growing as State Seed Corporations come into being and larger quantities of seeds. The S.F.C.I. therefore will become an important certified seed producer in association with other seed growers of the State Seed Corporations such as the agricultural universities and grower-shareholders. The roles of the NSC and SFCI will thus clearly be demarcated. The NSC is also expected to provide assistance to State Seed Corporations in getting high quality seeds produced, processed and marketed and such expertise available with the Corporation will be put to optimum utilisation through the media of Seed Corporations. The Chairman has also intimated measures to make available NSC's expertise available to Directors of Central State Farms for high quality seed

production and processing. The National Seeds Project is in the final stages of formulation and is expected to be submitted shortly. Pending that the roles of the SFCI and NSC are being modified to be in consonance with the contemplated roles under the National Programme.

It has been further decided by the Government to re-constitute the Board of Directors of the NSC and SFCI and to have more or less a common Board of Directors so that effective coordination is achieved. The N.S.C. shall in future produce foundation seeds on the farms of SFCI or the farms of the Agricultural Universities. For the time being the merger of the two Corporations is not being considered.

[*Vide* Ministry of Agriculture & Irrigation (Deptt. of Agr.)  
O.M. No. 7-18016/3/74-FR dated July, 1975.]

#### **Further information called for by the Committee**

“Coordination”—Role of S.F.C.I. and N.S.C. as finally demarcated may be stated.

(*Vide* Lok Sabha Sectt. O.M. No. 29-PU/74 dated 15-7-75)

#### **Further Reply of Government**

The final demarcation of Roles between N.S.C. & S.F.C.I. will be laid down in the National Seeds Project Report which is expected to be finalised by the end of August, 1975.

(*Vide* Deptt. of Agri's O.M. No. 7-18016/3/74-FR dated 19-8-75)

#### **Recommendation Serial No. 2, (Paragraph No. 2.8)**

The Committee find that the sites for setting up the Central State Farms at Suratgarh and Jetsar were selected by a Committee of Experts appointed by Government of India in 1956. The sites for Jharsauguda, Hissar, Raichur, Aralam and Ladhowal were selected by a Central Seed Farm Committee under the Chairmanship of the Secretary of the Ministry of Agriculture. The sites at Chengam and Kokilabari had been selected by an Expert Committee of the Corporation.

The Committee feel that if parameter like availability of irrigation facilities, compactness of the area, soil and terrain suited to effective utilisation of machinery, adequate means of communication:

and proximity to establish a market, had been taken into account while selecting the sites, these farms would not have faced the difficulties and incurred losses. The Committee feel that Government/Corporation should learn a lesson with the experience now gained to see that only such sites are selected where facilities for irrigation and other basic requirements are available or there are potentialities for development of such facilities at a reasonable cost within a specified time in close coordination with State Governments.

### Reply of Government

The recommendation of the Committee has been noted. The responsibility for selecting and setting up new farms now vests with the State Farms Corporation of India. The Corporation has been authorised to have preliminary enquiries made about the availability of suitable land from the State Government fulfilling the essential requirements laid down by the Damle Committee, as stated in para 2.2 of the report. The sites are then to be inspected on the spot by an Expert Committee of the Corporation consisting of Chief Engineer, Chief (Agriculture). The Committee looks into the aspects emphasised by the Committee on Public Undertakings. A proforma has been prescribed by the Corporation, on which the State Governments are required to send offers for new sites for setting up the Farms. Clear emphasis is laid in this proforma on a study of the soil profiles and its properties, availability of irrigation facilities, rainfall, means of communication, availability of labour, electricity etc. A copy of the proforma is also enclosed (Appendix III). These officers have been instructed to keep the recommendation of the Committee on Public Undertakings in view, while scrutinising offers from the States, before undertaking on the spot examination of the sites. No firm commitment is, however, to be made at this stage by the State Farm Corporation about opening of new farms. If the site offered by the State Government is found suitable by the Corporation, a project report is to be prepared about the economic viability of the setting up of a new Farm. The proposal should then be placed before the Board of Directors and after approval by the Board of Directors it should be submitted to Government for approval, which includes approval by the Planning Commission and Finance Ministry.

[Vide Ministry of Agri. & Irrigation (Department of Agri.'s) O.M. No. 7-18016/4/74-FR dated the 28th Dec., 1974].

**Recommendation Serial No. 3 (Paragraph No. 2.12)**

The Committee find that State Farms of the Corporation are not of uniform size. For example, the Suratgarh farm in Rajasthan covers an area of 29,206 acres, the farm at Lokichera in Assam is only 500 acres. The Committee were informed that though the area acquired was less, there is no farm which has a targetted area of less than 6,000 acres. While according to the Corporation a minimum of 5,000 acres would be the economic size, Government's view is that "an area between 5,000 and 10,000 acres would be the optimum size." The Committee feel that with the experience now gained by the Corporation in operating farms of different sizes, it should be possible for the Corporation to have a close study and determine a suitable economic size for the farms to enable selection and acquisition of sites for the new farms to be set up by it.

**Reply of Government**

The recommendations of the Committee have been considered in consultation with the State Farms Corporation. Taking into consideration that the farms under the State Farms Corporation of India are of different sizes, do not have similar conditions in regard to (i) the stage of development, (ii) availability of irrigation facilities and (iii) climatic factors etc., it is not possible to arrive at dependable conclusions in regard to the most economic size of the farms. However, from the latest experience in regard to the profitability of the various farms and the difficulty in obtaining compact blocks of land, it is considered that the economic size of mechanised farm may be at least 5,000 acres of cultivable area with suitable soils and dependable irrigation supplies. However, in areas where terrain is not suitable for field crops as in Kerala or climatic conditions are not favourable as in Rajasthan, larger area of land alone can give reasonable returns.

[Vide Ministry of Agriculture & Irrigation (Department of Agriculture's) O.M. No. 7-1806/6/74-FR dated 8th November, 1974]

**Recommendation Serial No. 14 (Paragraph No. 4.11)**

The Committee find that out of the machinery worth Rs. 210.29 lakhs received from USSR authorities as gift or through purchases, machinery worth Rs. 7.99 lakhs are lying unutilised/or surplus to requirement of the farms of the Corporation. The Committee note that the Corporation has already taken a decision to dispose of the surplus machinery to State Governments/State Undertakings free of

charge provided such an arrangement is agreed to by USSR and the actual expenditure on transportation and customs duty is recovered from the beneficiaries. The Committee recommend Government/Corporation should ensure that disposal of surplus machinery should in no case be to the private parties.

The Committee also recommend that Government/Corporation should explore the possibility of utilising the machinery with suitable modifications/repairs in other new farms of the Corporation. The Committee would like to be informed of the developments.

### **Reply of Government**

The recommendation of the Committee that disposal of surplus machinery should in no case be to the private parties has been noted by the Corporation for compliance.

The recommendation regarding exploring the possibility of the utilization of the machinery with suitable modifications/repairs in other new farms was already being done in the past and would be continued to the extent possible in future.

[Vide Ministry of Agri. (Deptt. of Agri.) O.M. No. 7-18016/9/74-FR dated 31-10-74].

### **Further information called for by the Committee**

What is the specific action taken for utilisation of machinery in other farms (Please give details such as total worth of machinery, how much disposed of and to whom, balance, hitch in disposal etc.)

(Vide Lok Sabha Sect. O.M. No. 29-PU/74 dt. 15-7-75)

### **Further Reply of Government**

The availability of surplus machinery, as in the enclosed list, has been again circulated by the Corporation to various Govt. and Semi-Govt. organisations. Some organisations have shown interest. A statement showing the organisations for whom various items have been reserved so far is enclosed. (Appendix IV). The value of machinery thus reserved is Rs. 9 lakhs.

The Corporation is waiting for these organisations to deposit the custom duty, transportation charges etc., before machines could be handed over to these Govt. and semi-Govt. organisations.

There are certain items of machinery like forage feed grinder, power saws etc., for which no interest has been shown by any orga-

nisation. Some more organisations have been approached. In case the response from the Govt. and semi-govt. organisations with regard to the transfer of balance surplus machinery is not favourable, there will be no alternative except to consider disposal by public auction.

[Vide Ministry of Agriculture & Irrigation (Deptt. of Agriculture)  
O.M. No. 7-18016/1/74-FR dated 18-8-75]

#### **Recommendation (Serial No. 17, Paragraph No. 4.32)**

The Committee note that the Corporation set up a Fabrication Unit at Suratgarh in 1972 at a cost of Rs. 1.26 lakhs for the manufacture of spare parts and agricultural implements. Under the first phase of the scheme, the unit is expected to meet about 25 to 30 per cent of the requirements of the Corporation. During 1972-73, the Unit earned a net profit of Rs. 24,000/-. The Committee recommend that before this Unit is expanded the Corporation should review the working of the unit critically to find out the economic viability of the unit.

The Committee would also like that the Corporation should maintain proforma account of the workshop to assess the financial results of the unit.

#### **Reply of Government**

The recommendations of the Committee have been noted.

As regards the expansion of the unit, State Farms Corporation of India does not contemplate any expansion of the unit in the first phase at this stage. However, before taking up the expansion of the unit, the economic and technical viability of the first phase would be critically examined by the Corporation and report thereof sent to the Ministry for examination.

Regarding maintenance of proforma accounts, State Farms Corporation of India have already issued necessary instructions to its Accounts Division to maintain separate proforma account of the Fabrication Unit workshop to assess the financial results.

[Vide Ministry of Agriculture (Department of Agriculture) O.M.  
No. 7-18016/23/74-FR dated September, 1974]



**Recommendation (Serial No. 19, Paragraph No. 5.19)**

The Committee find that out of a total area of 94,530 acres proposed for farms, 77,259 acres of land are in possession of the Corporation as at the end of 1973-74. The Committee also note that the Corporation has been able to increase the area under cultivation from 44,174 acres in 1971-72 to 52,404 acres in 1973-74 besides bringing a small area of 1,423 acres under Plantation Crops. The Committee were informed that out of the remaining area of 23,432 acres which are stated to be unculturable, it would be possible to bring 12,721 acres under cultivation thus increasing the total culturable area to 64,538 acres including area brought under plantation. The Committee desire that Government/Corporation should take concerted measures to see that the targetted area of 64,539 acres is brought under cultivation during the current year.

The Committee also recommend that Government/Corporation should explore the possibility of utilising the un-culturable land for other agricultural subsidiary activities like piggery, poultry, sheep breeding, etc. in order to improve the overall economies of the farms.

**Reply of Government**

The recommendations of the Committee have been noted. Bringing of the culturable areas under cultivation would be dependent on preparing the lands on a scientific basis by providing reclamation, development and shaping so as to raise crops efficiently. It is also contingent upon the provision of irrigational facilities. The capital development of the farms by providing land development, irrigation facilities etc. would require sizable investments. The Chairman of the State Farms Corporation of India has decided to bring all the culturable areas under cultivation within a period of 2 years and on this basis detailed programmes are being drawn up. Additional resources will also have to be made available to the S.F.C.I. for undertaking this task.

The recommendation of the Committee that unculturable areas may be used for agricultural subsidiary activities like piggery, poultry, etc. will be kept in view. Such activities will be taken up if economically viable projects can be prepared. At Jetsar a Sheep breeding unit has been set up.

**Recommendation (Serial No. 20, Paragraph No. 5.29)**

The Committee note that against the acreage of 46782 in 1970-71, 46932 in 1971-72 and 53989 in 1972-73, the Corporation was able to

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sow an area of 41887, 44576 and 49612 acres respectively resulting in shortfall of 4895 acres in 1970-71, 2362 acres in 1971-72 and 4377 acres in 1972-73. The Committee were informed that during 1973-74 the area sown has increased to 64000 acres. The Committee find that the main reasons for the shortfall have been failure of rains, lack of adequate irrigation facilities, shortage of power, labour management relations etc.

The Committee recommend that the Corporation should keep an eye on the changing cropping trends and utilise the remaining area also for sowing and bringing the rest of area under cultivation to achieve maximum production.

### **Reply of Government**

The recommendations of the Committee have been noted. The Corporation have since instructed their various farms that they should chalk out alternative cropping programmes which could be adopted in case of failure of rain which has been the main reason for the shortfall in production. During the current year, the Corporation have slightly changed the Cropping pattern and have taken up only those crops which are economical from the point of view of production. The Corporation have also assured Government that they are having a watch on the changing trends with a view to utilise the maximum possible area available for cultivation in order to achieve the maximum production.

[Vide Ministry of Agriculture (Department of Agriculture) O.M. No. 7-18016/19/74-FR dated October, 1974].

### **Recommendation (Serial Nos. 21 & 22, Paragraphs No. 5.33 & 5.34)**

The Committee note that though the production at the State Farms of the Corporation has shown an increase from 82738 quintals in Kharif of 1969-70 to 90445 quintals in Kharif of 1972-73, the overall Kharif production had actually come down to 52173 quintals in 1970-71 and 46606 quintals in 1971-72. An analysis of the production performance in the different farms indicates that the shortfall has been maximum at Suratgarh farm where the production has come down from 65453 quintals in 1969-70 to 49326 quintals in 1972-73. In the case of Jetsar, the Committee find that the Kharif production came down from 12181 quintals in 1969-70 to 9446 quintals in 1970-71 and again decreased to 6893 quintals in 1971-72 but increased to 15456

quintals in 1972-73. The production at Hissar, however, has increased from 3338 quintals in 1969-70 to 7693 quintals in 1970-71 and again to 7306 quintals in 1971-72, but declined to 4701 quintals in 1972-73.

The Committee also note that in the case of Rabi Crop while the overall production has gone up from 132930 quintals in 1969-70 to 148401 quintals in 1972-73, the production has actually come down to 70178 quintals in 1970-71 but increased to 109734 quintals in 1971-72. The Committee regret to observe that even in Rabi cultivation Suratgarh Farm suffered a set back in that, the production has come down from 113819 quintals in 1969-70 to 91234 in 1972-73.

While the Committee have given their recommendations elsewhere in this regard about the inadequacy of irrigation facilities in the various farms, the Committee recommend that Government/Corporation should examine in depth the causes which have contributed to the lower level of production of Khariff, and take suitable measures to convert this disturbing trend.

#### **Reply of Government**

The conclusions/recommendations of the Committee have been noted.

Statements giving the total production of the Central State Farms as well as that of Suratgarh and Jetsar Farms separately from 1969-70 to 1972-73 are enclosed. It will be seen therefrom that if the sugarcane production is excluded, the production from other Kharif crops went on increasing year by year. The reasons for the shortfall in sugarcane production were as under:—

(i) During the years after 1969-70, most of the area was taken as ratoon crop which gives lesser yields than the planted crop.

(ii) Sugarcane crop could not get adequate irrigation.

(iii) The cultivation of sugarcane was discouraged as difficulties were experienced in its disposal.

The production at Hissar farm declined in 1972-73 especially under rain-fed crops because of severe drought conditions.

As regards rabi production, the shortfall during 1970-71 as compared to that of 1969-70 was to the extent of 62,000 quintals (Gram 23,760, wheat 25,296 and fodder 14,570 quintals at Suratgarh). The reasons for the shortfall were: (i) The strike at the Central State Farm, Suratgarh at the peak season (ii) Severe scarcity of irrigation water during that year.

The shortfall in Rabi production during the year 1971-72 as compared to that of 1969-70 was to the extent of 23,000 quintals. This shortfall also occurred at Suratgarh and which covered the largest area as well as under oilseed crops at Suratgarh Farm. Both these crops were severely affected by frost and cold wave and hence the crops gave poor yield. The yield of gram was 3.65 quintals as against 4.20 quintals in 1969-70. Similarly, the yield of oilseed crops was 0.96 quintals as against 2.07 quintals in 1969-70. The mustard crop at Jetar Farm was also affected seriously and as a result we could get only 831 quintals out of an area of 1005 acres (i.e. 0.83 quintals per acre).

Another important factor for less production during the years after 1969-70 was that about 4000 acres of land was given on contract to private parties for gram cultivation at Suratgarh Farm. According to the terms of the contract, they were to give a produce @ 4 quintals per acre. Most of the contractors were hardly able to get that much produce with the result that they had to supply to the farm the farm's share by purchasing gram from outside sources. During the subsequent years, tenant cultivation was not resorted to. The average yield of Gram per acre from direct cultivation has never reached the figures of 4 quintals per acre as happened in 1969-70. As such, the yield of gram obtained in 1969-70 should not be taken as a representative yield. It will thus be seen that the reasons for the shortfall in production during the years 1970-71 to 1971-72 were beyond the control of the Corporation.

The State Farms Corporation of India, this year, have analysed the whole position and have eliminated those crops which had been giving uneconomical yields. By adopting this method, it is believed that the situation will improve at the various farms and production will go up from year to year.

[Vide Ministry of Agriculture (Department of Agriculture)  
O.M. No. 7—18016/20/74-FR dated October, 1974].

### **Further Information called for by the Committee**

Please state under what circumstances a vast area of 4,000 acres in Suratgarh Farm was given on contract to private parties for gram cultivation.

[Vide Lok Sabha Sectt. O.M. No. 29-PU/74 dated 15-7-75].

### **Further Reply of Government**

In September, 1969, when the Farm Workers' Union had declared a strike, an area of 3700 acres of land which could be cultivated with the aid of Nali flood water and on which such crops as gram and oilseeds could be grown without any subsequent irrigation was decided to be let out to local farmers on theka basis. Another reason besides the strike was that in case the strike materialised it could not have been possible with the manpower available with the Farm to cultivate this land and there was every possibility of losing this area for rabi cultivation due to rapid evaporation rate.

[Vide Ministry of Agriculture & Irrigation (Deptt. of Agri.)  
O.M. No. 7—18016/1/74-FR dated 18-8-75].

### **Recommendation (Serial No. 28, Paragraph No. 6.20)**

The Committee note that the Government/Corporation have not laid down a definitive policy about the disposal of commercial produce which is being disposed of either by auction or by sale to the different purchase organisations etc. The Committee feel that at a time when Government are hard-pressed to sustain better distribution system, it is but appropriate that the commercial produce from these farms should go either directly to the Government purchase organisation as for Defence Forces or to the Food Corporation of India which now functions in all parts of the country so as to ensure that the produce is put to best use in the national interest.

### **Reply of Government**

The recommendations of the Committee have been noted. By and large, the attempt of the State Farms Corporation is to sell non-seed commercial produce either to Government organisations like Defence forces or F.C.I. It has been decided that lands at the command of the SFCI should be pressed in for seed production only and that non-seed production should be taken up only where seeds cannot be produced. As a result of the development of the farms by and

large the farms will be utilised only for seed production be that certified seeds or foundation seeds.

[*Vide* Ministry of Agriculture & Irrigation (Deptt. of Agri.) O.M. No. 7—18016/7/74-FR dated 26/28-7-75].

#### **Recommendation (Serial No. 29, Paragraph No. 6.27)**

The Committee note that the seeds are at present being disposed of directly by the farms at prices determined by the Headquarters of the Corporation. The Committee feel that the present system of disposal of seeds should be critically reviewed to see whether it is, in fact, subserving the interest of making available the seeds to the farmers in time and at reasonable prices. Government/Corporations, form the Apex Federation or Cooperative in Maharashtra and West Bengal to see whether similar procedure for disposal of seeds could be followed in other States. The Committee, in particular, would like to stress that there should be a well-coordinated policy for making available the seed to the farmers in the vicinity of the farms so as to make the maximum impact through extension work and create a name and good-will for the produce of the farm. The Committee have no doubt that Government/Corporation would keep this aspect in view, while evolving a rationale policy for disposal of seeds in the best interest of the farmers and the Corporation.

#### **Reply of Government**

The recommendations of the Committee have been noted and as explained in reply to para 6.19 a detailed pricing policy is being worked out so that the seeds could be made available to the farmers at reasonable prices, while ensuring that SFCI get adequate return on production of high quality seeds.

[*Vide* Ministry of Agriculture & Irrigation (Deptt. of Agri.) O.M. No. 7—18016/1/74-FR dated 26/28-7-75].

#### **Recommendation (S. No. 30, Paragraph 7.16)**

The Committee find that the Corporation has set up a new farm at Khammam in 1972, in spite of the advice of the Ministry that this farm should be deferred to the Fifth Plan. The contention of the Corporation is that the provision included in the Fourth Plan for setting up a farm at Bihar was utilised with the approval of the Board for setting up this farm in Andhra Pradesh and the Ministry to whom the estimate of the farm was sent, has not conveyed their approval and the farm at Bihar was not coming up in the Fourth

Plan. An expenditure of Rs. 9 lakhs is stated to have been incurred on the Khammam Farm so far. The Committee were informed that the Planning Commission while agreeing to an outlay of Rs. 4 crores in the Fourth Plan for the Corporation clearly indicated that the Government would put up five farms in addition to Suratgarh and subsequently three more farms in Assam, Bihar and Tamil Nadu were agreed to by the Planning Commission.

The Committee was also informed that the Planning Commission did not agree to the establishment of the Khammam Farm even though they were approached twice and desired that it should be deferred for consideration in the Fifth Plan as there were already a number of farms fully developed in terms of adequate utilisation of land and the Corporation should consolidate the existing farms.

**Recommendation (Serial No. 31—Paragraph 7.17)**

The Committee note that the Corporation went ahead with setting up of the farm at Bahraich and incurred an expenditure of Rs. 3.75 lakhs thereon, in spite of the decision of the Ministry that this should be taken up only during the Fifth Plan. The Committee were informed that the Corporation started the Project in anticipation of the Government's approval on the understanding that it could start new farms within the over-all provision of Rs. 4 crores during the 4th Plan already approved by the Planning Com-

The Committee also find that the Board of Directors of the Corporation had approved the Project during the last year of the Fourth Plan as it was found not only a profitable venture but in the national interest and it was felt that a cropping season should not be lost specially in view of the food crisis.

**Recommendation (Serial No. 32—Paragraph 7.18)**

The Committee find that the Corporation proposed to set up Central State Farms at Khammam and Bahraich but because of financial constraints, the farms could not be cleared by the Government during the Fourth Plan, even though plan allocation was available. The Committee feel that before making plan allocation specific programme of setting up of such farms should be drawn up and allocated to the Corporation and once the schemes for setting up of new State Farms are included in the Plan, Government should ensure that such farms do come on schedule. The Committee need hardly stress that any delay in setting up of new farms by the

Corporation will only go to widen the existing gap between demand and availability of quality seeds in the country.

### **Reply of Government**

The recommendation has been noted.

The Committee's observations will be kept in view while considering the setting up of new Farms. The State Farms Corporation of India has been informed that individual projects should be got approved by Government before the farms are set up even if the Plan allocation exist so that their proper linking of resources in the Plan to specific schemes included in the Plan is achieved.

[Vide Ministry of Agriculture & Irrigation (Deptt. of Agri.)'s O.M. No. 7—18016/27/74-FR dated the 28th Jan., 1975].

### **Recommendation (Serial No. 34—Paragraph No. 7.23)**

The Committee regret to note that the Jharsuguda Farm (Orissa) which was set up in February, 1967 had been incurring losses from the inception and the cumulative loss to end of 1972-73 is over Rs. 43 lakhs. The Committee also note that though the Corporation had decided to wind up the operation at the farm, it had to slow down the progress of winding up on a representation by the State Government, and as advised by the Ministry. The Committee fail to understand as to why selection of site for the farm could not have been done with due care, taking all aspects into consideration instead of ultimately having to suspend the operations after nearly five years and incurring a loss of over Rs. 43 lakhs.

The Committee also desire that Government should settle this issue finally with the Government of Orissa as any delay in settlement only adds to the loss already incurred on the farm.

The Committee trust that the Corporation would profit by their experience with the Jharsuguda Farm and exercise the utmost care in the selection of new alternate site and ensure that the new farm to be taken up is economically viable. has the requisite irrigation facilities and if not beset by shortcomings and difficulties experienced at Jharsuguda.

### **Reply of Government**

The recommendations of the Committee have been noted. Selection of the farm sites would be made with adequate care so that difficulties faced at Jharsuguda are not experienced. The Corpo-



ration have closed down the farm. However, the Government of Orissa have further requested the Government of India to set up a Central State Farm in some other area and recently we have been addressed by the Chief Minister of the State. In the final selection of the sites an additional consideration would be whether the area is suitable for seed production.

[*Vide* Ministry of Agriculture & Irrigation (Deptt. of Agri.)  
O.M. No. 7—18016/1/74-FR dated 26/28-7-75]

**Recommendation (Serial No. 36—Paragraph No. 8.9)**

*Poultry Unit:*

The Committee appreciate the attempts of the State Farms Corporation of India in having started a Poultry Unit with thousand laying birds, as part of the integrated development of Mizoram. During the two years of its working the Committee find that the Unit has suffered a net loss of Rs. 17,000. The Committee also find that the Unit was left with 325 laying birds as on 1st November, 1973 because of mass mortality due to nutritional deficiency and other diseases. The Committee were informed that even proper feeds for the birds were not available in the area and it was only now that arrangements were being made for production of grains and also for transporting fish meals from Bombay. While the underlying objective of the Corporation in starting this Unit is laudable, the Committee would like that Government/Corporation should develop the basic facilities and proper hygienic conditions essential for the poultry unit. While the Committee would like to watch further progress of this Unit, they recommend that the Corporation should go into the causes for the losses and take suitable remedial measures to improve the performance of the Poultry Unit.

**Reply of Government**

The recommendation of the Committee for running the Scheme on scientific lines has been noted. Action has already been initiated to examine the Schemes already in existence at the Farms, in consultation with the Animal Husbandry Division of the Ministry to take remedial measures and improve the working of the Scheme.

**Recommendation (Serial No. 37—Paragraph No. 8.17)**

*Piggery:*

The Committee note that as part of the development of Mizoram and to supply piglets to local people and State Department the

Corporation started a piggery unit in 1970-71 at Mizoram with 30 to 35 sows for breedings. The Corporation had supplied a number of piglets to the local breeders and district Animal Husbandry Department of Mizoram Government for breeding purposes. The Committee find that the Unit has suffered losses of Rs. 16,511 in 1970, Rs. 16,561 in 1971-72 and Rs. 19,834 in 1972-73. The Committee also find that the Corporation has been facing some difficulties in running the piggery unit at Mizoram because of the exorbitant cost of the feed and the problem of disease control. The Committee have been informed that the Corporation is making arrangements for providing permanent sheds etc. and is also in touch with the Animal Husbandry Development of the Assam Government for taking suitable measures for bringing the diseases under control. The Committee suggested that the Corporation should also take the assistance of the experts in the Ministry of Agriculture in developing the Unit on right lines. The Committee hope that with the measures now taken it would be possible for the Corporation to overcome the difficulties in running of the Unit and bring about improvement in its working so that the objectives in starting the unit are realised.

#### **Reply of Government**

The recommendation of the Committee for running the scheme on scientific lines has been noted. Action has already been initiated to examine the Schemes already in existence at the Farms, in consultation with the Animal Husbandry Division of the Ministry to take remedial measures and improve the working of the Scheme.

#### **Recommendation (Serial No. 38—Paragraph No. 8.24)**

##### *Fishery Development Unit:*

The Committee note that with the object of supplying fish fry or fingerlings to Mizoram Government, the Corporation had taken up development of Fisheries as part of the integrated development of Mizoram. During 1973-74, about 11,000 fry of a special variety of fish have been put in some tanks in the area. It has been stated that observations are being made regarding their behaviour and production potential. The Committee were informed that the detailed scheme for the purpose was yet to be prepared and pisciag-riculture was being tried on an experimental basis. The Committee would like to watch with interest the progress of the scheme.

The Committee also recommend that Government should evaluate the working of Poultry, Piggery and Fishery Units of the

Mizoram Farm with a view to identifying the shortcomings in their working so that suitable remedial measures may be taken to overcome them and make them economically viable at the earliest.

The Committee need hardly stress that the fact that the losses are being subsidised by Government does not mean that the Corporation should not make efforts to run them on scientific lines and make them viable.

The Committee also recommend that Government/Corporation should before setting up such units at other farms, satisfy themselves that those units would be economically viable and would be capable of securing adequate returns on the money invested.

#### **Reply of Government**

The recommendations of the Committee have been noted. The Corporation has been asked to send us a progress report on the Scheme so that the results could be evaluated and remedial measures suggested.

So far as the general recommendation of the Committee that Government/Corporation should before setting up such Units at other Farms, satisfy themselves that those Units would be economically viable and would be capable of securing adequate returns on the money invested, this recommendation has been noted.

The Corporation have been instructed that before any such Scheme in future, a detailed Scheme indicating the financial outlay involved every year, the return and the consequent economic viability of the Scheme should be sent to the Ministry so that these could be examined in consultation with the Animal Husbandry Division before approval is accorded to the Scheme.

[Vide Ministry of Agriculture & Irrigation (Department of Agriculture)'s O.M. No. 7-18016/31/74-FR dated November, 1974].

#### **Recommendation (Serial No. 39—Paragraph No. 8.31)**

The Committee note that the Corporation has set up a Canning Factory at its Mizoram Farm in October, 1973. While the setting up of an agro-based industry at Mizoram would help in the greater utilisation of the existing resources of pineapple which is grown in that area in abundance, the Committee feel that the setting up of agro-based industries should only be as part of the overall develop-

ment of the farm for the best utilisation of agro-produced raw material provided such units are economically viable.

### Reply of Government

The recommendation of the Committee have been noted. It is considered that in view of financial constraints, it may not be possible to put up agro-based industries by the Corporation at present. However if in the course of the working during the Fifth Five Year Plan, it is considered necessary by the State Farms Corporation to set up an economical viable agro-based industrial unit in the interests of more profitable disposal of the farm produce, the matter would be considered in the light of the recommendations of the Committee.

[Vide Ministry of Agriculture & Irrigation (Department of Agriculture)'s O.M. No. 18016/30/74-FR dated 8th November, 1974].

### Recommendation (Serial Nos. 40 & 41—Paragraphs No. 8.37 & 8.38)

In the Jetsar farm, Corporation has set up a sheep breeding unit with 1100 Nali breed flock which is proposed to be increased to 5000. Jetsar is situated in Rajasthan which traditionally has been breeding sheep for wool. The Committee would, therefore, urged the Corporation authorities to carefully evaluate the result of the existing sheep breeding unit and take advice of the experts in the field at the Centre to improve the economics of the existing unit and expand its activities to augment the income of the farm as also increase wool output.

The Committee find that sheep breeding activity is confined only to Jetsar. The Committee feel that in the context of shortage of wool in the international market and high prices, the State Farms Corporation of India Ltd. should consider setting up such units at other State Farms also.

### Reply of Government

The Recommendations of the Committee have been noted.

To evaluate results and to improve the economics of the existing Scheme at Jetsar Farm, the matter is already under examination in consultation with the Animal Husbandry Division of the Ministry and the Director, Sheep & Wool, Rajasthan. Further progress in the matter will be intimated.

The State Farms Corporation of India also propose to set up Sheep Units at other State Farms as well. In this connection, a Scheme for setting up a Sheep Unit at Suratgarh Farm has already been accepted in principle by the Corporation and it is likely to be started during 1974-75. The Corporation is of the view that this activity will be extended to other farms as and when such proposals are considered feasible and economical.

[Vide Ministry of Agri. (Deptt. of Agri.)'s O.M. No. 7-18016/29/74-  
FR dated 31-10-74].

#### **Further Information called for by the Committee**

##### *Animal Husbandry*

Please state the latest position regarding extension of the scheme to other farms.

[Vide Lok Sabha Sec. O.M. No. 29-PU/74 dated 15-7-1975].

#### **Further Reply of Government**

In order to study the economics of the existing scheme at Jetsar Farm, Shri Ghanekar, Asstt. Commissioner (Sheep) from the Animal Husbandry Div. of this Deptt. was deputed to visit Central State Farm, Jetsar & Suratgarh. After studying the existing working of the Scheme at Jetsar Farm, the above officer in order to implement the scheme successfully suggested some modifications in regard to the Scheme already submitted by the Director C.S.F. Jetsar. The modifications suggested by the Officer concerned were as under:—

- (1) Before the purchase of the stock, it is essential that at least 1000-2000 acres of land should be developed with such species of grasses which can grow and withstand the arid climate, so that sheep have no problem of grazing during lean period.
- (2) The new stock of 1000 Nali ewes should be purchased by a selection committee, who will keep certain guidelines for effecting purchases regarding age, body weight, wool quality of the sheep to be purchased. etc.
- (3) As far as possible, the artificial insemination techniques should be followed in most hygienic conditions after sterilizing the equipment under the supervision of the qualified veterinary officers. Till that time natural service may be followed.

- (4) The two stock assistants deputed by the Deptt. of Sheep & Wool should be for the time being may be given calendar of operations, as followed in other Government Sheep Breeding Farms and also for maintenance of certain essential registers.
- (5) After the development of pasture, coming up of the new buildings & appointment of qualified staff, it is hoped the Sheep unit will be a paying concern. However a Committee of Experts consisting of an officer from the Deptt. of Sheep and Wool, and officer from the Ministry, an officer from the SFCI and the Director will meet annually and suggest ways and means for the improvement of the unit. They will suggest *inter alia* culling of stock, sale of wool, sale of rams for breeding purposes etc. etc.

In the light of the modifications suggested above, the Director of the Jetsar Farm has taken immediate steps to remove the deficiencies and short-comings pointed out therein. In this connection, a copy of letter No. 10-55/Agri/JTS/75-3383 dt. 17th June, 1975 from the Agricultural Officer, C.S.F. Jetsar as in annexure.

However, this Ministry does not consider it necessary to constituting a Committee of experts as suggested by Shri Ghanekar.

As regards the extension of Scheme to other Farms it may be stated that the Scheme for Suratgarh has already been accepted in principle. Shri Ghanekar who also visited Suratgarh Farm on 19-4-75 and discussed the matter with the Director of the Farm has expressed possibility of establishing a sheep Unit at Suratgarh. In the opinion of the Expert, area in Block 3 of the Suratgarh Farm would be suitable for keeping an rearing upto 500 Sheep in the first instance. The Expert fully agreed with the views of the Director that unless this area is developed with grasses like cinchrus—ciliars (anjan) etc., no sheep should be purchased for Suratgarh Farm. It was therefore felt that as soon as this area is developed, the purchasing and keeping the sheep, and the scheme being implemented on the same lines as that of Central State Farms, Jetsar with minor modifications as regards staff etc. would be considered. However, it was considered that this topic may be reviewed again during the year 1976-77.

Regarding the extension of the Scheme to other Farms, it may be added that it would be considered after watching the results at Jetsar and Suratgarh as it has been decided that the main function of Central State Farms should be production of certified seeds.

[Vide Ministry of Agriculture and Irrigation (Deptt. of Agriculture) O.M. No. 7-18016/I/74-FR dated 18-8-75]

(ANNEXURE)

Letter No. 10-55/Agri/JTS/75-3383 dated the 17th June, 1975 from the Agricultural Officer, Central State Farm, Jetsar.

Ref. No. 10-55/Agri/JTS/74-3383

Dated 17th June, 1975.

The Chief Agriculture,

State Farms Corporation of India Ltd.,

16/48, Malcha Marg, Chankyapuri,

New Delhi-21.

Sir,

Kindly refer to your letter No. SMCI/20-42/75-Agri/dated 21-5-75. The report on the relevant paragraphs under which Shri Ghanekar has pointed out the deficiency and shortcoming in the maintenance of farm sheep are as under:—

1. As regards the proper housing accommodation for sheep, we are writing to the sheep and wool Inspector Suratgarh to prepare a design for the type of hygeinic well protected padack for the sheep. The estimate will be submitted after receiving from the Inspector. The treatment for mango was given by the doctor (VAS) whenever necessary and now the disease is under control. This disease was observed more in case of old stock. The V.A.S. Suratgarh is also approached whenever there is an occurrence of any epidemic disease in the sheep herd. Now, the State Govt. has posted 2 stockmen at Jetsar for carrying out artificial insemination in sheep unit Jetsar. These Stock men are not on deputation as pointed out. Since there was no permanent scheme for artificial insemination therefore, proper record of tuppig breeding and

lambing were not maintained. Now the staff for artificial has been appointed who will maintain the record regarding artificial insemination as well as will keep the equipment properly according to the instruction of State Department. The reason for coming of sheep late in heat at this farm as compared to Bhilwada District may be variation in climatic condition. As suggested in the Inspection note the area for grazing has been earmarked and this we have got about 200 old heads of sheep over the age of 8 years and efforts are being made to dispose off them as early as possible. The sheep Inspector Suratgarh will be requested to inspect the culled animal before these are finally disposed off.

As pointed out above, the stockmen have been appointed under artificial insemination scheme of the State and are expected to maintain all the relevant record in connection with artificial insemination as well as maintain the instrument under hygienic condition under the supervision of their superior staff, that is Veterinary Officer.

A copy of the relevant paragraph of this Inspection is being sent to the Director Sheep and Wool for his information and necessary action.

The action is being taken on the modification of the existing resources for sheep rearing as suggested in the note. We are procuring the seed of Cinchruscil (Dhaman) and other grasses growing development. We have consulted the Divisional Forest Officer who told about the suitability of such grass under artificial climatic condition. These grass will be tried for development of the pasture for sheep.

For the present we have no proposal for purchasing 'Nali' ewes. Since we have already got about 500 ewes for the purpose of upgrading.

The Director, Sheep and Wool of the State Department has been requested to provide the calendar of operation followed in other sheep breeding Farm and also supply a list of register to be maintained at the Farm.



The Committee proposed by the Assistant Commissioner in his inspection note, if approved, may be appointed. As desired, the balance sheet of sheep unit from the year 68-69 to 73-74 is also enclosed for perusal.

Yours faithfully,

Sd/-

(Y. D. Sharma)  
Agricultural Officer.  
for Director.

**BALANCE SHEET OF SHEEP UNIT**

**1968-69**

To Opening Balance	₹52,180.00	By Sale of livestock & Wool	6,446.25
To Maintenance	4,001.51	By Closing Balance C/d	50,325.25
To Net Profit	599.99		
	<u>56,771.50</u>		<u>56,771.50</u>

**1969-70**

To Opening Balance	₹50,325.25	By Sale of wool	3,105.00
To Maintenance	6,136.80	By Closing Balance C/d	47,220.25
		By not loss	6,136.80
	<u>56,462.05</u>		<u>56,462.05</u>

**1970-71**

To Opening Balance b/d	47,220.25	By Sale of livestock	₹12,650.00
To Maintenance	10,207.15	By sale of wool	7,634.75
To net profit	597.35	By Closing Balance C/d	₹37,740.00
	<u>58,024.75</u>		<u>58,024.75</u>

**1971-72**

To Opening balance	37,740.00	By sale of livestock	8,876.25
To Maintenance	12,250.88	By sale of wool	12,710.00
To Purchase	1,900.00	By Closing Stock C/d	46,980.00
To Net Profit	16,675.37		
	<u>68,566.25</u>		<u>68,566.25</u>

<b>1972-73</b>			
To opening balance	46,980.00	By sale of livestock	1,677.50
To maintenance	13,075.22	By sale of wool	14,248.40
To net profit	12,655.68	By closing stock C/d	56,785.00
	<u>72,710.90</u>		<u>72,710.90</u>
<b>1973-74</b>			
To opening balance	56,785.00	By sale of livestock	13,140.00
To maintenance	15,561.04	By sale of wool	8,952.75
To net profit	13,678.01	By closing balance C/d	63,931.30
	<u>86,024.05</u>		<u>86,024.05</u>

### Recommendation (Sl. No. 42, Para No. 8.45)

The Committee note that the Corporation is proposing to set up 100 experimental small sized farms of 500 acres each as cooperative farms on the lands that might be declared surplus as a result of imposition of land ceilings. It has been stated that each experimental farm is expected to give employment to about 100 families of landless labourers and enhance their income. The Committee were informed that the Planning Commission had selected certain districts in which some farms of the SFCI are already functioning. The Committee feel that the Government may consider setting up of such small sized farms on a pilot basis in a few selected areas where facilities for irrigation or potentialities therefore are available instead of taking up large numbers and for this purpose Government should examine the detailed estimates of the Scheme and economics thereof.

### Reply of Government

The recommendation of the Committee has been noted.

The Government of India have instructed the State Farms Corporation of India to get in touch with the States and find out whether it is possible to get a fairly compact area of 500 acres of land for the setting up of a small sized farm out of the land being declared surplus as a result of the enforcement of ceiling legislations. The Corporation has also been asked to draw up a detailed scheme for this experiment of a small sized farm, spelling out the exact role of the Corporation under the Scheme. The State Farms

Corporation of India have since written to all the Directors of the Central State Farms to locate the land by contacting District Authorities and the Village Panchayats. A copy of the D.O. letter No. SFCI/28-3/74-CC dated the 28th October, 1974 together with a copy of the project report drawn up by the Corporation for setting up a Seed Farm on 500 acres on Cooperative basis forwarded to the Farm Directors is also enclosed. (Appendix VI).

[Vide Ministry of Agri. & Irrigation (Deptt. of Agri.) O.M. No. 7-18016/36/74-FR dated 28th December, 1974].

#### †Further Reply of Government

In so far as paragraph 8.45 regarding setting up of small sized farms on a pilot-basis in a few selected areas are concerned, the SFCI has not been able to get any land from the State Governments where CS Farms have been located for setting up small sized farms. Moreover, it is also considered that since the Corporation is a commercial organisation, it should not undertake developmental work of the type involved in setting up small sized farms. This type of work can be done by District and State Agriculture authorities. In view of this, the Government of India have decided to abandon the idea of setting up of small sized farms by the SFCI.

[Vide Min. of Agriculture and Irrigation (Deptt. of Agri.) O.M. No. 7-18016/36/74-FR dt. 8-8-75].

#### Recommendation (Serial No. 44, Para No. 9.13)

The Committee find that at present the State Farms Corporation are not having any research and Development activities and the experience of I.C.A.R. and the Agricultural universities was being made use of by them. The Committee find that according to a scheme costing Rs. 8.16 lakhs approved by the Planning Commission in July, 1973 for pre-release multiplication of the seeds developed by the scientists under All India Coordinated Crop Improve-

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†At the time of factual verification, the Corporation stated that "we have since written to the Ministry with Chairman's approval that our Farm Directors could not locate suitable lands. Moreover, SFCI being a commercial undertaking is not suitable for undertaking such developmental work which should better be left to the charge of State Agriculture Departments.

ment Project, nucleus seeds of pre-release varieties of wheat, rice, soyabean, maize, Jawar, bajra, pulses, cotton, mustard and sunflower etc. would be multiplied at the mechanised State Farms of the Corporation at Hissar, Suratgarh, Jetsar, Raichur and Jullunder under the supervision of a senior seed scientist. The details of the scheme are yet to be cleared by I.C.A.R. It has, however, been claimed that the scheme would enable the country to speed up the development of high yielding seeds and make them available in sufficient quantities in the interest of increased production. It is claimed that it would enable the country to earn foreign exchange by exporting seeds of high yielding varieties of foods and fibre and pulse crops. The Committee would like Government to have the scheme finalised at an early date.

The Committee recommend that the State Farms Corporation of India should keep itself abreast of results of research conducted by the Indian Council of Agricultural Research and the agricultural universities in the country so as to put them to best use and achieve higher production.

#### **Reply of Government**

The Recommendations of the Committee have been noted that the S.F.C.I. and the N.S.C. liaison closely with I.C.A.R. and agricultural universities about the results of agricultural research. The Deputy Director General of the I.C.A.R. is also being placed formally on the Board of Directors of the S.F.C.I. In addition under the National Seeds Project both the representatives of the S.F.C.I. and the agricultural universities will be on the Board of State Seed Corporations and as such liaison with agricultural universities in the States will also be easily achieved.

#### **Recommendation (Serial No. 45, Para No. 9.14)**

The Committee would like the Management of the Farms to evolve in the light of experience gathered norms for input output ratio and a crop pattern which would yield the best results and subserve the objectives with which the farms have been set up. The Committee would like the Management to make a specific mention of these notable achievements in their annual report.

#### **Reply of Government**

The recommendations of the Committee have been noted. The new Chairman of the Corporation has decided to evolve norms for

input output ratio and to work out cropping pattern on this basis. However, the need for seed production under the aegis of State Seed Corporation will also have to be kept in view. By and large there will be no conflict in the above two approaches. Recommendation regarding mention being made of notable achievements, in the Annual Report is noted will be acted upon.

#### **Recommendation (Serial No. 46, Para No. 10.7)**

The Committee find that the profit earned by the State Farms Corporation of India came down from Rs. 27.84 lakhs in 1969-70 to Rs. 2.29 lakhs in 1970-71 and Rs. 4.52 lakhs in 1971-72. In 1972-73, the Corporation earned an all time high profit of Rs. 58.67 lakhs. The Committee were informed by Government that fall in profit during 1970-71 and 1971-72 were due to (i) fall in production, (ii) strike in Suratgarh Farm, (iii) Loss of Rs. 20 lakhs at Suratgarh farm due to low yield of gram, and (iv) unabsorbed developmental expenditure of Rs. 3.07 lakhs incurred at Jharsuguda farm due to the decision to wind up the farm. The Committee were informed that during 1972-73, the Corporation was able to reverse the adverse trend by changing the cropping pattern and effecting economies in expenditure.

The Committee were also informed that the newly set up farms of the Corporation viz. Aralam, Chengam, Khamman, Kokilabari and Mizoram are incurring losses because these are still in a developmental stage.

The Committee recommend that the Corporation should continue to take effective steps to maximise production by improving its irrigation facilities effecting economies in expenditure and adopting suitable cropping patterns so as to obtain the optimum yield per acre with the minimum cost of production. The Committee also desire that Governments/Corporation should finalise their decision to wind up the Jharsuguda farm so that the Corporation is not put to further loss in having to maintain it.

#### **Reply of Government**

The recommendations of the Committee have been noted. It has been decided by the Corporation to develop all the farms in such a manner as to maximise the production at the farms. It has been decided to close down the Jharsuguda farm.

**Recommendation (Serial No. 47, Para No. 10.8)**

The Committee recommend that Government should soon finalise their review of the organisational set up of the Corporation so that Corporation is geared to achieve its objectives in an economic and efficient manner.

**Reply of Government**

The recommendations of the Committee are noted. The new Chairman of the State Farms Corporation of India who is also the Chairman of the National Seeds Corporation is making a detailed review of organisational set up of the Corporation with a view to achieving all the objectives of the Corporations. It has been decided that the staff of N.S.C. should assist the central farms in the matter of high quality seed production. Further the N.S.C. is to take up responsibility for processing and marketing and thereby enabling the S.F.C.I. to concentrate on its primary task of farm development to achieve maximisation of high quality seed production.

**Recommendation (Serial No. 48, Para No. 10.14)**

The Committee note that the Damle Committee had envisaged that in the State Farms, "giving the necessary facilities particularly perennial irrigation, it should be possible to get a return of 6 per cent over the initial capital investment." Analysis of the rate of the return achieved by State Farms during 1969-70 to 1972-73 indicates that in some of the Farms this expectation of 6 per cent rate of return has not been realised. For example, the rate of return in the case of Landhowal State Farm ranged between 0.94 to 3.26 per cent, Raichur Farm between 0.21 to 5.17 per cent and Jetsar farm 0.21 per cent.

The Committee have been informed that Government kept a watch over the returns on investment achieved by the Corporation and it was now proposed that performance review of all the farms should be placed before the Board of Directors at every meeting. The Committee recommend that suitable performance for such reviews are prescribed in consultation with I.C.A.R. and agricultural experts in the Ministry so that these reviews may be meaningful and enable the authorities to pin-point the deficiencies in the working of the farms and to take suitable remedial measures with a view to improving their performance so as to attain at least the minimum return of 6 per cent on investments as envisaged in the Damle Committee Report.

The Committee feel that the return of 6 per cent should not be difficult of achievement especially when some other State Farms as, for example, Surat garh Farm had given as high a return as 31.39 per cent., Hissar 14.65 per cent and Jetsar 12.38 per cent in 1972-73.

### Reply of Government

The recommendation of the Committee has been noted.

With a view to keep a watch over the returns on investment achieved by the Corporation, the Government of India have prescribed the necessary performance in consultation with the I.C.A.R. and Agricultural Expert in the Ministry, a copy of which is enclosed (Appendix VII).

[Vide Min. of Agriculture and Irrigation (Deptt. of Agri.)  
O.M. No. 7-18016/32/74-FR dated November, 1974].

### Recommendation (Serial No. 52, Para No. 11.12)

The Committee note that the post of the Managing Director which was vacant since April, 1972 and the post of Financial Adviser which was vacant from 6-1-73 were filled up only in February, 1974 and December, 1973 respectively although the Government admitted that non-filling up of a vacancy in the management of an enterprise leaves a vacuum and non-filling of the post of Financial Advisor may lead to laxity in Financial discipline. The Committee desire that such delays in filling up important managerial and financial posts should be avoided in the interest of proper and smooth functioning of the Undertaking. The Committee would like Government to take advance action to prepare the panels for appointment to Undertakings and to take effective measures to fill up the vacancy as soon as it occurs. The Committee would like to be informed within six months of the concrete measures taken in this behalf.

### Reply of Government

The Recommendations of the Committee have been noted and the Govt. of India have appointed a Public Enterprises Selection Board to recommend panel of names of suitable officers to the Administrative Ministries for selection of persons for filling up top management posts *vide* orders issued by the Ministry of Finance in August 1974. Copy of the Govt. of India Resolution is enclosed. [Appendix VIII].

**Recommendation (Serial No. 53, Paragraph No. 11.13)**

The Committee note that though the State Farms Corporation was set up in 1969, it is only that Government are proposing to review the organisational set up of the Corporation. It has been admitted during evidence that Government are not satisfied with the organisational set up of the Corporation. The Corporation does not admittedly have adequate expertise for seed production which is the most important objective of the Corporation. The Committee desire Government to complete expeditiously their review and strengthen the management by including experts with distinguished record for seed production.

**Reply of Government**

As explained in reply to recommendation to Para 10.8 the working of the State Farms Corporation of India and the National Seeds Corporation is being closely intermeshed so that expertise available to N.S.C. is put to best use by SFCI. A copy of the order issued by the Chairman on this subject is enclosed (Appendix IX).

[Vide Min. of Agriculture and Irrigation (Deptt. of Agri.)  
O.M. No. 7-18016/17/74-FR dated July, 1975].

**Recommendation (Serial No. 55, Paragraph No. 11.23)**

The Committee also note that the percentage of headquarters overheads to the expenditure on farms has been of the order of 6.15 per cent in 1970-71, 6.6 per cent in 1971-72 and 5 per cent in 1972-73. The Committee would like the Government/Corporation to keep close and continuous review of the headquarters and other overheads expenses with a view to ensuring that they are not excessive.

The Committee also note that an incentive scheme has been introduced by the Corporation to achieve higher yield per acre in the farm.

The Committee feel that the Corporation should take advantage of introduction of this incentive scheme to regulate the staff strength both in the existing farms and the new farms to be set up.

**Reply of Government**

The recommendations of the Committee have been noted and a close review of the overhead charges will be made. Detailed instructions issued by the new Chairman Shri D. P. Singh on improved productivity is enclosed.



## CHAPTER III

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

#### **Recommendation (Serial No. 7, Paragraph No. 3.3)**

The Committee regret to note that out of 70,000 acres of land at present under the various State farms of the Corporation, irrigation water facilities were available for not more than 16,000 acres. In this context the Committee would, in particular, like to point out that Suratgarh farm which was taken up in 1956 still continues to suffer after 17 years of its existence from lack of adequate irrigation facilities. Same is the case with the second largest farm viz. Jetsar. At a time when Government are hard pressed to find foodgrains to sustain the public distribution system, the Committee see no reason why Government could not in all these years take concrete measures to see that irrigation facilities were made available to at least two of these largest farms in the interest of maximising foodgrains production. The Committee would like to be informed of the progress made in switching over the source of supply of water to these farms from Bhakra-Nangal to Rajasthan Canal. The Committee need hardly point out that Central Government in the Ministry of Irrigation and Power who have their representative on both Bhakra Nangal Board as well as Rajasthan Canal Board should be able to ensure that the needful is done without further delay.

#### **Reply of Government**

The Department of Agriculture as also the State Farms Corporation of India had taken up the question of additional irrigation facilities at Suratgarh and Jetsar Farms with the Rajasthan Canal Board as also the Bakhra-Nangal Board. We were informed that additional supplies of water could be made over after the farms are switched over to Rajasthan Canal which will receive sufficient water once the Pong Dam is completed. In the National Seeds Project, Rajasthan is one of the States where it is proposed to set up organised seed production agencies in the form of State seed Corporation. The State Government have yet to finalise their State Seed Project on the basis of the guidelines decided by the Govern-

ment of India. The provision of additional irrigation facilities on Suratgarh and Jetsar are to be included as part of the Seed Project in Rajasthan.

**Recommendation (Serial No. 18, Paragraph No. 5.12)**

The Committee regret to note that no targets for production of seeds were fixed during the Fourth Plan for any of the seed producing agencies. During evidence the Committee were informed by the representative of the Corporation that the total requirements of seeds in the country at the end of the 5th Five Year Plan is 5.3 lakh tonnes in the case of cereals and 7.17 lakh tonnes in the case of commercial crops. According to the Ministry the target for certified seeds of wheat during the Fifth Plan is stated to be of the order of 1 lakh tonnes, out of which the SFCI is expected to meet about 13,000 tonnes i.e., 12.84 per cent of country's requirement. The Committee find that during 1972-73 the SFCI has produced only 122 lakh quintals of truthfully labelled seeds including 5439 tonnes of wheat seed.

The Committee are informed that Government are proposing to take a number of measures to bridge the gap between the demand and the availability.

The Committee recommend that Government should pool the resources of the three seed producing agencies viz., SFCI, NSC and TDC and draw up a coordinated programme of seed production with well defined targets for each, with a view to meet the demand for quality seeds which are required in the interest of stepping up agricultural production. Adequate arrangements should be made to see that quality seeds at reasonable prices are available in time to the farmers.

**Reply of Government**

The Department of Agriculture have worked out the effective demand for seeds of different crops during the 5th Plan. No specific targets can really be worked out as requirements of seeds would arise on the basis of effective demand of the farmers of high quantity seeds which they purchase from outside agencies. In case of self-pollinated crops, the farmers by and large use their own produce for raising crops in subsequent seasons. The Government of India have decided to take up the National Seeds Project and for this purpose the effective demands of high quality seeds have been recalculated on the basis of the experience gained in the past years. The seed production programmes have to be tailored to meet the effective demand as can be forecast a year or two ahead and if production

targets are fixed over a period of 3-4 years ahead and the seed producing organisations are guided only by these targets, there is the risk of accumulation of seeds in the event of poor offtake. The seed production programmes have therefore to be based on a continuous review of likely effective demand.

Under the National Seeds Project it is proposed to step up certified seed production five-fold from a level of 60,000 tonnes in 1974-75 to about 3 lakh tonnes by 1978-79, which has been considered to be the effective seed demand. In 8 States of the country seed development projects are being taken up and for implementation of these projects State Seed Corporations are being established. In these Corporations, the Central State Farms would also participate in the share-capital as grower shareholder. Naturally it is only in those States can the S.F.C.I. become shareholder where Central State Farms are located. Share-capital contribution of the farms will be in proportion to the area put up for seed production. The Seed Projects have worked out the phased programme of certified seed production by these Corporations during the next five years. In the light of this production programmes the individual seed production programme of each of the Central State Farm will be decided and determined.

The National Seeds Project envisages certified seed production to be principally organised through 8 State Seed Corporations and TDC. The National Seeds Corporation is not to take up certified seed production under contract arrangements with individual growers as is the practice today.

The National Seeds Project has been primarily formulated with a view to making larger quantities of high quality seeds available at reasonable prices to the farmers.

#### **Recommendation (Serial No. 26, Paragraphs Nos. 5.67 & 5.68)**

The Committee find that the cost of production of various crops in the Central State Farms have shown an erratic trend. For example the cost of production in the case of wheat has been Rs. 98.58 per quintal in Suratgarh, Rs. 146.72 at Jetsar and only Rs. 42.84 in Hissar during 1970-71. In the case of Suratgarh, the cost of production came down to Rs. 73.56 in 1971-72. In the case of Jetsar farms the cost came down from Rs. 87.17 in 1971-72 to Rs. 79.65 in 1972-73. In the case of Hissar farm, however, the cost of production increased to Rs. 51.83 in 1971-72 and further increased to Rs. 73.29 in 1972-73. The Committee find that one of the reasons for this varying trend was variation in production due to erratic and inadequate irrigation.

crop diseases etc. The cost of production is the interaction of various factors. The Committee feel that there is much scope for standardisation of cost even in agricultural operations especially when such operations are mechanised and the area of coverage is fairly large. The Committee therefore recommend that Government|Corporation should analyse trends in cost of production and the contributory factors each year crop-wise so that all possible economies in cost could be effected.

The Committee would also like that Government as assured to the Committee should undertake an analysis of input-output ratio in various State Farms of the Corporation with a view to lay down suitable and corrective steps as may be necessary.

### Reply of Government

The recommendations of the Committee have been noted.

At the outset it is submitted that the data regarding cost of production supplied to the Committee had not been worked on accepted scientific standards in the absence of systematic analysis of output-input ratio at the various farms. However, in order to implement the recommendation of the Committee, the following action has been taken.

As far as the first recommendation is concerned, State Farms Corporation of India has been directed to undertake a cost of production analysis and crop-wise *inter-alia* including input-output ratio analysis and submit its report to the Government for further examination. However, after examining the data received by them from the various farms, the Corporation have eliminated those crops which were found uneconomical.

As regards second recommendation, the Corporation has also been asked to set up a Planning Cell to carry out an analysis of trends in the cost of production including the input-output ratio. On receipt of the information from the various farms, the Corporation have assured to lay down suitable norms for the purpose. The Corporation have also assured the Government to continue analysing the trends in the cost of production and adopt all possible measures so that economies in the cost of production could be effected.

[Vide Min. of Agriculture and Irrigation (Deptt. of Agri.)  
O.M. No. 7-18016/24/74-FR dated 28-12-1974].

**Recommendation (Serial No. 35, Paragraph No. 7.42)**

The Committee note that the proposals for setting up of new farms in Bihar, Gujarat, Madhya Pradesh and Nagaland are under consideration. The Committee recommend that while considering proposals Government Corporation should keep the main objective of the Corporation viz. seed production in view on the basis of their experience of the work of the State Farms already set up and to ensure that the area made available for the farm is compact, that adequate irrigation facilities are already existing or become available within specified time, the soil and the terrain are suitable for effective utilisation of machinery throughout the year and the project would be financially viable.

The Committee recommend that no new farm should be set up until the Government ensure that estimates of the projects are prepared, financial viability examined and provision of funds therefor is made in the budget and approval thereof obtained from Parliament.

**Reply of Government**

The recommendations of the Committee have been noted.

It has already been decided that the main objective of the Central State Farms will be production of seeds. This important criterion will be kept in view while opening new farms. In addition, the requirements of compact land, irrigation facilities etc. will also be kept in view as already stated in reply to recommendation contained in para 2.8 of the report.

As regards the recommendation of the Committee that no new farms should be set up until the Govt. ensure that estimates of the projects are prepared, financial viability examined and provision of funds is made therefor in the budget and approval thereof obtained from Parliament, it has already been stated in reply to para 2.8 that all the factors regarding preparation of estimates and financial viability will be considered by Govt. before approval is communicated to the opening of a new Farm. As regards the provision of funds of the budget and approval of Parliament therefor for new farms, it may be submitted that normally no separate provision for each farm is made by the Government in the budget for enabling the State Farms Corporation of India to run its farms. Only a lump sum provision is made by way of equity capital and loan and the Corporation is required to draw up its financial budget taking into consideration the outlays agreed upon under the Central Plan Schemes. The provision made in the budget for contribution to the share capital of the State Farms Corporation of India and for grant of loans are placed before Parliament as a part of budget of the Ministry of

Agriculture. The same procedure applies to setting up of new farms after approval of the Planning Commission and Ministry of Finance is obtained to the proposal for setting up of the new farms and the inclusion of provision for this purpose both in the Annual Plan and the budget estimates is agreed to by the Planning Commission/Ministry of Finance. It is felt that in the circumstances explained, the present procedure would meet the requirements of the Committee's recommendations in this behalf.

[Vide Ministry of Agriculture & Irrigation (Department of Agriculture's) O.M. No. 7-18016/5/74-FR dated the 28th December, 1974].

**Recommendation (Serial No. 43, Paragraph No. 8.50)**

The Committee find that the Corporation has also drawn up a scheme for employment of students of Agricultural Universities/Colleges at the Central State Farms so as to enable them to meet a part of their expenses towards their studies. The Committee would like to watch with interest the result of operation of that scheme at Central State Farms at Hissar and Kerala.

**Reply of Government**

With a view to helping poor students of Agricultural Universities/Colleges, the State Farms Corporation of India have drawn up a Scheme to give employment to the Students at the Farms so that during the period of their vacations they may earn something to meet a part of their expenses towards their studies.

In order to implement the Scheme, the steps taken by the Corporation are indicated as under:—

- (i) During 1973 only 3 students from Agricultural University, Coimbatore, joined Central State Farm, Kerala, for a period of one month during June/July.
- (ii) At Hissar Farm, 6 students were employed during the period 10th July to 13th August, 1973. The Corporation also propose to employ some more students in the near future.

The students employed in 1973 at Kerala were employed on Supervisory posts and were paid @ Rs. 250 per month per student whereas those employed at Hissar Farm were for Soil Sampling at the Farm and were paid @ Rs. 8 per day. However, it has now been decided by the Board of Directors on State Farms Corporation of India that the students should be engaged on daily wages.

In addition to the above Farms, permission for employing 6 students at Central State Farm, Khammam (Andhra Pradesh) has already been accorded. Some more students are likely to join at some more Farms.

[Vide Min. of Agriculture and Irrigation (Deptt. of Agri.)  
O.M. No. 7-18016/35/74-FR dated 7-10-1974].

#### **Recommendation (Serial No. 50, Paragraph No. 10.26)**

The Committee find that though percentage of debtors to sales has come down from 18.74 in 1969-70 to 8.89 in 1972-73 the amount of debts outstanding has gone up from Rs. 13.28 lakhs on 30th June, 1970 to Rs. 18.58 lakhs as on 30th June, 1973. An analysis of the debts as on 30th June, 1973 has shown that, out of the total debts of Rs. 18.58 lakhs, debts amounting to Rs. 6.81 lakhs have been outstanding for more than three years in the case of Suratgarh Farm. The Committee recommend that reasons for the long outstandings should be critically analysed and suitable steps initiated to realise the amounts at the earliest.

The Committee would also like special attention to be paid to these debts outstanding for more than three years so that concerted measures could be taken to recover them without further delay.

#### **Reply of Government**

The recommendations of the Committee have been noted.

As per the report of the Committee on Public Undertakings, the amount outstanding as on 30-6-73 was Rs. 18.58 lakhs. Since then, the Corporation has been able to realise the outstanding debts to the extent of Rs. 14.52 lakhs. The outstanding debts at present are Rs. 4.06 lakhs only and the position of the outstanding amount by the time periods in respect of each Central State Farm is indicated in annexure I.

Every possible effort is being made by the Corporation to realize the balance outstanding debts as early as possible by the Corporation.

[Vide Min. of Agriculture and Irrigation (Deptt. of Agri.)  
O.M. No. 7-18016/38/74-FR dated October, 1974].

#### **Further Information called for by the Committee**

What steps have been taken to realise the balance outstanding debts by the Corporation.

[Vide Lok Sabha Sectt. O.M. No. 29-PU/74 dated 15-7-75].

### Reply of Government

As a result of the efforts made it has been possible to reduce the old outstanding debts from Rs. 18.58 lakhs on 30-6-1973 to Rs. 4.88 lakhs as on 31-5-1975. A copy of the statement indicating the debts now outstanding is enclosed (Appendix X). Out of this Rs. 4.88 lakhs a sum of Rs. 2.10 lakhs pertains to the period prior to the formation of the Corporation and is mainly outstanding against certain organisations of Government of Rajasthan. The Farm Director of Suratgarh is in direct contact with various concerned State Departments for the recovery of old dues. In so far as the recoveries of a due of Rs. 1.45 lakhs from Sriganganagar Sugar Mills and National Seeds Corporation is concerned, the question of writing off of the dues is under consideration.

[Vide Ministry of Agriculture & Irrigation (Deptt. of Agr.)  
O.M. No. 7-18016/1/74-FR dated 18-8-75].

### Recommendation (Serial No. 51 Paragraph No. 10.32)

The Committee note that the stock of raw materials, stores and spare parts etc. has increased from Rs. 52.15 lakhs at the end of 1969-70 to Rs. 74.65 lakhs at the end of 1972-73. The Committee find that the value of stores and spares accounted for about 25 months' stock at the end of 1972-73 although according to the norms fixed for the Corporation, the maximum stock level for imported stores is two years' requirement and for indigenous stores 3 months' requirement. The Committee recommend that the Corporation should review the inventory of stores and spares to segregate the imported spares from the indigenous ones to ensure that stock in excess of prescribed limits are not held and capital locked up in stores. The Committee also recommend that the stock of raw materials and stores and spares should be kept under close and continuous review and steps taken to avoid overstocking of these stores.

The Committee are surprised that the stock of finished goods at the end of 1972-73 represent about ten months' turnover. The Committee would like that the reasons for this locking up of stocks should be gone into and suitable guidelines laid down for disposal of the stock to the best advantage of the Corporation.

### Reply of Government

The recommendations of the Committee have been noted. For proper implementation of this recommendation, the State Farms



Corporation, have issued necessary instructions to all the Farms for compliance. The position in respect of each Farm would also be reviewed by the Corporation periodically. The comparative position of the closing stock at the Farms during 1972-73 and 1973-74 in regard to P.O.L., Fertiliser and Stores & Spares is indicated below:—

## 1972-73

Category	Consumption (Rs. in lakhs)	Closing stock (Rs. in lakhs)	Percentage of closing consump- tion	Retention of stock in terms of months
P.O.L.	21.19	2.14	10.10	1.21
Fertiliser	30.53	13.25	43.40	5.21
Stores & Spares	11.18	34.87	329.78	39.57

## 1973-74

P.O.L.	24.18	4.21	17.41	2.09
Fertiliser	36.66	20.82	56.79	6.81
Stores & Spares	16.57	42.70	257.70	30.92

It would be observed from the above details that the stock level of the P.O.L. has gone up. Regarding fertilisers, it would be seen that the stock level denotes 6.70 months requirements only as on 30-6-74 which is considered necessary for the requirements of the Corporation considering the location of certain farms in remote localities and delay in getting the requirements in time. The Corporation have, however, fixed norms for these items and the stocks held are within the stock level prescribed. It would also be observed that the value of stock relating to store and spares is higher than the requirements as these items were mainly received as gift from USSR Government for the Suratgarh Farm. The machines to which these spares relate had already outlived and disposed of, and the Corporation is taking action to dispose them of also.

Regarding laying down of norms by the Corporation, it may be mentioned that in respect of farm produce, it is not considered necessary to lay down the norms as it is sold as quickly as possible.

Regarding finished goods (Farm Produce), the position of stock in terms of value/quantity during the year 1972-73 and 1973-74 is as under:—

	1972-73 (Rs. in lakhs)	1973-74 (Rs. in lakhs)
Sales . . . . .	215.98	329.66
Closing stock (Farm Produce) . . . . .	172.41	225.58
Opening stock (Farm Produce) . . . . .	129.98	172.41
Value of Production . . . . .	271.38	400.72
Percentage of closing stock to production . . . . .	63.53%	56.29%
<hr/>		
<u>(In terms of quantity)</u>		
	<u>(in quintals)</u>	
Kharif . . . . .	90,445	1,00,940
Rabi . . . . .	1,39,402	1,22,490
TOTAL	<hr/> 2,29,847	<hr/> 2,23,430

It would be observed from the above details that the percentage of the value of closing stock of the Farm Produce to the value of production has gone down during 1973-74 from 66 per cent to 61 per cent. The fact that though the value of the closing stock has gone up considerably, the quantity held in stock relates mainly to the Rabi production which came to godown only at the fag end of the year and which could not be sold before the year ending. It may also be stated that the farm produce comes only to the godown twice in a year i.e. at the end of Kharif & Rabi Season only and not at the end of each month as in the case of manufacturing units.

However, the recommendation of the Committee has been noted and the question of issue of necessary guide-lines will be taken up, in case the pricing policy to be laid down does not lead to the reduction of accumulated stock.

[Vide Ministry of Agriculture & Irrigation (Deptt. of Agr.)  
U.O. No. 7-18016/39/74-FR, dated 7th April, 1975].

## CHAPTER IV

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

#### Recommendations (Serial Nos. 4, 5 & 6) (Paragraphs No. 2.22, 2.23 & 2.24)

The Committee find that even though the State Farms Corporation had acquired lands from State Governments and set up farms between the years 1969 to 1973 on lease Agreements have been executed in respect of lands taken on lease except in the case of Lokichera Farm in Mizoram. The Committee also find that in the case of Suratgarh Farm in Rajasthan, the period of lease expired in 1971 but it had not been renewed till 1974. The Committee fail to understand why such inordinate delays in renewal of lease agreements should be there. It is obvious that absence of lease agreements is bound to create a climate of uncertainty which is not conducive to efficient functioning. The Committee recommend that this matter may be accorded the priority it deserves and lease agreements should be executed without further loss of time. Wherever original period of lease has expired, action should be taken to renew the period of lease without further delay.

The Committee feel that Corporation should standardise the form of lease agreement so as to serve as a guide in the matter and help eliminate delays.

The Committee find that except in the case of Cannanore and Raichur Farms where the land was purchased by the Government of India from the State Government the land for other farms was taken on long term lease varying from 15 to 30 years. The Committee are of the view that in the interest of long term planning of State farms in the country, land for the new farms should be for reasonably long periods say 30 years or more.

The Committee also recommend that agreements entered into with State Governments should be firm and conclusive before the Corporation starts investing its scarce resources on the development of the farms.

### Reply of Government

The recommendation of the Committee in regard to execution of lease agreements pertaining to various Central State Farms has been noted. The status of the Government of India/Corporation in regard to the land and the position relating to the drawal or lease agreements where necessary is indicated in the attached statement. (Appendix—I).

As far the lease agreements relating to Suratgarh, Jetsar, Jhar-suguda, Hissar and Jullundur farms, it may be added that the intention was that these farms will be handed over to the State Government in case the period of lease was not extended. Hence the period of 15 years with provision for extension was laid down in the draft lease deeds. However, with the formation of State Farms Corporation of India and the establishment of farms at Chengam and Kokilabari by the Corporation the lease deeds of both these farms have already been entered into for a period of 30 years with provision for extension for a further period of 30 years. As such the recommendation of the Committee that lease agreements with the State Govt. should be for 30 years i.e. for longer periods is being implemented.

The agreements for lease are to be entered into with the State Government of India under the present arrangements. The State Farms Corporation of India is being directed that the main terms of the lease e.g. lease money, period of lease should be firmly and conclusively finalised and got approved by the Government of India before land is taken over, so that there is no hitch at the later stages as the lease agreements have to be entered into between the Government of India and the State Governments.

As regards the recommendation that the Corporation should standardise the form of lease agreement, it may be stated in this connection that broad terms and conditions have already been laid down as indicated below:—

1. The land will be leased by the State Government to the Government of India for a period of 30 years. Any extension of this lease for a further period at the expiry of this period of 30 years would be done by negotiations between the two Governments. The Government of India will be free to appoint the State Farms Corporation of India Ltd., or any other agency for running a Central State Farm on the land.

2. The rent for the lease of land will be Re. 1/- per acre per annum. In addition, the Government of India will pay Land Reve-

nue and such other taxes and cesses as are payable from time to time by the owners of agricultural land in the State.

3. At the expiry of the period of lease of 30 years, if the lease is not extended all machinery at the Central State Farm received as gift from the U.S.S.R. would be transferred free of cost to the Government. Buildings, installed equipment, permanent fixtures and other assets created at the Farm will be handed over to the State Government at depreciated book value.

4. Machinery and equipment (other than the gift machinery, installed equipment, permanent buildings and fixtures) will be handed over to the State Government at depreciated book value if the State Government are willing to purchase them. If the State Government are not willing to purchase them, the Government of India or its agents would be free to remove them.

5. The main purpose of the Farm would be to grow seeds and the programme of seed production will be drawn up by a Committee consisting of the Director of the Farm, the Director of Agriculture and the Chief Agricultural Officer of the State Farms Corporation before each cropping season. The Committee will bear in mind the needs of the State for drawing up this programme.

6. The seed produced at the Farm will be offered first to the State Government and will be disposed off by the Farm in or elsewhere if the State Government does not want to buy it. The State Government will pay for the seed at the current market rates of the seed concerned.

Certain variations have, however, been adopted on request from the State Governments concerned.

[Vide Ministry of Agriculture & Irrigation (Deptt. of Agriculture) O.M. No. 7-18016/8/74—FR dated December, 1974].

#### **Comments of the Committee**

Please see para 3 of Chapter I of the Report.

#### **Recommendation (Serial No. 8 Paragraph No. 3.15)**

The Committee find that in the Hissar Farm which was set up in 1968, against the requirement of 75 Cu. of water assured by the Government of Haryana, the water now available is only 37 Cu. When the Farm is fully developed the requirement of water will be of the order of 80 Cu. on the basis of 10 Cu. for thousand acres of cultivated area. The Committee also note that there is hardly any scope for the Corporation to get additional water supplies

from the State Government until the additional supply of canal water is made available from the Ravi-Beas Complex or by having separate tubewells project. The Committee are surprised that the Corporation had not so far sought the assistance of the Ministry of Agriculture to tackle the irrigation problem at Hissar and has been persuing the matter at the Corporation level. The Committee recommend that Government having siezed of the problem should consider the feasibility of taking up the matter seriously with the Ministry of Irrigation and Power and the authorities of the Beas Control Board to find a solution for this problem in the interest of fully developing the area covered by the State Farm. The Committee would like to be informed of the action taken in the matter.

### **Reply of Government**

The recommendation of the Committee have been noted.

In order to implement the recommendations of the Committee on Public Undertakings, Government of India have requested that Ministry of Irrigation and Power to take up the matter with the State Government and the Beas Control Board to find a solution for providing adequate water supplies at the Central State Farm, Hissar. The reply of the Ministry of Irrigation & Power is still awaited.

In addition to this as per Committee's general recommendation contained in paragraph 3.39 of the Report, Government of India have constituted a Committee of high power experts who will look into the irrigation problems at the various existing Central State Farms. The Committee's report is still awaited and necessary reply will be sent to the Lok Sabha Secretariat on its receipt by the Government of India.

[Vide Ministry of Agriculture (Department of Agriculture)  
O.M. No. 7-18016/11/74-FR dated 5-10-74].

### **Comments of the Committee**

Please see para 16 of Chapter I of the Report.

### **Recommendation (Serial No. 9 Paragraph No. 3.22)**

The Committee find that the Raichur Farm set up in 1969 with an area of nearly 7300 acres under the command of the Left Bank Canal of the Tungabadhra Project is served by two distributories. The irrigation requirements of the farm were calculated at 40 Cu. In spite of the assurance given by the State Irrigation Department

that they will meet this water requirement of the farm, the Committee find that irrigation channels were not being run to their full supply level and the existing channels have to be modified for increasing the water supply. As a result of protected correspondence and discussions with the State Government some temporary heading up of a water had been done by the State Irrigation authorities. In spite of this, the farm was able to get only 11 cu. of water, though the requirement at present is of the order of 48 Cu.

The Committee also note that when the matter was taken up with the Mysore State Government, a suggestion was made by them in October, 1973 that the Corporation should exploit the ground water potential available in the area and have a number of wells so that a system of conjunctive use of ground and canal waters could be arranged. The Committee would like Government|Corporation to tackle this problem in all seriousness with the State Government of Mysore so that remodelling of irrigation channels can be taken up and irrigation water supply provided to the Farm as originally assured. The Committee would also like that the Corporation should as suggested by the State Government consider exploiting the ground water potential of the area, to supplement the canal irrigation by well irrigation.

#### **Reply of Government**

The recommendation of the Committee has been noted.

To implement the recommendation of the Committee, State Farms Corporation of India|Government of India are in correspondence with the State Government of Mysore for taking up the work of remodelling of irrigation channels at the Farm and also agree to the installation of pumping sets on the nearby river banks for the direct pumping of water by the Farm from the river itself. Regarding further progress of the work, Lok Sabha Secretariat will be informed, in due course.

In addition to this, as per Committee's general recommendation contained in paragraph 3.39 of the Report, Govt. of India have constituted a Committee of high power experts who will look into the irrigation problems at the various existing Central State Farms including Raichur Farm. The Committee's report is still awaited and necessary reply will be sent to the Lok Sabha Secretariat on its receipt by the Government of India.

[Vide Ministry of Agriculture (Department of Agriculture)  
O.M. No. 7-18016/12/74-FR dated 5-10-74].

### Comments of the Committee

Please see para 16 of Chapter I of the Report.

#### Recommendation (Serial No. 19 Paragraph No. 3.26)

The Committee note that in the case of Chengam Farm started in 1971, out of 150 open wells which were proposed to be dug up for providing irrigation facilities, only 35 open wells had so far been constructed and most of the crops are being grown under the rain-fed conditions. The Committee were informed that the Corporation was facing certain difficulties in obtaining particular types of equipments from the State Government for the purpose of digging wells and there were also some labour problems.

The Committee would like Government/Corporation to take up the matter at the highest level in the State Government so that these difficulties can be solved and irrigation facilities developed in full at the earliest.

#### Reply of Government

The recommendation of the Committee has been noted.

To implement the recommendation of the Committee the Government have taken up the matter with the Chairman, Central Ground Water Board, New Delhi. In this connection, the Chief Hydrogeologist & Member, Central Ground Water Board have already issued necessary instructions for undertaking the survey work, to the Director, Central Ground Water Board, Southern Region. Further progress in the matter is still awaited and the Lok Sabha Secretariat will be informed of the position, in due course.

In addition to this as per Committee's general recommendation contained in paragraph 3.39 of the Report, Government of India have constituted a Committee of High Power Experts who will look into the irrigation problems at the various existing Central State Farms including Chengam Farm. The Committee's report is still awaited and necessary reply will be sent to the Lok Sabha Secretariat on its receipt by the Government of India.

[Vide Ministry of Agriculture & Irrigation (Deptt. of Agr.)  
O.M. No. 7-18016/13/74-FR dated 5-10-74].



### Comments of the Committee

Please see para 16 of Chapter I of the Report.

#### Recommendation (Serial No. 11 Paragraph No. 3.29)

The Committee note that the water requirement of Kokilabari farm which was set up in 1971 with an area of 5000 acres, is of the order of 40 Cu. and the major period for which the irrigation water would be required is only 4 months i.e. from November to February and this is provided by flow irrigation after diversion of perennial streams. The Committee also note that the Corporation has introduced double cropping to the extent of 910 acres and is proposing to have a *pucca* diversion bund after the survey for the same is completed. Possibilities of irrigating higher spots by lift irrigation are also being examined. The Committee desire that the work in this regard should be completed soon so that the water requirements of the farms are met in full.

#### Reply of Government

The recommendations of the Committee have been noted.

The State Farms Corporation of India have worked out the additional facilities to be created to provide sufficient irrigation facilities at Kokilabari farm. Further the Department of Agriculture have already constituted a High Level Committee of Engineers to examine the irrigation facilities required at the different farms of the S.F.C.I. and what needs to be done. The terms of reference of the Committee are enclosed. (Appendix II). Provision of irrigation facilities at Kokilabari farm is also to be examined by this Committee. As soon as its report is received further action would be initiated.

### Comments of the Committee

Please see para 16 of Chapter I of the Report.

#### Recommendation (Serial No. 12 Paragraph No. 3.32)

The Committee note that the Mizoram Farm set up during 1970-71 covering an area of 1293 acres consists of two units, the Lokichera and Lushaichera. The water requirements for these units were estimated at 5119 lt. per minute and 11943 lt. per minute respectively. At present the source of water supply for Lokichera was only impounded rain water in the four earthen check dams across the deep gullies and another across the perennial Loki Lui nala

flowing through the farm area from which the farm is able to get only about 1706 lt. per minute.

In the case of Lushaichera, the water supply was reported to be from the perennial single Luai and Lushai Lui by lift irrigation and the supply was reported to be sufficient.

The Committee also find that the Central Ground Water Board who had made hydrogeological investigation of the farm had come to the conclusion that ground water development through tubewells was uneconomical.

The Committee hope that Government would take suitable measures to provide the necessary facilities for augmenting the existing water supply arrangements to enable the Corporation to arrange adequate water supply to the Lokichera unit.

#### **Reply of Government**

The recommendations of the Committee have been noted.

The Central Ground Water Board who had made a Hydrogeological investigation of the Mizoram farm had come to the conclusion that large storage of ground water was not expected in the area. They had recommended that a permanent solution would be to increase the height of the existing earthen dams and construction of new ones across the untapped gullies and nearby perennial nallas and streams to harness more water as per needs. The Director of the Farm has been instructed to take necessary action in the matter. The Lok Sabha Secretariat will be informed of the progress in due course.

In addition to this as per Committee's general recommendation contained in paragraph 3.39 of the Report, Government of India have constituted a Committee of experts who will look into the irrigation problems at the various existing Central State Farms including Mizoram Farm. The Committee's reports is still awaited and necessary reply will be sent to the Lok Sabha Secretariat on its receipt by the Government of India.

[Vide Ministry of Agriculture & Irrigation (Deptt. of Agr.)  
O.M. No. 7-18016/15/74-FR date 5-10-74].

#### **Comments of the Committee**

Please see para 16 of Chapter I of the Report.

**Recommendation (Serial No. 13, Paragraph No. 3.39)**

The Committee regret that Government/Corporation do not appear to have learnt a lesson from their experience that there is a wide gap between the promises made at the time of taking over the land for setting up the State farms and the provision of irrigation facilities on assured basis. The Committee would like Government to draw firm guidelines in this behalf so that in future land is not acquired for setting up the farm which does not have already assured means of water supply or it has been established beyond doubt after detailed investigation that adequate water facilities could be developed as per time bound programme which should be specified in that behalf. The Committee have no doubt that Government would carefully go into the economies of the project with particular reference to availability of water before setting up new farms.

As regards the farms which have already been established but which do not have adequate irrigation facilities the Committee would like Government to set up a high power team of experts to review systematically the irrigation facilities in each of the farms and recommend concrete measures for developing the irrigation facilities in order to meet the demand in full in the interest of maximising production.

The Committee would like to be informed of the concrete measures which are taken by the Government/Corporation in implementation of these recommendations.

**Reply of Government**

The recommendations of the Committee have been noted.

In order to implement the recommendations of the Committee, the Government of India have constituted a Committee to look into the irrigation problems at the various Central State Farms. A copy of O.M. No. 7-18016/16/74-FR dated 24th August, 1974, is enclosed.

The terms of the Committee are as under:

- (i) to review systematically the irrigation facilities in each of the farm already set up but which do not have adequate irrigation facilities; and
- (ii) to recommend concrete measures for developing the irrigation facilities in order to meet the demand in full in the interest of increasing production.

The Committee will be informed of the further progress made in the implementation of the suggestions of the Expert Group from time to time. The report of the Group is yet to be prepared.

[Vide Ministry of Agriculture & Irrigation (Department of Agriculture) O.M. No. 7-18016/16/74-FR dated 5th November, 1974]

#### **Further Information called for by the Committee**

- (i) Please state the latest position of each case.
- (ii) What are the guidelines issued by the Government in this regard.
- (iii) Has the Committee of Experts submitted its Report. If so, what are their findings and what action has been taken by Government.

[Vide Lok Sabha Sectt. O.M. No. 29PU/74 dt. 15-7-75]

#### **Further reply of Government**

- (i) A note giving the latest position of irrigation facilities at the Central State Farms, Hissar, Raichur, Chengam, Kokilabari and Mizoram, is enclosed (Annexure).
- (ii) No guidelines have been issued by the Government in regard to the irrigation facilities at the various farms.
- (iii) The Committee of Experts has not so far submitted its report.

[Vide Ministry of Agriculture & Irrigation (Deptt. of Agr.) O.M. No. 7-18016/16/74-FR dated 14-8-75].

### **ANNEXURE**

#### **IRRIGATION FACILITIES**

A note giving irrigation supplies at the Central State Farms, Hissar, Raichur, Chengam, Kokilabari and Mizoram.

*Central State Farm, Hissar:* Only 37 cusecs of water is available for 8 days in a cycle of 24 days. As per the proposed cropping programme, 5,000 acres, will be under Kharif crops "Bajra 1,000 acres; Moong, 1,500 acres, Arhar 300 acres, cotton 1,700 acres and Guar 500 acres. The area under Rabi crops would be 4,500 acres—Wheat 3,500

Gram 500 acres and Mustard 500 acres. For these crops, 40 cusecs of additional water at least for 20 days during the month will be required. At present, water is being made available from the Bhakra System. There is no possibility of increasing the discharge from the Bhakra System to Hissar Farm under the existing conditions. Irrigation Department, Government of Haryana has prepared estimates for remodelling of the existing canals at a total cost of Rs. 200 lakhs for the entire area to be covered under the National Seed Project. There is also a proposal to provide additional water from Satluj Beas Link Project which is expected to be completed within two years time. The estimated expenditure for utilisation of water from this Project for the entire project area is Rs. 270 lakhs. It is necessary that a sum of Rs. 470 lakhs is provided to the Government of Haryana as additional plan resource so that necessary remodelling, lining, and construction of canals from Satluj Beas Link Project could be undertaken and sufficient water provided for the Project area including Hissar Farm.

2. Necessary action for providing additional plan resources of Rs. 470 lakhs to the Government of Haryana for remodelling, lining and construction of canals from Satluj Beas Link Project is being taken separately.

*Central State Farm, Jawalgera (Raichur)*: The total quantity of water available at this farm is 31.0 cusecs. Future cropping programme with details is given below:—

Jowar	.	.	.	3,500 acres
Sunflower				400 acres
Cotton	.	.	.	2,500 acres
				<hr/>
				6,400 acres
				<hr/>

3. The State Government is already committed to provide the necessary quantity of water which is estimated to be 60 cusecs from the Tungabhadra Canal system. The State has also agreed to make the cost of the lining of the left bank of Tungabhadra Canal.

*Central State Farm, Chengam*: The total requirement of water is only 20 cusecs. The present availability is 10 cusecs. It is proposed to get the additional 10 cusecs by construction of open wells. The balance requirement of water will be met from the rains which

are quite heavy in the area. The future cropping programme is given below:—

Maize . . . . .	1,000 acres
Black Gram . . . . .	1,000 acres
Jowar . . . . .	3,000 acres
Groundnut . . . . .	3,000 acres
Small Millets . . . . .	1,000 acres
Castor . . . . .	5000 acres
Sunflower . . . . .	600 acres
Tapioca . . . . .	100 acres
Moong . . . . .	500 acres
Bhindi . . . . .	400 acres
	<hr/>
	11,100 acres
	<hr/>

*Central State Farm Kokilabari (Assam)*: 10 cusecs of water is available through pumping and daming of the streams passing through the farm. The total requirement during Rabi would be about 60 cusecs. The future cropping programme is given below:—

Paddy . . . . .	7,000 acres
Jute . . . . .	2,500 acres
Wheat . . . . .	800 acres
	<hr/>
	10,300 acres
	<hr/>

It would be possible to obtain 60 cusecs of water through the existing small streams either by pumping or daming the streams at appropriate point. Details proposals will be put up after the visit of the Joint Director (Engg.) and Dy. Commissioner (Minor Irrigation), Government of India to this farm in the near future.

*Central State Farm Mizoram*: There is no problem of irrigation at this farm also.

#### Comments of the Committee

Please see para 16 of Chapter I of the Report.

#### AVERAGE YIELD OF PRODUCTION

##### Recommendation: Serial No. 23 (Paragraph No. 5.43)

The Committee find that against the all India average yield of 5.07 quintals of wheat per acre, the farm at Suratgarh achieved an average yield of 7.96, Jetsar 5.85, Hissar 8.06, Raichur 3.76, Ladhawal

4.75 quintals. The Committee also find that the average yield at Jetsar and Ladhawal farms, has been less than the yield in the farms of the State Government in the same area. It has been admitted by the Corporation that "per acreage average yields at our farms are extremely low when compared with those obtained by the Agricultural Universities/Progressive farmers as well as the All India average yields and average yields of respective States."

The Committee recommend that Government should undertake an analytical study to compare the productivity of the farms run by the Corporation with the yield per acre achieved in private farms/State Government/Governmental universities so as to introduce suitable cropping patterns and farm practices in the farms of the Corporation.

### **Reply of Government**

In order to undertake an analytical study to compare the productivity of the farms run by the Corporation with the yield per acre achieved in private|State Government|University farms, the Government of India have decided to entrust this work to the team headed by Prof. P. S. George, Chairman, Central Farm Management in Agriculture, Institute for Management, Ahmedabad.

[Vide Ministry of Agriculture & Irrigation (Deptt. of Agr.)'s O.M. No. 7-18016/17/74-FR dated 8th November, 1974].

### **Further Information called for by the Committee**

(i) Please state the reasons for delay in taking the decision to entrust the work to the team headed by Prof. George.

(ii) What is the latest position.

[Vide Lok Sabha Sectt. O.M. No. 29-PU/74 dt. 15-7-75]

### **Further Reply of Government**

After visiting some of the Farms by the team headed by Prof. P. S. George and their discussions with some of the officers of the State Farms Corporation, it has been observed that with the appointment of Dr. D. P. Singh as Chairman of the S.F.C.I., a number of improvements are being effected at various Central State Farms operations and a detailed calendar of operations is being prescribed. In the light of these changes, the expert team is of the view that the study to be conducted could be deferred for some time.

[Vide Ministry of Agri., & Irrigation, (Deptt. of Agri.)'s O.M. No. 7-18016/17/74-FR dated 14th August, 1975]

### Comments of the Committee

Please see para 20 of Chapter I of the Report.

#### **Recommendations Serial Nos. 24 and 25 (Paragraph Nos. 5.54 and 5.55) Recommendation Serial No. 24 (Paragraph 5.54)**

The Committee find that the actual cost of consumption of POL per acre was of the order of about Rs. 33 in Suratgarh, while it varied from Rs. 16 to Rs. 38 in Jetsar, from Rs. 28 to Rs. 31 in Hissar during the period from 1969-70 to 1972-73. The Committee, however, find that the cost per acre of consumption of POL in the case of Raichur Farm in 1972-73 was Rs. 90, an abnormally high figure. In the case of Ladhawal, the rate was Rs. 175.86 per acre during 1971-72 and in the case of Cannanore it was Rs. 109.84 per acre during 1972-73. The Committee need hardly stress that such heavy costs on POL are bound to affect adversely the cost of production. The Committee recommend that Government should investigate into the causes of these high rates of consumption of POL per acre in Raichur, Ladhawal and Cannanore with a view to ensuring that these are not due to pilferages or thefts, or wasteful practices etc. The Committee also recommend that the Corporation should on the basis of experience of working of the machinery fix suitable norms for consumption of POL per acre so that abnormal increases are readily identified and remedial measures taken without delay.

The Committee recommend that the Corporation should, on the basis of working machinery in the different farms, fix suitable norms for the different types of agricultural operations and work out standard costs therefor so that any variations from these norms or the costs could be analysed and remedial measures taken to effect economies in the cost of operations and consequently in the cost of production.

#### **Reply of Government**

The recommendation of the Committee has been noted.

The Government of India have deputed a senior technical officer of the Ministry of Agriculture who will investigate into the causes of high rates of consumption of POL per acre in Raichur, Ladhawal and Cannanore, with a view to find out whether these were due to pilferages or thefts, or wasteful practices etc. The report of the study in question is yet to be received and a reply to this recommendation will be sent to the Lok Sabha Secretariat, in due course. As regards the recommendation for the fixation of



norms for consumption of POL etc. is concerned, necessary background data from the respective Farms are being collected to examine it before the norms are fixed. As soon as the data is received necessary action will be taken and report will be sent to the Lok Sabha Secretariat.

[Vide Ministry of Agriculture (Deptt. of Agri.)'s  
O.M. No. 7-18016/21/74-FR dated 5th October 1974].

#### **Recommendation (Serial No. 25—Paragraph 5.55)**

The Committee recommend that the Corporation should, on the basis of working of machinery in the different farms, fix suitable norms for the different types of agricultural operations and work out standard costs therefor so that any variations from these norms or the cost could be analysed and remedial measures taken to effect economies in the cost of operations and consequently in the cost of production.

#### **Reply of Government**

\* \* \*

\*\*\*As regards Recommendation No. 23 (Para 5.55) is concerned the reply to this Recommendation has already been covered in the reply already sent to the Lok Sabha Secretariat in the Action-taken statement in respect of para 5.54. However, a reply to this effect is being sent to the Lok Sabha Secretariat separately.

[Vide Ministry of Agriculture & Irrigation (Deptt. of Agr.)  
O.M. No. 7-18016/1/74-FR dated 26/28-7-75].

#### **Further Reply of Government**

A review is being made every month of the actual P.O.L. consumption by various tractors and this is compared with the norms so as to locate cases of abnormal consumption. The Corporation has also since fixed norms of Agricultural operations for different crops. Based on these norms, the norms of diesel consumption per acre are also being fixed separately. After these have been fixed, it would be possible to work out standard cost.

Various norms laid down by State Farms Corporation of India are given in the attached statement [Appendix V].

[Vide Ministry of Agriculture & Irrigation (Deptt. of Agriculture)  
O.M. No. 7-18016/1/74-FR dated 18-8-75]

### Comments of the Committee

Please see para 25 of Chapter I of the Report.

#### Recommendation (Serial No. 27—Paragraph No. 6.19)

The Committee note that the seeds produced by the Corporation are at present "truthfully labelled" as distinct from the seeds produced and marketed by National Seeds Corporation and Tarai Development Corporation which carry the label 'certified seeds'. Though the Corporation claim that there is no difference between the 'truthfully labelled' seeds and the 'certified seeds' of the National Seeds Corporation and Tarai Development Corporation, the fact is that they have been pricing their seeds lower than the 'certified seeds' so as to stand competition in the market. The Committee consider that Government should have a well-coordinated policy in the key sector of providing good quality seeds as an essential input for achieving optimum production of foodgrains. The Committee feel that both in the interest of inspiring confidence in the farmers as also to get better prices, it is high time that the seeds of the Corporation are also examined for quality and marketed as 'certified seeds'. The Committee cannot but strongly urge the need for closer coordination between all the Corporations engaged in the production and marketing of seeds.

As regards pricing policy to be followed for marketing of seeds, the Committee agree that there has been an element of competitiveness between the Corporations in the interest of sustaining and improving the quality and reducing the cost of production. Nevertheless it is obvious that there should be a well-shorted out and co-ordinated pricing policy in the interest of ensuring that the seeds are made available to the farmers at reasonable prices and that the Corporations do not suffer a loss in this process. The Committee note that the Government have belatedly realised the importance of evolving such a policy of coordination and consultation with the Agricultural Prices Commission and the Corporations concerned. The Committee would like this matter to be processed with utmost expedition. The Committee should be informed within three months of the pricing policy evolved by the Government and the action taken by the Corporation in implementation of the same.

#### Reply of Government

The Government of India have decided that the seed production organised at the Central State Farms should be invariably got certified. This has been put into vogue by the new Chairman of the

Corporation. As far as the pricing policy of seed is concerned, it may be stated that a detailed policy is being evolved. Under the National Seeds Project twin objectives of ensuring that large quantities of high quality seed material is used in the traditional seed producing areas and also with a view to avoiding the diversion of seeds for consumption purposes other than as seed in deficit areas are being kept in view. In this connection it may be relevant to state that as a result of inter-zonal movement restrictions on the movement of cereals from one zone to another the price of grain varieties considerably from surplus areas to deficit areas like for example Punjab, Haryana on the one hand and West Bengal and Maharashtra on the other, in the case of wheat. Since the grain prices in the deficit areas are much higher than in wheat surplus areas, fixation of standard price of wheat after taking into consideration the market price of grain in the deficit areas make the seed prices unattractive for the farmers to take the certified seeds in traditionally surplus areas. In the National Seeds Programme a dual pricing policy is to be adopted so as to ensure that the prices of seeds in surplus areas would be less than those of deficit areas. Often times on account of differences in grain prices in different States seed price is fixed in relation to market prices in the deficit areas, since if the seed prices are less than the grain prices in the deficit areas this would result in use of seed for human consumption. It is being envisaged under the National Seeds Programme that all marketing agencies like the State Seed Corporations or National Seeds Corporation may work on service charge basis which would result in considerable lowering of sale price of certified seeds.

#### **Comments of the Committee**

Please see para 28 of Chapter I of the Report.

#### **Recommendation (Serial No. 49—Paragraph No. 10.18)**

The Committee are surprised to note that although the Corporation was set up as far back as 1969, the fixed assets of the Corporation have not yet been transferred in the name of the State Farms Corporation of India. The Committee were informed that the delay was due to the non-receipt of the varification and certificate of assets and liabilities by the Accountant General, Haryana.

The Committee deplore this inordinate delay and recommend that this matter should be pursued and settled without any further loss of time.

### Reply of Government

The recommendation of the Committee has been noted.

The certified statements of the assets and liabilities of the various Central Farms as on 31-7-69 have been received by the Corporation from the respective Accountants General. These are being consolidated by the State Farms Corporation of India. The consolidated statement of assets and liabilities will be placed before the Board of Directors for their approval and onward transmission to Government for approval. As soon as the statements are approved by the Government, a deed of transfer of the assets and liabilities would be drawn up in consultation with the Ministry of Law and executed with the Corporation.

[Vide Ministry of Agriculture & Irrigation (Deptt. of Agriculture)  
O.M. No. 7-18016/37/74-FR dated the 28th December, 1974]

### Comments of the Committee

Please see para 31 of Chapter I of the Report.

### Recommendation (Serial No. 54, Paragraph No. 11.20)

The Committee note that the actual staff strength of the Corporation has increased from 792 as on 30th June, 1971 to 990 as on 30th June, 1973. The sanctioned strength as on 30th June, 1973 is stated to be even higher, i.e., 1200. Besides the Corporation has a sizable strength of casual labourers. The Committee find that the Corporation has not as yet fixed any staffing norms. The Committee recommend that while reviewing the organisational set up of the Corporation a review of the staffing pattern should also be undertaken in order to fix appropriate norms for the different categories of staff.

The Committee also recommend that as agricultural operations are of a seasonal nature, regular staff of the Corporation should be trained in more than one operations and skills in the interest of greater utilisation of staff and effecting economies in expenditure.

### Reply of Government

The recommendations of the Committee have been noted. The State Farms Corporation of India is fixing up staffing norms to be adopted at various farms. The Recommendation that agricultural operations being of seasonal nature, regular staff of the Corporation should be trained more than on one operation or skill is being taken note of while arranging for training programmes etc.

[Vide Ministry of Agriculture & Irrigation (Deptt. of Agriculture)  
O.M. No. 7-18016/1/74-FR dated 26/28-7-75]

**Further Information called for by the Committee**

Please give details of the staffing norms and result thereof.

[Vide Lok Sabha Sectt. O.M. No. 29-PU/74 dt. 15-7-75]

**Reply of Government**

It has not yet been possible to fix the norms. In so far as the Ministerial staff is concerned a study of the organisational set up of the Head Office of the Corporation has been completed by the Deptt. of Administrative Reforms and report has since been received. The report is under consideration and further follow-up action would be taken shortly.

In so far as norms for the ministerial staff at the Farms is concerned, Ministry of Agriculture which had agreed to send its work study team to the farms, was expected to send its Team in August, 1975.

In so far as Engineering Staff at the farms is concerned, the Farm Director and other organisations, namely, State Agro Industries Corporation, State Farming Corporation etc. had been approached. The reports from some of them have been received. From some of these organisations, replies are still awaited. Further action would be progressed in the light of the reports received, and norms fixed.

Norms for agricultural staff are under consideration and are expected to be finalised shortly.

[Vide Ministry of Agriculture & Irrigation (Deptt. of Agriculture)  
OM. No. 7-18016/1/74-FR dated 18-8-75]

**Comments of the Committee**

Please see para 35 of Chapter I of the Report

## CHAPTER V

### RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

#### **Recommendation (Serial No. 15—Paragraph No. 4.18)**

The Committee note from the Report of the Experts Committee appointed to examine the losses of Jetsar Farm that the norms of the different operations by the tractors had not been strictly adhered to and in some of the cases, the out-turn of the tractors was much less than the norms fixed. The Committee were informed that utilisation of plant and machinery being seasonal the machinery were provided according to the schedules of operations fixed with reference to the cropping programme of each of the farms, their utilisation watched through monthly progress report from the farms. The Committee were also informed that 50 per cent machines were being sent to workshop for maintenance, major overhauling and periodical check up during the off-seasons. The Committee recommend that utilisation of machinery should be critically reviewed with the reference to the norms fixed for the purpose so that wide variations from the norms analysed with a view to taking suitable steps for a proper deployment of the same to achieve maximum output.

The Committee also note that the farms had not been maintaining proper records of servicing and maintenance with the result that the farms authorities have not been able to carry out timely servicing and maintenance. The Committee need hardly emphasise the importance of prescribing proper schedules for periodical maintenance so that the maintenance and overhauling of machinery are done on the scheduled dates to prevent undue wear and tear and achieve economic utilisation of machinery. The Committee also recommend that proper records of such periodical maintenance and repairs should be kept in the appropriate log books of the machinery and these should be reviewed regularly with a view to taking timely action for periodical maintenance.

#### **Reply of Government**

The recommendation has been noted.

The State Farms Corporation of India have taken all the precautions to ensure that the outputs at various operations by the

machines are analysed with reference to the expected norms so that remedial action may be taken wherever outputs achieved are less. The Operation-wise output is intimated every month to the Head office of the Corporation by the farms in the monthly progress reports. This is analysed at the Headquarters office whenever any wide variations are noticed, reasons thereof are ascertained from the farms and they are instructed to take necessary remedial measures. The farms are also maintaining the log books wherein the record of the periodical maintenance and repairs is kept. The Corporation have already issued instructions to send the annual statements of the maintenance work done during the year on various machines. However, on the basis of the recommendation of the Committee on Public Undertakings, the Corporation have issued fresh instructions to the farms to ensure that the various recommendations are continued to be implemented.

[Vide Ministry of Agriculture & Irrigation (Deptt. of Agr.)  
O.M. No. 7-18016/10/74-FR dated the 28th December, 1974]

**Further Information called for by the Committee**

- (i) What improvement has been affected in output of tractors is not clear?
- (ii) Please furnish comparative figures in respect of each farm.

[Vide L.S. Sectt. O.M. No. 29-PU/74 dt. 15-7-75]

**Recommendation (Serial No. 16—Paragraph No. 4.28)**

The Committee note that in order to improve the utilisation of machinery, the Corporation had been taking up the work of the land levelling, land reclamation and soil conservation on behalf of private parties on payment. Repairs and servicing of private tractors and other equipment was also undertaken at Workshops of the farms.

The Corporation decided in April, 1971 to explore possibility of getting adequate custom work preferably within a radius of 10 km. from the farms. The Committee find that necessary instructions in this regard had been issued to the farm authorities in February, 1973 for utilising the idle machinery by taking up custom work around the farms. The Committee find that during the period from 1969-70 to 1972-73, the Corporation had earned a total sum of Rs. 23.49 lakhs for custom work. The Committee are informed that the question of expansion of custom servicing was being considered by the

Corporation as part of their proposals for the Fifth Plan. The Committee recommend that the Corporation should critically evaluate the working of the scheme before considering the expansion of the scheme to other units of the Corporation or elsewhere. The Committee also recommend that the Corporation should prepare separate proforma account to enable a proper assessment of the working of the scheme. The Corporation should ensure that the rates charged for the custom work are comparable with rates charged by State Agro Industries Corporations and should in no circumstances result in loss.

#### **\*Reply of Government**

The recommendations of the Committee have been noted. As recommended by the Committee, instructions are being issued to the Directors of the Central State Farms to maintain a separate proforma account for the custom land development work so as to enable a proper assessment of the land reclamation scheme.

As far as the question of establishment of a separate land reclamation and development wing in the State Farms Corporation of India is concerned, the Corporation is preparing the scheme to be taken up as one of its Fifth Five Year Plan activities. The recommendations of the Committee in regard to the rates to be charged will be kept in view while fixing the unit rate for land development work to be undertaken on custom basis.

[Vide Ministry of Agriculture & Irrigation (Deptt. of Agr.)  
O.M. No. 7-18016/22/74-FR dated the December, 1974]

#### **Further Information called for by the Committee**

(i) Has the working of the present scheme been critically evaluated and if so, the result thereof?

(ii) Please furnish a copy of the instruction issued to the Directors, C.S. Farms.

[Vide L.S. Sectt. O.M. No. 29-PU/74 dt. 15-7-75]

#### **Recommendation (Serial No. 33—Paragraph No. 7.19)**

The Committee were also informed that the Fifth Plan proposals of the Corporation are to be finalised after discussion with SFCL. The Committee would like to be informed of the outcome of the discussions and also the regularisation of the expenditure already incurred on the farm.

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\*At the time of factual verification, the Corporation stated that they had decided to discontinue custom work on behalf of private parties in order to utilise the machine power at their own farms.



### Reply of Government

The recommendation has been noted.

The Fifth Plan proposals of the State Farms Corporation of India have been discussed with the Planning Commission on the 10th July, 1974. However, at the meeting it was decided that the total investable programme of State Farms Corporation might be placed at Rs. 6 crores on the existing farms including those at Khammam, Rai Bareli and Bahraich and a new farm in Madhya Pradesh which was the only plausible case in the context of constraints on resources and the requirements of seeds. This could be broadly expected to be taken care by the Fifth Plan Outlay of Rs. 5 crores (including of internal resources) supplemented by institutional borrowing of Rs. 100 lacs estimated by the State Farms Corporation. It was decided that the Corporation should formulate a revised write up of its Fifth Plan proposals and refer them to the Ministry of Finance for consideration. A copy of the revised write up containing these proposals may also be sent to the Planning Commission for record. The revised write up is under preparation of the Corporation and has not yet been received from that end. As soon as the revised write up is received the approval of the Ministry of Finance and Planning Commission will be obtained for the detailed proposal.

[Vide Ministry of Agriculture & Irrigation (Deptt. of Agr.)  
O.M. No. 7-18016/27/74-FR dated Jan. 1975].

### Further Information called for by the Committee

Please state about the latest position regarding preparation of the write up?

[Vide L.S.S. O.M. No. 29-PU/74 dated 15-7-75].

### Further reply of Government

The finalisation of the revised write up of the Fifth Five Year Plan of the State Farms Corporation of India is held up on account of the fact that the National Seeds Project has not yet been finalised.

[Vide Ministry of Agriculture & Irrigation (Deptt. of Agr.)  
O.M. No. 7-18016/27/74-FR dt. 18-8-75].

### Recommendation (Serial No. 44, Paragraph No. 9.13)

The Committee find that at present the State Farms Corporation are not having any research and development activities and the experience of I.C.A.R. and the Agricultural universities was being

made use of by them. The Committee find that according to a scheme costing Rs. 8.16 lakhs approved by the Planning Commission in July, 1973 for pre-release multiplication of the seeds developed by the scientists under All India Coordinated Crop Improvement Project, nucleus seeds of pre-release varieties of wheat, rice, soyabean, maize, Jawar, bajra, pulses, cotton, mustard and sunflower etc. would be multiplied at the mechanised State Farms of the Corporation at Hissar, Suratgarh, Jetsar, Raichur and Jullunder under the supervision of a senior seed scientist. The details of the scheme are yet to be cleared by I.C.A.R. It has, however, been claimed that the scheme would enable the country to speed up the development of high yielding seeds and make them available in sufficient quantities in the interest of increased production. It is claimed that it would enable the country to earn foreign exchange by exporting seeds of high yielding varieties of foods and fibre and pulse crops. The Committee would like Government to have the scheme finalised at an early date.

The Committee recommend that the State Farms Corporation of India should keep itself abreast of results of research conducted by the Indian Council of Agriculture Research and the Agricultural Universities in the country so as to put them to best use and achieve higher production.

#### **Reply of Government**

The recommendations of the Committee have been noted that the S.F.C.I. and the N.S.C. liaison closely with I.C.A.R. and agricultural universities about the results of agricultural research. The Deputy Director General of the I.C.A.R. is also being placed formally on the Board of Directors of the S.F.C.I. In addition under the National Seeds Project both the representatives of the S.F.C.I. and the agricultural universities will be on the Board of State Seed Corporations and as such liaison with agriculture universities in the States will also be easily achieved.

#### **Further Information called for by the Committee**

Please indicate the details of the National Seeds Project together with its implications.

[Vide L.S. Sectt. O.M. No. 29-PU/74 dt. 15-7-75].

**NEW DELHI;**

9th September, 1975

18th Bhadra, 1897(S)

**NAWAL KISHORE SHARMA,**

Chairman,

Committee on Public Undertakings.

## APPENDIX I

(Vide Paragraph No. 2 (Reply to Recommendation at Serial Nos. 4, 5 & 6))

Name of the Farm	Status under which land is held by the Govt. of India/State Farms Corporation of India
1	2
1. <i>Suratgarh</i> (Rajasthan)	<p>The land (30,000 acres) was taken from the State Government on lease in August, 1956 for an initial period of 15 years. The lease expired during 1971. The State Govt. desires that the Govt. of India should purchase the land. The question of extension of lease or outright purchase at negotiated price is still under consideration.</p> <p>The Govt. of India have requested the State Govt. that the land should continue to be in the possession of the Govt. of India and the State Farms Corporation of India till a final decision is taken regarding extension of lease or outright purchase as suggested by the State Government at a negotiated price. The State Govt. have recently pointed out that in 1968-69, the value of the land was more than Rs. 20 crores. However, in order to sort out this long outstanding case, a meeting was held on 5-9-74 between the Minister of Agriculture and Chief Minister of Rajasthan. During this meeting it was decided to set up a three member team who will assess the value of the lands for the purpose of outright purchase. The team would also assess the investment made by the Govt. of India/State Farms Corporation of India for purposes of determining the basis for profit sharing.</p> <p>The State Farms Corporation of India Functions as the agent of the Govt. of India and fulfils the lease terms <i>e.g.</i> payment of rent etc. to the State Govt. on behalf of the Govt. of India.</p>
2. <i>Jetsar</i> (Rajasthan)	<p>The Land (20,000) acres was taken over in 1964, from the Rajasthan Government who had agreed to give land on lease for the Jetsar Farm on the same terms &amp; conditions as had been agreed to in the case of land taken over for Suratgarh Farm. The original period of lease of 15 years will expire in 1979.</p> <p>The area of 20,000 acres originally earmarked for the Farm was handed over by the Rajasthan Government and was in the possession of the Farm till June, 1971. On 30th June, 1971, at the request of the Chief Minister, Rajasthan and the Minister for Irrigation and Power, it was decided with the approval of the Minister of Agriculture that an area of 6872 acres may be</p>

surrendered to the Rajasthan Government for the rehabilitation of cultivators ousted from their land due to the construction of the Pong Dam.

3. *Hissar* (Haryana)

The State Government had earmarked 8,000 acres for the Central State Farm, Hissar, out of which they have so far handed over about 7,000 acres. The land has been taken on lease in August, 1968. The initial period is for 20 years with permission for extension of the lease deed by mutual agreement by both sides.

The draft lease terms had been finalised for the combined Sheep breeding Farm and the Central State Farm in consultation with the Animal Husbandry Division in January, 1974. However, in February, 1974, the Chief Minister, Haryana, wrote to the Minister for Agriculture that the land of the Farm may be handed back to the State Govt. as the farm authorities were not following the draft lease terms. A detailed reply was sent to the Chief Minister on 3-4-74 that the land of the Farm may continue to remain with the Government of India as per the original terms. No further reference has been received from the Chief Minister. However, the State Government have been reminded about the finalisation of the Lease on 22-5-74.

4. *Jharauguda* (Orissa)

An area of 8,000 acres was earmarked by the State Government. The land of the farm was to have been taken over from the Govt. of Orissa on lease in a phased manner. In all 5,742 acres of land was transferred by the State Government between April, 1967 to June, 1968. An additional area of 1092 acres was in the process of being handed over in May, 1969, when the opposition from the local villagers for cultivation by the Central State Farm was started. The conditions of lease have not been finally settled and the lease deed has to be executed.

However, on account of continued losses, it was decided in 1972 to retain only 2,000 acres and surrender the balance of land. This land was surrendered to the State Government on 2-5-72 pending selection of an alternative site for Central State Farm in Orissa. No draft lease deed has been prepared on account of the uncertainty of the continuing of the Farm.

The Committee of Public Undertakings who examined the State Farms Corporation of India have recommended that the Farm should be closed. The Managing Director, State Farms Corporation of India has been requested on 31-5-74 to let us know if the alternative sites suggested by the State Government have been found suitable and if in case no Central State Farm can be set up in Orissa, the Corporation could withdraw its activities from the State.

\*At the time of factual verification, the Corporation stated "the balance area of 2,000 acres had been handed over to the state Government on 22nd December, 1974."

5. **Rajohur (Mysore)** . The land for the Central State Farm was acquired under the Land Acquisition Act and the compensation is based upon the awards of the Land Acquisition Collector from time to time. However, on the basis of a letter received from the State Government in November, 1970, the average compensation per acre after taking into account all the charges excluding establishment Charges came to Rs. 815/- per acre, on the basis of the Land Acquisition Award. The Land Acquisition proceedings have been challenged by claimants in the court of Law. The land value claimed by the disputants is Rs. 4000/- per acre. According to the original agreement, we are committed to pay Rs. 750/- per acre. Secretary (Agri.) in his letter dated 16-1-71 had made the point that in the event of the cost of Acquisition exceeding Rs. 750/- per acre, the Mysore Govt. might have to be called upon to bear the additional cost. The Chief Secretary, Mysore Government wrote on the subject in July, 1971 and Mysore Government was requested to give a categorical assurance that the price of Rs. 815.47 will be the final payment and there will be no further increase. In December, 1971, the State Govt. pleaded their inability to make a categorical statement in the matter. The matter is awaiting a decision of the court on the appeals filed by the disputants against the Land Acquisition Awards. However, on the basis of Rs. 750/- per acre, we have reimbursed the Mysore Government a sum of Rs. 54,61,275/-. The Mysore Government who were requested to send us a draft transfer deed cannot be sent unless a decision is taken by the Court in regard to appeal for enhanced compensation and the full compensation on land is paid by the Central Government.
- The matter is under consideration.
- 6 **Cannanore (Kerala)** . . In accordance with the agreement with the Kerala Government, we are committed to pay Rs. 250/- per acre. On this basis we have paid the Kerala Government a sum of Rs. 18,42,083.00. However, the Kerala Government are committed to pay a sum of Rs. 70.15 lakhs as compensation to the private land owners.
- We have not yet written to the State Govt. for draft transfer deed as the entire land earmarked for the Aralam Farm has not been handed over.
- 7 **Ladhowal (Punjab)** . Due to certain political reasons, it was not possible for the State Government to hand over the land selected. On repeated pressure, the Punjab Govt. in August, 1971 handed over the land belonging to the Land Development and Seed Corporation of Punjab an area of 2746 acres at Ladhowal in lieu of the land earlier earmarked for the purpose of setting up of Central State Farm. The land is on lease for 20 years in the first instance and the lease may be renewed at the expiry of 20 years, by mutual agreement for specified period.

- 8 Chengam (Tamil Nadu)\* The Govt. of India holds the land on lease. An area of 9811 acres had been earmarked for the Farm by the State Government.
- The lease period will be for 30 years subject to its extension by mutual agreement.
- The boundaries of the land including about 2,000 acres land in possession is being demarcated.
- The broad draft lease terms communicated to the State Government have been approved by the Ministry of Finance and the State Government have been requested to forward a draft lease deed on 22-10-74.
- As the areas has not yet been properly demarcated draft lease deed has not yet been received.
- The State Government have been requested to expedite the work of demarcation.
- @9 Kokilabari (Assam) The Govt. of India holds the land on lease. Though the State Govt. agreed to hand over 10,000 acres of land, it could give only 5,000 acres. Another area of equal size adjoining the present area and free from all incumbrances is being located by the State Govt. Since the land is located in the Forest Vacon near Manas sanctuary, the I.G.F. has protested in acquiring the present land as well as the additional land in the adjoining Forest area. The matter is under consideration as the contour map of the site required by the Inspector General of Forests has not been furnished by the Corporation. As such this done, the opinion of the I.G.F. will be submitted to Minister for decision. Deputy Secretary (SP) was to discuss the matter with the I.G.F. The land is on 30 years lease but the lease may be extended at expiry for another period of 30 years subject to mutual agreement.
- The State Govt. have been requested to forward the draft lease deed on 17-9-73. A reminder has been issued on 21-5-74.
- 10 Lokichera (Mizoram) The land (275 acres) is held on lease by the Government of India. The period of lease will be 7 years from 1970 on the condition that when the land reverts to the Distt. Tribal Council, the Council would pay for the assets on their book value. The lease deed has been executed.
- 11 Lusbaichera (Mizoram) The land (980) acres has been taken over in 1972. The lease terms are the same as for Lokichera.

P.S. Reasons of delay in the renewal/finalisation of leases of land of various Central State Farms are indicated in the Annexure.

\*At the time of factual verification, the Corporation stated that "at present the area under Corporation's possession is 8,321 acres and not 2,000 acres as mentioned in the Report. The draft lease deed as approved by the Ministry has been sent to Chengam Farm to get it signed from the State Government authorities.

@A meeting was convened on 5th July, 1975 to discuss the question of transfer of Kokilabari Farm to the Manas Sanctuary for the project 'Tiger'. The State Government was reminded even by the Corporation for finalising the draft lease agreement. The State Government was last reminded on 17-1-1975.

## ANNEXURE

### *Reasons of delay in the renewal/finalisation of leases of land of various Central State Farms*

1. **Suratgarh:** The lease could not be finalised due to the following reasons:—

- (i) Delay on the part of the State Government in the furnishing of information relating to the land of the Farm handed over by the State Government and which was to be included in the Schedule to the draft agreement.
- (ii) The delay on the part of the State Government to agree to the terms and conditions of lease agreed to at various meetings held from 1959 onwards mainly relating to the option for extension of lease for a further period of 15 years and the incorporation of new conditions from time to time by the State Government relating to payment of various cesses and taxes leviable under the State Land Tenancy Laws enacted from time to time.

**Jetsar:** The land for this Farm was handed over by the State Government on the same terms and conditions of lease for the Suratgarh Farm. However, as the lease deed for the Suratgarh Farm could not be finalised, the lease deed for this Farm could not also be finalised. However, on the basis of the discussion held with the State Government in regard to terms and conditions of Suratgarh Farm, a draft lease deed has been prepared and forwarded to the State Government on 4th May, 1973. The approval of the State Government to the draft lease is awaited.

**Jullundur:** The terms and conditions for the land of 10,000 acres originally earmarked for the Farm had been finalised in 1969. However the land could not be handed over by the State Government due to squatters problems and the State Government handed over the land belonging to the Land and Seed Development Corporation in 1971 and the terms and conditions had to be varied as the assets and employees of the Land and Development Corporation had to be taken over the State Farms Corporation of India.

The draft terms and conditions had been under consideration in consultation with the Ministry of Finance. Recently on 24-6-74 they

have raised certain objections suggesting certain modifications which have to be considered in consultation with the State Farms Corporation of India.

**Hissar:** The land for the Farm was handed over by the State Government for the Sheep Breeding Farm as well as the Central State Farm. The question of executing separate agreement in respect of these farms or a combined agreement for both the Farms had been under consideration. Finally it was decided to have a combined agreement. The draft lease terms have been finalised in consultation with the Animal Husbandry Division and the State Govt. and these had been forwarded to the State Government for their approval on 20-5-71.

However after sending the draft lease, it was observed that para 1 of the draft agreement had not been amended in accordance with the Clause 8 of the draft agreement which provides that after the period of the lease of 20 years, the lessee will have option to extend the term of lease by another period of 20 years. In view of this, a fresh communication to the State Government requesting them to substitute Clause I of the draft agreement was sent on 8-6-71 for their concurrence.

In reply, although the State Government did not seem to be adverse to the substance of the Clause, but considered it redundant. The case, however, was re-examined by the Ministry and considered that the purpose could be served by amplifying Clause I of the agreement to incorporate the substance of Clause 8 and the State Government was addressed accordingly on 16-12-71. In reply, the State Government on 18-5-72 stated that there seems no need to amplify Clause I of the draft agreement and also stated that the question of extension of the lease term for another 20 years by mutual agreement could be taken up in the normal course. On re-examining the case, the Secretary (Agri.) directed that we should ask the State Government to agree to the automatic extension of 10 years as a measure of compromise and State Government was addressed accordingly on 5-7-72. In reply the State Government reiterated their view not to amplify Clause I of the draft lease agreement and again stated that the question of extension of the lease term for another 10 or 20 years could be taken up in the normal course after expiry of the present term of 20 years.

On 9-9-72, Secretary (Agri.) himself wrote a D.O. letter to Chief Secretary, Rajasthan and mentioned that looking to the terms and conditions initially offered by the Chief Minister, Haryana and accepted by the Union Minister for Agriculture and also taking into



account the views of Animal Husbandry Division that the lease period for the Sheep Breeding Farm should be for a longer period, we would not like to insist the lease period to be more than 20 years to start with a proviso for automatic extension for another 10 years.

The State Government on 26-6-74 have communicated their approval to the terms and conditions incorporated in the draft agreement subject to the condition that the question of extension of the lease term for another 10 years or so may be taken up in the normal course after expiry of the present term of 20 years.

This is under examination.

**Jharsugada:** The draft lease deed could not be finalised on account of the uncertainty of continuance of the Farm in view of continued losses.

**Raichur (Mysore):** The Mysore Government who were requested to send us a draft transfer deed in respect of the land have stated that the draft transfer deed cannot be sent unless a decision is taken by the Court in regard to appeals for enhanced compensation and the full compensation on land is paid by the Central Government.

The matter is under consideration.

**Cannanore (Kerala):** We have not yet written to the State Government for draft transfer deed as the entire land earmarked for the Aralam Farm has not been handed over.

**Chengam (Tamil Nadu):** As the area has not yet been properly demarcated, draft lease deed has not yet been received.

The State Government have been requested to expedite the work of demarcation.

**Kokilabari (Assam):** The land is on 30 years lease but the lease may be extended at expiry for another period of 30 years subject to mutual agreement. The State Government have been requested to forward the draft lease deed on 17-9-73. A reminder has been issued on 21-5-74.

**Lokichera (Mizoram):** The lease deed has been executed. The period of lease will be 7 years from 1970 on the condition that when the land reverts to the Dist. Tribal Council, the Council would pay for the assets on their book value.

**Lushaichera (Mizoram):** The lease terms are the same as for Lokichera.

## APPENDIX II

[Vide Reply for Recommendation at Serial No 11]

No. 7—18016/16/74-FR

BHARAT SARKAR

KRISHI MANTRALAYA

(KRISHI VIBHAG)

*New Delhi, dated the 24th August, 1974*

### OFFICE MEMORANDUM

**SUBJECT:—54TH REPORT OF THE COMMITTEE ON PUBLIC UNDERTAKINGS ON STATE FARMS CORPORATION OF INDIA—CONSTITUTION OF AN EXPERT COMMITTEE FOR LOOKING INTO IRRIGATION PROBLEMS AT THE EXISTING CENTRAL STATE FARMS.**

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In order to implement the recommendations of the Committee on Public Undertakings as contained in its 54th Report on the State Farms Corporation of India Ltd. the undersigned is directed to say that the Government of India has decided to constitute a Committee to look into the irrigation problems at the existing Central State Farms at Suratgarh (Rajasthan), Jetsar (Rajasthan), Hissar (Haryana), Ladhawal (Punjab), Raichur (Mysore), Aralam (Kerala), Chengam (Tamil Nadu), Kokilabari (Assam), Lokichera (Mizoram), Lushaichera (Mizoram), Khammam (Andhra Pradesh), Bahraich (U.P.) and Rae Bareli (U.P.) consisting of the following persons:—

1. Director, Central Water and Power Commission (Water Wing) Ministry of Irrigation & Power, New Delhi.
2. Chief Hydrologist in the Central Ground Water Board.
3. Chief Engineer, Minor Irrigation, Shri J. K. Jain, Department of Agriculture.
4. Agricultural Commissioner, Dr. G. S. Kalkat.
5. Chief Agriculture, State Farms Corporation of India—Member-Secretary.

The terms of the Committee will be as under:—

- (1) to review systematically the irrigation facilities in each of the farm already set up but which do not have adequate irrigation facilities; and
- (ii) to recommend concrete measures for developing the irrigation facilities in order to meet the demand in full in the interest of increasing production.

While studying the irrigation facilities at the different farms, the team may associate the State Chief Engineer and the Officers of the organisations dealing with installation of production tubewells in the various States (where-ever such organisations exist).

The Committee will submit its report to the Government of India within three months of its constitution.

The Chief Administrative Officer, State Farms Corporation of India will provide the secretarial assistance to the Committee.

The Members will draw T.A. and D.A. as per rules applicable to them from the source from which their salary is drawn.

Sd/-

(K. RAJAN)

*Deputy Secretary to the Govt. of India.*

To

1. All Members of the Committee.
2. P. S. to Minister (A).
3. P. S. to Minister (S)
4. P. S. to Secretary (Agriculture).
5. P. A. to Joint Secretary (I).
6. The Lok Sabha Secretariat.
7. The Chairman, State Farms Corporation of India Ltd., 16/48, Malcha Marg, Chanakyapuri, New Delhi—110021.
8. The Chief Administrative Officer State Farms Corporation of India Ltd., 16/48, Malcha Marg, Chanakyapuri, New Delhi—110021.
9. Director General, Indian Council of Agricultural Research, New Delhi.

10. Chief Secretary of the State Governments where Central State Farms are located.
11. General Coordination Section.

**COPY**

No. 7—18016/16/74—FR

**BHARAT SARKAR  
KRISHI MANTRALAYA  
(KRISHI VIBHAG)**

New Delhi, dated the 7th January, 1975

**Subject:—54th Report of the Committee on Public Undertakings on State Farms Corporation of India—Constitution of an Expert Committee for looking into irrigation problems at the existing Central State Farms.**

**CORRIGENDUM**

Reference this Ministry's Office Memorandum of even number dated 24-8-74, on the above subject.

In sub-para of para 1 relating to the Constitution of the Committee, the following may be substituted in place of the existing entries:—

1. Shri S. K. Banerjee, Joint Secretary, Ministry of Agriculture & Irrigation (Department of Agriculture)—Chairman.
2. Director, Central Water & Power Commission (Water Wing) Ministry of Irrigation & Power, New Delhi.
3. Chief Hydrologist in the Central Ground Water Board.
4. Chief Engineer, Minor Irrigation, Shri J. K. Jain, Department of Agriculture.
5. Agricultural Commissioner, Dr. G. S. Kalkat.
6. Chief Agriculture, State Farms Corporation of India—Member-Secretary.

Sd/- K. N. CHATTERJEE,

Under Secretary to the Govt. of India.

To

1. All Members of the Committee.
2. P. S. to Minister (A).
3. P. S. to Minister (S).
4. P. S. to Secretary (Agriculture).
5. P. A. to Joint Secretary (I).
6. The Lok Sabha Secretariat.
7. The Chairman, State Farms Corporation of India Ltd.,  
16/48, Malcha Marg, Chanakyapuri, New Delhi—110021.
8. The Chief Administrative Officer, State Farms Corporation  
of India Ltd., 16/48, Malcha Marg, Chanakyapuri, New  
Delhi—110021.
9. Director General, Indian Council of Agricultural Research,  
New Delhi.
10. Chief Secretary of the State Governments where Central  
State Farms are located.
11. General Coordination Section.

### APPENDIX III

[Vide reply to Recommendation at Serial No. 2]

*Proforma in connection with the proposal for long sized seed Farm*

1. Name of the Block.
2. Map of the area showing contours.
3. Total area:—
  - (a) Area unsuitable for reclamation.
  - (b) Net area available.
4. Soil:—
  - (a) Profile characteristics and its variation in soil properties.
  - (b) Reaction.
  - (c) Salt content.
  - (d) Ground water quality.
  - (e) Textural variation.
  - (f) Concretions etc.
  - (g) Available quantity of N.P.K.
5. Irrigation and drainage:—
  - (a) Irrigation available and present if any.
  - (b) Irrigation Potential (Please indicate suggested means of developing irrigation etc.: tube-wells, lift from wells, lift from river, canal).
  - (c) Rainfall data.
  - (d) Water table in June/November.
  - (e) Drainage facilities available and suggestions for developments.
6. Cropping patterns:—
  - (a) Presently followed in the surrounding areas.
  - (b) Suggestions for new patterns.

(c) Average yields of different crops grown by cultivators in or around the area.

(d) General practices followed by cultivators.

(e) Cost of production of each crop (Approx. figures furnished).

**7. Communications:—**

(a) Nearest metalled road.

(b) Nearest rail station (Name & Distance).

(c) Roads in the area (Type and total length).

(d) Nearest Mandi name and distance.

**8. Labour:—**

(a) Availability.

(b) Rates during busy season.

(c) Rates during slack season.

**9. Electricity and other facilities:—**

(i) Electricity:—

(a) Availability for tube wells.

(b) Distance from the block.

(c) Rate

(ii) Other facilities:—

(a) Name of nearest town and distance.

(b) School facilities.

(c) Shopping facilities.

(d) Nearest Telephone, Post and Telegraphic facilities.

10. Any other information related to the Block also be supplied.

11. Acceptance of the terms and conditions of lease.

## APPENDIX IV

(Vide Reply to Recommendation at Serial No. 14)

### SURPLUS GIFT MACHINERY WITH S.F.C.I.

S. No.	Description	Availability with Farms	Quantity surplus	Purpose for which machine can be utilized
1	2	3	4	5
1.	Grain dryers . . . . .	1 Jharsuguda, 2 Ladhawal, 1 Hissar, 1 Raichur and 1 Mizoram	6	
2.	Grain loaders . . . . .	1 Hissar, 1 Raichur, 1 Jharsuguda	3	For grain loading from lower to higher levels.
3.	Five bottom M B. Plough, trailing type.	13 Suratgarh	10	For ploughing specially where soil turning is required.
4.	Mowers . . . . .	2 Ladhawal, 2 Hissar, 2 Raichur.	6	For mowing natural and sown grasses and harvesting crops.
5.	Star wheel Triple Roller . . . . .	1 Raichur	1	For soil loosening with surface compaction, breaking the crust and lamp disintegration
6.	Potato Planter . . . . .	8 Ladhawal, 10 Hissar	5	For square nest and drill planting of potatoes with simultaneous application of granulated and powdered mineral fertilizers.
7.	Forage Harvester (Straw and Ensilage harvester)	1 Hissar, 1 Raichur, 1 Cannanore	3	For harvesting corn, sunflower and other ensilage crops and grasses.
8.	Hay pick up baler . . . . .	1 Ladhawal, 1 Cannanore	2	For picking up hay or straw, compacting them into bales with simultaneous binding.
9.	Universal Hay Stacker CHYO. 5 . 51	Cannanore	1	For stacking hay and straw.



10. Feed Grinder	. . . . .	1 Hissar, 1 Raichur	2	For crushing grain straw etc. for feeding cattle.
11. Windrower	. . . . .	2 Ladhawal, 4 Hissar	6	For cutting stalks of grain crops and laying the cut heap in windrows.
12. Universal Coach lifter (Universal Sweep Rake KHY ii)	. . . . .	3 Raichur	3	For transporting hay or straw heaps.
13. Cotton picker	. . . . .	3 Raichur	3	For picking cotton.
14. Grab loader	. . . . .	1 Hissar, 1 Raichur, 2 Cannanore	4	For mechanised loading and unloading of materials like sirage and packaged materials.
15. Front mounted grader (hydraulic dozer attachment).	. . . . .	3 Cannanore	3	Bulldozer blade attachment for MITZ 52 Tractor.
16. Washing machine.	. . . . .	1 Raichur, 2 Cannanore	3	For servicing and cleaning of tractors and other equipments.
17. Power Saw (Drushba)	. . . . .	1 Ladhawal, 2 Cannanore	3	For cutting of trees.
18. Gravel Mounted Rice harvester KHV. 40	. . . . .	2 Cannanore	1	For 50-57 HP Crawle r type tractors for cutting rice stalks, grain crop etc.

ANNEXURE II

Surplus Gift Machinery earmarked to different Organisations

S. No.	Equipment	Qty. earmarked	C.S. Farms from where allotted
1	2	3	4
<i>(a) Tractor training &amp; Testing Station, Bundi</i>			
1.	Grain loader . . . . .	1	Raichur
2.	Mower . . . . .	1	Ladhowal, Hissar
3.	Potato planter . . . . .	2	Hissar
4.	Forage Harvester . . . . .	1	Raichur
5.	Hay pick up baler . . . . .	1	Ladhowal
6.	Cotton picker . . . . .	1	Raichur
7.	Washing Machine . . . . .	1	Cannanore
8.	Crawler Mounted rice harvester . . . . .	1	Cannanore
<i>(b) Orissa University of Agriculture</i>			
9.	Five bottom M.B. Ploughs . . . . .	2	Suratgarh
<i>(c) Maharashtra State Farming Corporation Ltd.</i>			
10.	Five bottom M.B. Ploughs . . . . .	6	Suratgarh
<i>(d) Punjab State Industrial Development Corporation</i>			
11.	Mower . . . . .	1	Ladhowal
12.	Potato planter . . . . .	1	Ladhowal
13.	Cotton picker . . . . .	1	Raichur
14.	Fuel Distributor . . . . .	1	Ladhowal
<i>(e) Central Cattle Breeding Farm, Chiplima</i>			
15.	Mower . . . . .	1	Hissar
16.	Feed Grinder . . . . .	1	Hissar
<i>(f) Central Cattle Breeding Farm, Suratgarh</i>			
17.	Forage harvester . . . . .	1	Ladhowal (Have since refused)

1	2	3	4
<i>(g) National Seeds Corporation</i>			
18.	Mower . . . . .	2	Raichur
19.	Hay pick up baler . . . . .	1	Cannanore
20.	Washing Machine . . . . .	1	Raichur
21.	Fuel Distributor . . . . .	2	Raichur
22.	Maize planter . . . . .	1	Raichur
23.	Star wheel triple roller . . . . .	1	Raichur
24.	Universal coach lifter . . . . .	1	Raichur
25.	Grain dryers . . . . .	1	Raichur
		2	Ladhowal
		1	Jharsuguda
		1	Mizoram
		1	Hissar
<i>(h) Central Potato Research Institute, Simla</i>			
26.	Potato Planters . . . . .	2	Ladhowal
		2	Hissar

## APPENDIX V

(Vide Reply to Recommendation at Serial No. 25)

## NORMS OF LABOUR REQUIREMENT PER ACRE IN RESPECT OF DIFFERENT CROPS AT VARIOUS CENTRAL STATE FARMS.

Crop	(Labour in mandays)									
	Suratgarh	Jetsar	Hissar	Ladhawal Raichur	Chengam	Khammam	Kotilbari	Reabareli	Babraich	
1. Wheat	15	15	15	17*	15	..	..	15	15	15
2. Potato	..	..	..	22	..	..	..	..	..	..
3. Maize	..	..	..	16	26@	16	..	..	..	..
4. Sugarcane	..	..	..	68	..	..	..	..	..	..
5. Paddy	35	35	..	35	..	..	..	35	35	35
6. Moong/Urd	10	10	10	10	..	10	10	..	..	10
7. Arhar	..	..	12	..	..	..	12	..	..	..
8. Sunflower	..	..	16	..	..	16	16	..	..	16
9. Rape & Mustard	10†	12	12	12	..	..	12	..	..	12
10. Gram	10†	12	12	..	..	..	..	..	..	..
11. Barley	10	10	..	..	..	..	..	..	10	..
12. Cotton	..	42	42	..	112††	..	..	..	..	..
13. Guar	8	8	8	..	..	..	..	..	..	..
14. Jute (Fibre)	..	..	..	..	..	..	..	40	..	..

†† Due to specific technique in case of cotton cultivation being adopted at Raichur farm the norms are higher.

\* 2 mandays more are provided in case of wheat at Ladhawal as irrigation by tubewell requires more labour as compared to canal irrigation.

@ 10 mandays more are provided in case of Maize at Chengam for farming beds and channels and for Weeding and hoeing operations.

† Less labour in case of Rape & Mustard and gram at Suratgarh as these are sown with flood moisture.

STATE FARMS CORPORATION OF INDIA LIMITED

Operation-wise details of labour requirements per acre for different crops.

Sl No.	Operations	Wheat	Potato	Maize	Sugar-cane	Paddy	Moong/ Urad	Arhar	Sun-flower	Rape & Gram mustard	Barley	Cotton	Guar	Jute (Fibre)	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Seed bed preparation	1	1	1	1	2	1	1	1	1	1	1	1	1	1
2.	Sowing/Trans-planting	1	2	1	15	15	1	1	1	1	1	1	1	1	1
3.	Application on fertilizer	1	1	1	2	1	1	..	1	1	..	1	..	..	1
4.	Irrigation bund making and maintenance of irrigation channels.	6	7	3	8	4	3	2	4	3	2	3	5	1	..
5.	Spraying/dusting	1	1	1	1	1	..	..	1	1	1	..	2	..	1
6.	Weeding & Hoeing	..	1	1	3	8	..	1	..	..	..	..	8	..	10
7.	Roughing	3	..	..	..	1	..	..	..	..	..	3	1	..	..
8.	Burr Breaking	1	..	..	..	1	..	..	..	..	..	1	..	..	..
9.	Harvesting/threshing/picking.	1	8	7	8	1	5	7	9	6	8	1	22	5	10
10.	Transportation	1	2	1	..	1	1	1	1	1	1	1	1	1	2
11.	Retting	..	..	..	..	..	..	..	..	..	..	..	..	..	3

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
12. Extracting	..	..	..	..	..	..	..	..	..	..	..	..	..	10
13. Drying	..	..	..	..	..	..	..	..	..	..	..	..	..	1
14. Storing	..	..	..	..	..	..	..	..	..	..	..	..	..	1
15. Strip, bunding, loading & unloading etc.	..	..	..	30	..	..	..	..	..	..	..	..	..	..
<b>Total</b>	15	22	16	68	35	10	12	16	12	12	10	42	8	40

NOTE : 1. Transporting, Weeding and harvesting of paddy should be done by contract labour as far as possible within the above limits.  
2. An additional 10 mandays on Maize crops may be utilised for forming of beds and channels and weeding hoeing operation at Chengam Farm.

3. The Norms of labour for cotton cultivation at Raichur farm are considered to be of specific nature, hence they are as under :—

Name of operation	Labour required per acre
1. Bund making for irrigation	3
2. Dibbing of cotton	5
3. Application of fertilizer	4
4. Weeding 3 times (8 labour each)	24
5. Irrigation (8 times)	8
6. Spraying 7 times (1 labour each)	7
7. Dusting 7 times (2 labour each)	14
8. Picking 20 Kgs. per labour	35
9. Loading and unloading, weighing	2
10. Cotton grading	10
<b>TOTAL :—</b>	<b>112 mandays</b>

STATEMENT SHOWING NORMS OF MECHANICAL OPERATION CROPWISE AT VARIOUS CENTRAL  
STATE FARMS

Crop	Operation	Surat- garh	Jetsar	Hissar	Ladhewal	Raichur	Chengam <sup>1</sup>	Kokila- bari	Mizoram	Khannam Behraich	Rae- Bareli
Wheat	Ploughing	1	—	—	—	4	—	1	1	—	—
	Offsetting/ Harrowing	3	2—3	3	3	3	—	2	2	3	3
Barley	Seed drilling	1	1	1	1	1	—	1	—	1	1
	Planking	—	—	—	1	—	—	—	—	1	1
Mustard	Butt making	1—2	2	2	1	—	—	1	—	1	1
	Roller	2	—	—	—	—	—	—	—	—	—
Toria	Reding	—	—	—	1	1	—	—	—	—	—
	Ditching	—	—	2	—	1	—	—	—	4	—
Sunflower	Spraying	1	1	1	2	—	—	—	—	1	—
	Harvesting	1	1	1	1	1	—	1	—	1	—
Sesamum	Ploughing	—	—	—	—	—	—	1	1	—	—
	Offsetting Harrowing	2	2	2	3	—	—	2	2	1	2
Sesamum	Seed drilling	1	1	1	1	—	—	—	—	1	—
	Ditching	—	—	2	—	—	—	—	—	—	—
Sesamum	Butt Making	1	2	2	—	—	—	—	—	—	—
	Spraying	1	2	2	—	—	—	—	—	—	—
Sesamum	Threshing	1	1	1	—	—	—	1	—	—	—





1187 18.8.

Butt making	--	3	2	--	--	--	--	--	--	--	--	--	--	--	--
Marking	--	--	--	1	--	--	--	--	--	--	--	--	--	--	--
Ridging	--	--	--	1	--	--	--	--	--	--	--	--	--	--	--
Ditching	--	--	2	1	--	--	--	--	--	--	--	--	--	--	--
Spraying	--	4	4	7	--	--	3	--	--	--	--	--	--	--	--
Hoeing	--	3	3	--	--	--	--	--	--	--	--	--	--	--	--
Jowar	--	--	--	--	1	--	--	--	--	--	--	--	--	--	--
Ploughing	--	--	--	--	1	--	--	--	--	--	--	--	--	--	--
Harrowing	--	--	--	1	2	--	--	--	--	--	--	--	--	--	--
Sowing	--	--	--	1	1	--	--	--	--	--	--	--	--	--	--
Bajra	--	--	--	--	--	--	--	--	1	--	--	--	--	--	--
Ploughing	--	--	--	--	--	--	--	--	1	--	--	--	--	--	--
Harrowing	--	--	--	--	--	--	--	--	1	--	--	--	--	--	--
Sowing	--	--	--	--	--	--	--	--	1	--	--	--	--	--	--
Interculture	--	--	--	--	--	--	--	--	1	--	--	--	--	--	--
Spraying	--	--	--	--	--	--	--	--	1	--	--	--	--	--	--
Maize	--	--	--	--	1	--	1	1	1	1	1	1	1	1	1
Ploughing	--	--	--	--	1	--	--	--	1	--	--	--	--	--	--
Offsetting/ Harrowing	--	--	--	3	2	--	2	1	2	1	2	1	2	1	2
Seed drilling	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Sowing	--	--	--	2	--	--	--	--	1	--	--	--	1	--	--
Ridging	--	--	--	1	--	--	--	--	1	--	--	--	1	--	--
Planing	--	--	--	1	--	--	--	--	1	--	--	--	1	--	--
Interculture	--	--	--	1	--	--	--	--	1	--	--	--	1	--	--
Spraying	--	--	--	--	--	--	--	--	--	--	3	1	--	--	--
Harvesting	--	--	--	1	--	--	--	--	1	--	--	--	1	--	--

Crop	Operation	Surat- garh	Jetsar	Hissar	Ladhowal	Raichur	Chengam	Kokila- bari	Mizoram	Khammam	Bahraich	Rae- bareli
Groundnut	Ploughing	—	—	—	—	—	1	—	—	1	1	—
	Offsetting/ Harrowing	—	—	—	—	—	2	—	—	1	2	—
	Seed drilling	—	—	—	—	—	—	—	—	1	1	—
	Sowing	—	—	—	—	—	—	—	—	—	2	—
Vegetables	Ploughing	—	—	—	—	—	1	—	—	1	—	—
	Offsetting/ Harrowing	—	—	—	—	—	2	—	—	1	—	—
	Sowing	—	—	—	—	—	—	—	2	2	—	—
	Spraying	—	—	—	—	—	—	—	—	1	—	—
Sunflower	Ploughing	—	—	—	—	—	1	1	—	1	—	—
	Offsetting/ Harrowing	—	—	—	—	—	—	—	—	1	—	—
	Seed drilling	—	—	—	2	—	—	2	—	1	—	—
	Butt making	—	—	—	1	—	1	—	—	1	—	—
Sugarcane	Ploughing	—	—	—	—	—	—	—	—	1	—	—
	Offsetting/ Harrowing	—	—	—	—	—	—	—	—	—	—	—
	Ridging	—	—	—	3	—	—	—	—	—	—	—
	Terracing	—	—	—	1	—	—	—	—	—	—	—
	Ploughing	—	—	—	—	—	—	—	—	—	—	—
	Hoeing	—	—	—	1	—	—	—	—	—	—	—
	Spraying	—	—	—	1	—	—	—	6	—	—	—
	Butt making	—	—	—	1	—	—	—	5	—	—	—











STATE FARMS CORPORATION OF INDIA LTD.

NORMS OF SEEDS RATES PER ACRE TO BE ADOPTED AT VARIOUS CENTRAL STATE FARMS  
(Quantity in Kgs.)

Name of crop	Suratgarh	Jitsar	Hissar	Ladhawal	Raichur	Chengam	Khammam	Kckilabari	Bahraich	Cannarore
Wheat*	40	40	40	40	50	NS	NS	30	40	NS
Berley	30	30	30	NS	NS	NS	NS	NS	30	NS
Paddy Transplanted (Nursery)	10	10	NS	10	NS	NS	10	12	10	NS
Maize	NS	NS	NS	8	NS	6	7	NS	NS	NS
Bajra	NS	1.5	2	NS	NS	NS	2	NS	NS	NS
Jowar (Kharif Season)	NS	NS	NS	NS	NS	4	4	NS	NS	NS
Jowar (Rabi Season)	NS	NS	NS	NS	3	3	3	NS	NS	NS
Ragi	NS	NS	NS	NS	NS	2	NS	NS	NS	NS
Varagu	NS	NS	NS	NS	NS	6	NS	NS	NS	NS
Samai	NS	NS	NS	NS	NS	5	NS	NS	NS	NS
Guar (Local, FS-277 & P.N.B.)	NS	6	6	NS	NS	NS	NS	NS	NS	NS
Moong (First Crop Summer)	8	8	NS	8	NS	6	8	8	8	NS
Moong (Second Crop Rainy Season Green Gram)	6	6	6	NS	NS	6	6	NS	NS	NS
Arhar (Red Gram)	6	NS	6	NS	NS	NS	6	6	6	NS
Urad (Black G)	6	6	NS	NS	NS	6	6	NS	6	NS
T-9 Gram (Kabuli)	20	NS	20	NS	NS	NS	NS	NS	NS	NS



Gram (other variety) (**)	16	16	16	NS	NS	NS	NS	NS	NS	NS	NS	NS
Horse gram (Rabi-Season)	NS	NS	NS	NS	NS	NS	5	NS	NS	NS	NS	NS
Cowpea	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS
Cotton (Varalaxmi)	NS	NS	NS	NS	NS	NS	Com. 1 & 2 (S.P.)	NS	NS	NS	NS	NS
Cotton (Hampi)	NS	NS	NS	NS	NS	NS	7	NS	NS	NS	NS	NS
Cotton (320 F & RS—89)	NS	NS	8	NS	NS	NS	NS	NS	NS	NS	NS	NS
Jute (Capsularis)	NS	NS	NS	NS	NS	NS	NS	NS	NS	3	NS	NS
Jute (Oil tortious)	NS	NS	NS	NS	NS	NS	NS	NS	NS	4	NS	NS
Mesta	NS	NS	NS	NS	NS	NS	NS	NS	NS	6	NS	NS
Sugarcane	3,500	3,500	NS	NS	NS	NS	NS	NS	NS	NS	3,500	NS
Sweet Potato	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	2,000 Cuttin g
Tapioca	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	5,000 Cuttin g
Mustard	2	2	2	NS	NS	NS	NS	NS	NS	2	NS	NS
Toria	2	2	2	NS	NS	NS	NS	NS	NS	NS	NS	NS
Taramira (†)	1.5	1.5	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS
Groundnut (Kharif Season)	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS
(Rabi Season)	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS
Castor	NS	NS	4	NS	NS	NS	NS	4	NS	4	NS	NS
Sunflower †	5	5	4	4	4	4	4	4	4	5	4	NS
Safflower	NS	NS	8	NS	NS	NS	NS	NS	NS	8	NS	NS

Name of Crop.	Suratgarh	Jetsar	Hissar	Ladhowal	Raichur	Chengam	Khammam	Kokilabari	Babraich	Cannanore
Gingelly . . . . .	NS	NS	NS	NS	NS	NS	3	NS	NS	3
Vegetables Bhindi . . . . .	5	NS	NS	5	NS	5	5	NS	5	NS
Tomato . . . . .	NS	NS	NS	NS	NS	0.16	0.16	NS	NS	NS
Brinjal . . . . .	NS	NS	NS	NS	NS	0.50	NS	NS	NS	NS
Chillies . . . . .	NS	NS	NS	NS	NS	0.50	NS	NS	NS	0.50
Clusterbean . . . . .	NS	NS	NS	NS	NS	1	NS	NS	NS	NS
Potato . . . . .	NS	NS	NS	1,200	NS	NS	NS	NS	1,200	NS
Turmeric . . . . .	NS	NS	NS	NS	NS	NS	NS	NS	NS	320
Green Manuring:										
(a) Guar . . . . .	8	8	8	8	NS	NS	NS	NS	NS	NS
(b) Dhaincha . . . . .	12	12	NS	12	20	NS	NS	NS	NS	NS
(c) Sunhemp . . . . .	10	10	NS	10	NS	NS	NS	NS	NS	NS

N. S. : Stands for 'Not Sown', S. P. Stands for 'Seed Production'; and come. for 'Commercial Production'.

\*The seed rate of wheat may be kept 35 kg., 40 Kg. and 45 Kg. per acre for sowing the month of November, December and January respectively.

\*\*Seed rate of Sunflower at Suratgarh, Jetsar and Khammam is kept higher in view of less plants due to sandy soil.

†Taramira is generally sown very late when nothing is possible. Hence need to be discouraged.

††Seed rate should normally be 16 Kg. per acre if deep and sowing is required due to less moisture in the soil a seed rate of 18 kg. per acre may be used to keep plant population in normal.

## APPENDIX VI

[*Vide* reply to Recommendation at Serial No. 42]

*Copy of D.O. letter No. SFCI|28-3|74-CC dated the 28th October, 1974 from Chief Administrative Officer, State Farms Corporation of India Ltd., 16/48, Malcha Marg, Chankyapuri, New Delhi addressed to all State Farms.*

The Parliamentary Committee on Public Undertakings in the course of their examination of the State Farms Corporation have *inter alia* recommended that Government may consider setting up of small sized farms on pilot basis in a few selected areas where facilities for irrigation or potential therefor are available, and that the Government should examine detailed estimates of the schemes and economics therefor.

2. The above recommendation of the Committee have been made with reference to the scheme formulated by the Corporation for setting up of 100 small sized farms of 500 acres each. The scheme was formulated by the Corporation in the context of general expectation that as a result of enforcement of land ceiling laws the surplus lands will be distributed to landless labourers. It was assumed that it might be more advantageous to pool such surplus lands which might be allotted in the nominal ownership to the landless persons. It was felt that the allottees of such land may not be having sources to have optimum production out of these surplus lands. It was envisaged that the Corporation could function as an agency for the development of these lands and arrange funds for financing development of the land through local financial institutions. A tentative scheme was also drawn up which is enclosed for your comments.

3. You are requested to contact the district authorities and village panchayats with a view to ascertain whether it would be possible to have 500 acres of land near our farms for being run as a cooperative farm in accordance with the enclosed scheme. You may also offer your comments on the stipulations made in the enclosed scheme before it is finalised. It may be clarified that this scheme is proposed to be implemented by the Corporation on no-profit-no-loss basis and not as a commercial venture.

An early reply is requested.

## PROJECT REPORT FOR SETTING UP A SEED FARM ON 500 ACRES ON COOPERATIVE BASIS

The Government of India is expeditiously working on its land ceiling programme. The land declared surplus under the Land Ceiling Act would be allotted to the small farmers/landless cultivators. Some of the big chunks of cultivated/culturable waste lands would thus be fragmented into small units and allotted to the landless cultivators. There is a general feeling in the country that with the introduction of land ceiling the mechanised farming which has made some headway in the country would be adversely affected. There is also another school of thought which is of the view that the tempo of increased production would also have a serious set back. In addition, the law of inheritance is also in operation in reducing the size of holding. There is hardly any need to emphasise that such conditions are not conducive for the adoption of modern technology for increased production. The only solution to this problem is cooperative farming which will not only increase agricultural production but also improve the economic conditions of the small farmers/landless cultivators who will be allotted this surplus land.

Keeping this in view, it is proposed that the Government of India should take necessary steps to make available 500 acres or more of land in contiguous block to be allotted to the small farmers or landless cultivators under the land ceiling programme and these small farmers or landless cultivators should form a Cooperative Society. This land then would be taken over by the State Farms Corporation for setting up a mechanised seed farm. The entire direct and indirect expenditure will be met by the Corporation for setting up this farm and the farm will be run by the Corporation on "no profit no loss" basis.

Assuming that 500 acres of land would be allotted to 100 families, the Corporation will make housing accommodation, building for school, dispensary and a recreation club for the benefit to these 100 families as well as for the staff to be employed at this farm.

It is assumed that this unit of 500 acres will be having assured supply of irrigation water (tubewells). It will be thus possible to practise at least 200 per cent cropping intensity. However, efforts will also be made to adopt multiple cropping system involving 300 to 400 per cent cropping intensity. The improved high yielding crop varieties would be grown at this farm for the production of quality seed.

For employment, outsiders will only be engaged in positions for which suitable candidates will not be available from this colony who

will be employed at this farm will get their usual salary and wages. The labour surplus to the requirement of running this farm will suitably be employed in other allied cottage and village industries. These cottage industries will be set up with the income which will accrue from the farming unit.

A scheme for setting up a 500 acres mechanised seed farm has been prepared. The cropping programme of this farm for one year has been prepared for calculating total-production, and the value of produce as shown in Annexure IV. On the assumption of availability of assured supply of irrigation water, cropping intensity of 200 per cent has been proposed. For the purpose of calculations of receipts from this farm, only double cropping system Paddy-Wheat has been included in the cropping programme, because this cereal crop rotation of 200 per cent cropping intensity has become quite popular in most of the States of the Country. This cropping programme is quite flexible and could be modified according to the local prevailing conditions and needs. This proposed cropping programme will yield a gross receipt of Rs. 12.03 lakhs.

It is assumed that even higher cropping intensity could be practised resulting in increased production and thus the receipts would be higher than what has been envisaged in this scheme. The details of direct expenditure on cultivation has been shown in Annexure II. The staff required for running this Farm could be seen in Annexure I. Provision of Rs. 15.42 lakhs has been made for capital investment (Annexure III). Requirement of machinery and implements is detailed in Appendix II. Rs. 8.5 lakhs has been provided for residential and non-residential buildings (Appendix III). The provisions for school building and dispensary have not been shown as this facility would be provided by the State Government. Financial forecast of the scheme is given in Appendix I. This project will give a net income of Rs. 3.54 lakhs annually.

Each land-holder will get employment for himself and some of his family members as well as he will get an appreciable amount of income from his land holding unit. As indicated in the financial forecast, the Corporation will get 7 per cent interest on its capital investment in addition to 10 per cent depreciation on machinery, tube-wells and furniture and 2 per cent depreciation on buildings.

**SCHEME FOR SETTING UP OF 500 ACRES MECHANICAL SEED FARMS ON  
COOPERATIVE BASIS**

*Financial Forecast (in lakhs)*

1. Establishment expenses (Annexure I).		1.43
2. Direct expenses (Annexure II).		5.19
3. Depreciation on Machinery @ 10%		0.51
4. Depreciation on Tubewell @ 10%	} ANNEXURE III	0.10
5. Depreciation on Furniture @ 10%		0.01
6. Depreciation on Buildings @ 2%		0.17
7. Interest @ 7% on Capital Investment		1.08
8. Total cost		8.49
9. Income (Annexure IV)		12.03
10. Profit/loss		(+) 3.54

**ANNEXURE I**

**STRENGTH OF ESTABLISHMENT**

S. No.	Name of the Post	Strength	Scale of Pay	Annual Emoluments
1	2	3	4	5
1	Project Officer	1	Rs. 700—1250	10,560
2	Asstt. Mechanical Engineer	1	Rs. 300—900	6,432
3	Agri. Asstts.	2	Rs. 210—425	9,504
4	Office Supdt.	1	Rs. 350—475	6,432
5	Storekeeper	1	Rs. 210—380	4,752
6	U.D.C.	3	Rs. 130—300	9,396
7	Jr. Stenographer	1	Rs. 130—300	3,732
8	L.D.C.	3	Rs. 110—180	8,676
9	Fieldmen	4	Rs. 110—180	11,568
10	Tubewell Mechanic	1	Rs. 150—240	3,660

1	2	3	4	5
11	Mechanic . . . . .	2	Rs. 150—240	7,320
12	Tractor operators . . . . .	5	Rs. 140—175	16,260
13	Foreman . . . . .	1	Rs. 250—380	5,472
14	Machineman welder . . . . .	1	Rs. 125—155	2,892
15	Blacksmith/Carpenter . . . . .	1	Rs. 125—155	2,892
16	Jeep Driver . . . . .	1	Rs. 110—130	2,892
17	Peons . . . . .	2	Rs. 70—85	3,912
18	Chowkidars . . . . .	2	Rs. 70—85	3,912
19	Casual labour . . . . .	3	Rs. 5/- per day	5,400
20	Tubewell Operators (casual labour)	10	Rs. 5/- per day	18,000
				1,43,064

## ANNEXURE II

## DETAILS OF DIRECT EXPENSES OF CULTIVATION

S. No.	Particulars	Rate per acre	Expenditure or 1000 acres
1	Labour . . . . .	150.00	1,50,000.00
2	Stocks & Spare parts . . . . .	50.00	50,000.00
3	P.O.L. . . . .	..	36,000.00
4	Fertilisers & Pesticides . . . . .	200.00	2,00,000.00
5	Seed . . . . .	35.00	35,000.00
6	Office contingencies & Miscellaneous . . . . .	40.00	40,000.00
7	Land Revenue . . . . .	..	8,000.00
			5,19,000.00

## ANNEXURE III

## CAPITAL EXPENDITURE

1	Machinery (Appendix I)	Rs. 5,12,000
2	Buildings (Appendix II)	Rs. 8,50,000
3	Furniture	Rs. 10,000
4	Roads	Rs. 20,000
5	Tube-wells including pump houses 10-No. 3	Rs. 1,00,000
6	Irrigation channels, etc. @Rs.50/-per acre	Rs. 50,000
		<b>Rs. 15,42,000</b>

## ANNEXURE IV

CROPPING PROGRAMME OF 500 ACRES OF COOPERATIVE FARM  
FOR ONE YEAR

Cropping intensity 200%

Crop	Area in acres	Yield per acre (in qtls.)	Total production in quintals	Price per qtl.	Total value
<i>Khari</i>					
Paddy	500	14	5200 (Seed) 1800 (Non-seed)	90/- 50/-	4,68,000 90,000
<i>Rabi</i>					
Wheat	500	12	4500 (Seed) 1500 (Non-seed)	120/- 70/-	5,40,000 1,05,000
					<b>12,03,000</b>



**APPENDIX II**  
**REQUIREMENTS OF MACHINERY & IMPLEMENTS**

S. No.	Description	Qty.	Rate	Amount
1	2	3	4	5
<b>(A) Machinery</b>				
1	35 H.P. Tractors . . . . .	4	25,000	1,00,000
2	50 H.P. Tractors . . . . .	1	30,000	30,000
3	Wheat cum paddy combine . . . . .	1	1,25,000	1,25,000
4	Trailed combine (Vicon, 35 H.P. Type) . . . . .	1	35,000	35,000
5	Wheeled Trailer . . . . .	2	4,000	8,000
6	Jeep . . . . .	1	28,000	28,000
			<b>Total .</b>	<b>3,26,000</b>
<b>(B) Implements</b>				
1	Harrows . . . . .	4	4,000	16,000
2	17 tine cultivators . . . . .	2	5,000	10,000
3	2 bottom disc ploughs . . . . .	3	5,000	15,000
4	Seed cum fertiliser drill . . . . .	2	5,000	10,000
5	Paddy puddlers with cage wheels . . . . .	2	3,000	6,000
6	Tractor mounted sprayers . . . . .	2	4,000	8,000
7	Kanpsack sprayers . . . . .	5	1,500	7,500
8	Fertiliser spreader (Vicon) . . . . .	1	3,000	3,000
9	Winnowing Machine . . . . .	1	5,000	5,000
10	Wheat threshers . . . . .	2	4,000	8,000
11	Seed grading machine . . . . .	1	20,000	20,000
12	Super leveler . . . . .	1	5,000	5,000
13	Boarder disc harrow . . . . .	1	2,500	2,500
			<b>Total .</b>	<b>1,16,000</b>

1	2	3	4	5
<b>(C) Workshop Machinery</b>				
1	Lathe (Medium)	.	15,000	15,000
2	Pillar drill	.	10,000	10,000
3	Bench Grinder	.	500	500
4	Welding Plant	.	4,000	4,000
5	Gas Welding set	.	1,000	1,000
6	Air Compressor	.	5,000	5,000
7	Nozzle Tester	.	1,000	1,000
8	Lifting tackle	.	2,500	2,500
9	Servicing tools	(set)	10,000	10,000
10	Battery charger	.	2,500	2,500
11	Servicing stands etc.	(set)	4,000	4,000
12	Weighing machine.	.	4,000	4,000
13	Miscellaneous	.	10,000	10,000
			<b>Total</b>	<b>69,300</b>
<b>Total Investment on Machinery</b>			<b>Rs.</b>	<b>5,11,500</b>
			<b>Say Rs.</b>	<b>5,12,000</b>

*APPENDIX III*

**RESIDENTIAL AND NON-RESIDENTIAL BUILDINGS**

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<b>Residential quarters]</b> . . . . .	<b>13 nos.</b>	<b>Rs.</b>	<b>2,00,000</b>
<b>Office</b> . . . . .	<b>1</b>	<b>Rs.</b>	<b>50,000</b>
<b>Grain Godown</b> . . . . .	<b>1</b>	<b>Rs.</b>	<b>25,000</b>
<b>Store Shed</b> . . . . .	<b>1</b>	<b>Rs.</b>	<b>25,000</b>
<b>Workshop</b> . . . . .	<b>1</b>	<b>Rs.</b>	<b>50,000</b>
<b>H ouse colony for cultivators Katcha-pucca houses</b> . . . . .	<b>100</b>	<b>Rs.</b>	<b>5,00,000</b>
		<hr/>	
		<b>Rs.</b>	<b>8,50,000</b>

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**APPENDIX VII**

[Vide reply to Recommendation at S. No. 48]

**STATE FARMS CORPORATION OF INDIA LIMITED**  
(A Government of India Undertaking)

**SIX MONTH BY PROGRESS REPORT FOR THE PERIOD ENDED : 31-7- /31-12-**

**NAME OF THE FARM**

**I. Progress :**

**I(A) Progress in the Achievement of Physical Targets :**

**(a) Seed Production :**

S. No.	Particulars	Kharif : Current Year		Kharif : Last Year		Rabi : Current Year		Rabi : Last Year	
		Budgetted Area (in acres)	Latest position of area actually sown (in acres)	Final position actually sown (in acres)	Latest position of area actually sown (in acres)	Budgetted Area (in acres)	Latest position of area actually sown (in acres)	Final position of area sown (in acres)	Latest position of area actually sown (in acres)
1									
2		3	4	5	6	7	8		

**I. Seed Coops**

1 to 12

**(b) Commercial Coops & Non-Seed Coops.**

1 to 12

**N.B.**—Give reasons for shortfall in area in case there is any anticipated fall in the sowing of Budgetted area of each Major Crop.  
I(B)—See next sheet

ANNEXURE II

State Farms Corporation of India Ltd.

I(B) Value of Production : (a) Kharif Crop.

Name of the Crop	Kharif : Actual Current Year			Kharif : Actual Prev. Year			Reason for shortfall in Yield per acre						
	Budgeted Yield per acre	Current year Budgeted production	Rate	Value	Actual yield per acre	Actual total production		Rate					
	in Qts.	in Qts.	Rs.	Rs.	in Qts.	in Qts.		Rs.					
1	2	3	4	5	6	7	8	9	10	11	12	13	14

1 to 8 (To give this information for crops as listed above).

(b) Rabi Crop.

Name of the Crop	Rabi : Current Year			Rabi : Actuals Current Year			Rabi : Last Year			Reason for shortfall Amount in yield per acre			
	Budgeted yield per acre	Budgeted total production	Rate	Value	Yield per acre	Budgeted total production	Rate	Actual yield per acre	Actual total production		Rate		
	Qts.	Qts.	Rs.	Rs.	Qts.	Qts.	Rs.	Rs.	Qts.		Qts.	Rs.	
1 to 10													

N.B.—Give reason for shortfall from targetted seed and non-seed qty. and prices to be shown separate in col.

ANNEXURE III

Project estimates and actual Expenditure

Construction Works	Project Estimates		Actuals upto last Financial year		Budgetted for the current years		Actual expenditure upto 31-12		Actual expenditure upto 30-6-	
	No. as per DPR	Amount Rs. in lakhs	No.	Amount (Rs. in lakhs)	No.	Amount (Rs. in lakhs)	No.	Amount (Rs. in lakhs)	No.	Amount (Rs. in lakhs)
(i) Godowns										
(ii) Residential Units (Type of Units)										
(iii) Workshop										
(iv) Field Houses										
(v) Other Civil Works (non-factory or residential)										
(vi) Roads (KM)										
(vii) Seed Stores										
(viii) Processing Units										

N.B.—Give reasons for shortfall in attaining physical target and for excess Expenditure of any.

**ANNEXURE IV**

**Capital Expenditure against sanctioned project estimates**

**II. Project Estimates.**

	As per Project			Actual Expenditure Budgetted Target			Progress		
	Area as to be developed as per project report	Rate of Exp. per Acre	Amount (Rs. in lakhs)	Area actually developed up to previous financial year	Budgetted area for development during the year	Rate	Amount	Area actually developed during the year	Amount
	(in acres)	(Rs.)	(Rs. in lakhs)	in acres	(in acres)	(Rs.)	(Rs. in lakhs)	(in acres)	Rs.

**II(a)**

- (i) Land Reclamation
- (ii) Levelling and development.

**Position as per project report**

**II(b) Strengthening of irrigation facilities**

Position as per project report			Actuals upto last Financial year						
No. of Tube Wells	Wells to be Dug.	Stream Length K.M.	Drainage K.M.	Amount (in lakhs)	No. of Tube Wells	Wells Digging	Stream length K.M.	Drainage K.M.	Amount (in lakhs)

*N.B.*—Give reasons for shortfall in area and Excess Expenditure, if any.

Budgetted for Current Year

Actuals current year

No. of Tube Wells	Well digging	Stream length K.M.	Drainage K.M.	Amount (in lakhs)	No. of Tube Wells	Wells Digging	Stream length K.M.	Drainage K.M.	Amount (in lakhs)
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ANNEXURE V

III. Budgetary Review

Budget Estimates and Budgetary review

The budget estimates and the progress of income and expenditure for the half year ending December/June are given in Annexure I. Our cash income upto the end of the half year is Rs. .... lakhs as against revenue expenditure of Rs. .... lakhs. In addition, we have cleared old outstanding liabilities amounting to Rs. .... lakhs. In addition, a sum of Rs. .... lakhs has been spent on account of Capitalisation upto half year ending Dec./June as indicated in Annexure II. The total cash expenditure upto the end of the half year has thus come to Rs. .... lakhs, creating a cash deficit.

Sales

During the half year the farm has been able to dispose off farm produce of ..... lakhs of Rs. .... lakhs. The following data show the sales of produce during this half year and for the corresponding period of last half year.

Seeds	Budgetted sales	Sales during this half year	Sales during Previous half year.	Sales for the corresponding Previous half year ended....
1.	(a)	(b)	(c)	referred to in col. (b)
2.				
3.				



*Non-Seeds & Comm. Crops.*

- 1.
- 2.
- 3.
- 4.

**II. Value Production :**

<p>(a) Major Crops. Seeds</p>	<p>Budgetted (Total) against each crop. (a)</p>	<p>Value of Produce added during the half year ended..... was Rs..... lakhs and the value of produce added during last half year and corresponding period of the previous half year is as below :</p>	<p>Value of Produce added during the half year ended..... was Rs..... lakhs and the value of produce added during last half year and corresponding period of the previous half year is as below :</p>
<p>1.</p>	<p>value of Produce added during the half year. (b)</p>	<p>value of Produce added during the previous half year (c)</p>	<p>Value of Produce added in corresponding period of previous year against (d)</p>

- 1.
- 2.
- 3.
- 4.

**(b) Commercial Crops & Non-Seeds.**

- 1.
- 2.
- 3.

**(c) Misc. Produce.**

**III. Closing stock :**

Closing stock of farm produce for the half year ended on..... was of the value of Rs..... lakhs and the position of closing stock for the previous half year was of Rs..... lakhs. Cropwise position is as below:—

Major Seed Crops.		Value of Closing stock as on..... for this half year	Value of Closing stock as on..... for the previous half year	Value of Closing stock as on..... (last year referred to in (a))
		(a)	(b)	(c)
I.	1.			
	2.			
	3.			
	4.			
	5.			

II. Comm. & Non Seed Crops.

III. Misc. Crops.

IV. *Outstanding Debts* :

Less than six months

*Half year ended* More than six months but less than one year

Less than Two years.

*Last half year* More than six months but less than one year.

Less than Two years. More than Two years.

The total outstanding debits as on..... were of Rs..... lakhs  
The details are below :

(a) Government Agencies.

(b) Government Cooperatives etc.

(c) Private parties.

V. *Custom Duty Refund Claims* :

Total custom duty refund claims as on..... lakhs other matters are as below :  
as against last half year of Rs..... lakhs was of Rs..... lakhs

*This half year*

*Last half year*

- (1) Amount outstanding on]
- (2) Amount refunded
- (3) Net of last quarter
- (4) Claims lodged
- (5) Current total

**V. Inventories :**

The value of Work-in-progress as at the end of the half year ended.....  
was F.I. of Rs.....lakhs and of there of Rs.....lakhs corresponding  
position of last half year and for previous year was as below.

*Work-in-progress*  
(Rs. in lakhs)

*Inventories*  
(Rs. in lakhs)

Half year ended ]	Previous half year	Corresponding half year of the previous year.	Half year ended ]	Last half year ended	Previous half year.
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**(a) Work-in-progress**

- (b) Stores & spares parts including fertilisers pesticides, P.O.L. Seeds, Gunny bags etc.**

**VI. Major purchases :**

Value of major purchases for the half year ended was of Rs.....lakhs and in the last half year it was of Rs.....lakhs.  
Details are as below :

*Current half year ending*  
in Rs.

*Previous half year ending*  
in Rs.

- (1) Plant & equipment give name of Supplier.
- (2) Fertilisers & Pesticides.
- (3) P.O.L.

(4) Gunny bags.

(5) Seeds.

VII. *Cost of Production :*

(See Annexure III for details)

The Cost of Production of Major Crops was as below :—

	KHARIF		RABI			
	Budgetted	This year	Last year	Budgetted	This year	Last year
Major Crops						
VIII. <i>Important decisions :</i>	Give narrative of all important matters and other details.					
IX. <i>Outside Criticism :</i>	(If any).					

*ANNEXURE I*

**FINANCIAL REPORT FOR THE HALF YEAR ENDING**  
(Figures in lakhs)

Details	Actual for the previous year	Budget for the year	Upto the half year ending	Remarks
<i>Income</i>				
<i>Less Expenses:</i>				
1. Pay & Allowances . . . . .				
2. Audit Fee . . . . .				
3. T.A. . . . .				
4. Entertainment . . . . .				
5. Labour . . . . .				
6. P.O.L. . . . .				
7. Fertiliser/Pesticides . . . . .				
8. Seeds . . . . .				
9. Stores & Spare parts . . . . .				
10. Gunny Bags . . . . .				
11. Land Revenue . . . . .				
12. Irrigation Charges . . . . .				
13. Social Overheads . . . . .				
14. Expenses for perenial crops . . . . .				
15. Electricity Charges . . . . .				
16. Others . . . . .				
17. Total Revenue Exp. . . . .				
18. Capital Expenditure as per Annexure II . . . . .				
19. Expenses on A/c of clear- ances of old liabilities . . . . .				
20. Payment of dividend . . . . .				
21. Expenses for repayment of loan . . . . .				
22. Advance recoverable . . . . .				
23. Pre Kharif expenses . . . . .				
24. House Building Advance . . . . .				
25. Total Cash Expenses . . . . .				
26. Revenue Expenses (—) . . . . .				

## ANNEXURE III

## CAPITAL EXPENDITURE FOR THE HALF YEAR

(Figures in Lakhs)

S.No.	Item of Capital Expenditure	Actual for the previous year	Budget for the year	Upto the half year ending Dec.
1	2	3	4	5
1.	Construction of the Building . . . . .			
2.	Plants and Machinery . . . . .			
3.	Land Development . . . . .			
4.	Misc. . . . .			

ANNEXURE III

STATE FARMS CORPORATION OF INDIA LIMITED  
 COST OF PRODUCTION DATA  
 CENTRAL STATE FARM

Name of Season	Kharif Rabi	Block No. Name of Incharge	Plot No. Name of Incharge Plot.	Name of the Crops* Area in Acres	Direct Cost of production per acre: Rs.	Total cost of production per acre Rs.	Qty. Produced :									
							Direct cost of pro- duction per Quintal Rs.	Total Cost of Pro- duction per Qtl. Rs.	Seeds	Total Expens- es	Total Direct Cost	Indirect Expens- es	Total cost of pro- duc- tion			
S. No.	Month	Direct Labour	Fertiliser	Pesticides	P.O.L.	Seeds	Total	Indirect	Total	Direct	Cost	Expens- es	Total	Cost of pro- duc- tion		
Year	No. of Man- days.	Amount Rs.	Qty. in Qtls.	Amount Rs.	Qty. in Qtls.	Amount Rs.	Qty. in Qtls.	Amount Rs.	Qty. in Qtls.	Amount Rs.	Qty. in Qtls.	Amount Rs.	Qty. in Qtls.	Amount Rs.		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		

NOTE : A summarised statement for each crop in respect of all the Plots/Blocks to be made out and sent to Headquarters Office at the end of each season.

\*In case there are more than one crops under each plot separate statements should be prepared by the farm for every crop.

Includes CPF contribution workmen compensation.

## MAN POWER

Name of the post	Opening	Joined	Left	Closing
Directors . . . . .				
G.M./Addl. G.M. . . . .				
FA & CAO/Controller of Accounts . . . . .				
Heads of Department . . . . .				
Works Manager . . . . .				
Shop Supdts. . . . .				
Deputy Managers/Deputy Heads of Departments . . . . .				
Technical . . . . .				
Non-Technical . . . . .				
Deputy Shop Superintendents Supervisory Officers . . . . .				
Technical . . . . .				
Non-Technical . . . . .				
Accountants/Auditors . . . . .				
Stenographers . . . . .				
Assistants . . . . .				
U.D.Cs. . . . .				
L. D.Cs. . . . .				
Other Class III . . . . .				
Class IV . . . . .				
<b>TOTAL :</b> . . . . .				



## APPENDIX VIII

[Vide reply to Recommendation of S. No. 52]

MINISTRY OF FINANCE  
(Bureau of Public Enterprises)

### RESOLUTION

New Delhi, the 30th August, 1974

No. 5(1)/74/BPE(PESB).—The Public Sector Enterprises of the Central Government are expected to play a crucial role in the development of the national economy. Their financial and managerial health, their growth, expansion and development and the attainment of the objectives for which they have been set up are matters, therefore, of very serious concern. Government feel that if the above stated objectives are to be achieved, the procedure for manning of posts at all levels in public sector enterprises must firstly be reoriented in a way which gives the top management of enterprises greater responsibility and accountability for performance. Secondly and no less important is the need to improve management motivation by ensuring that merit and potential are recognised and properly utilised.

It has, therefore, been decided that the recruitment, training and promotions in respect of the bulk of managerial posts in the public enterprises be delegated to the companies themselves. However, Government has retained the prerogative of appointment of the Chairman, both part-time and full time, and the Members of the Board of Directors. In order to evolve a sound managerial personnel policy for the public sector enterprises and in particular to advise Government on appointments within its prerogative and also to advise the enterprises on management development within the companies, the Government of India have decided to constitute a Public Enterprises Selection Board with the following membership:—

Chairman

1. Shri V. G. Rajhyaksha, Chief Consultant, Planning Commission, New Delhi.

## Members

2. **Shri S. Moolgaokar**, Chairman, Tata Engineering and Locomotive Company.
3. **Shri M. Sondhi**, Secretary, Ministry of Heavy Industry, New Delhi.
4. **Air Chief Marshal, P. C. Lal**, Chairman, Indian Airlines Corporation, New Delhi.
5. **Shri P. J. Fernandes**, Director-General, Bureau of Public Enterprises, New Delhi.

It will be open to the Board to co-opt the services of experts in the industry to which the vacancy is related. In the case of holding companies the Chairman of the holding company will be coopted as a member of the Board for Selection of Chairman of the subsidiary companies.

2. The Bureau of Public Enterprises will function as the Secretariat of the Public Enterprises Selection Board (P.E.S.B.).

3. The Board will be charged with the following responsibilities for all Public Sector enterprises owned or managed by the Central Government, other than those in the field of insurance and banking.

4. **Top level appointment viz. Part-time Chairman, Full-time Chairman and Managing Directors.**—The Board will have the responsibility for selecting persons for appointment against the above posts for all public sector corporations including recommendations for extending the term of an existing incumbent. No such appointment/extension will be made save on the Board's recommendation. In the case of a new appointment, the Board will recommend to the Minister in-charge of the Public Enterprises concerned where possible, a panel of two or three names for consideration. The appointments will be made with the approval of the Appointments Committee of the Cabinet. j

5. The Board is empowered collectively or individually to proceed abroad to interview candidates if found necessary and to contact suitable individuals on a personal basis.

6. **Second level appointment viz. (a) all full time executive/functional directors.**—For selection to these posts, a Selection Com-

mittee will be set up by the Administrative Ministry in-charge consisting of:

- (a) Chief Executive of the Enterprise;
- (b) Representative of the PESB; and
- (c) One or two members to be jointly selected by (a) and (b), one of whom would be specialist in the functional field. The Secretary of the PESB will serve as the Secretary of the Committee.

The Committee will recommend, if possible, a panel of two or three names for the decision of the Minister in-charge. The appointments will be made with the approval of the Appointments Committee of the Cabinet. The Committee will generally follow the same principles as adopted by the PESB for the selection to top level appointments.

(b) *Part-time Non Official Directors.*—Such appointments will be made after obtaining the approval of the Appointments Committee of the Cabinet. Before finalising its proposals, the Ministry concerned will consult the Chairman of the public enterprise and give due weight to his opinion. The Ministry may also seek the advice of the PESB.

(c) *Part-time Government Directors.*—The appointments of Government Directors on an *ex officio* basis may be made by the Minister in-charge of the Enterprise without reference to the Appointments Committee of the Cabinet or to the PESB.

**7. Appointments below Board level:** (a) *General Managers.*—The responsibility for selecting General Managers should be delegated to the Board of the Company. The Board should set up a Committee of not less than 4 of which the Secretary of the PESB should be one member to ensure that the claims of candidates from other enterprises are not overlooked.

(b) *Other Posts.*—For these posts the Board of the Company may make such screening and selection arrangements as it considers appropriate, keeping in mind the broad guidelines that may be prescribed by the PESB.

**8. Management Selection, appraisal, training and Development.**—The PESB will be closely associated with the formulation of selection, appraisal, training and development programmes and practices in public sector enterprises and their organisation structures and

for this purpose will from time to time either collectively or individually, visit these enterprises. Once these have been agreed, regular reports of prescribed intervals will be required to be sent by public sector enterprises to the Secretariat of the PESB on the progress being made in implementing them.

9. **Categorisation of Posts.**—Recommendations to Government on the categorisation of posts in public sector enterprises will be made in consultation with the PESB.

10. **Data Bank.**—The PESB will arrange, through its secretariat, for the creation of a centralised data bank from which the names of the candidates suitable for the three levels of jobs mentioned above will be supplied to the various selection committees/boards.

11. **Secretariat of the PESB.**—A special secretariat to assist the PESB will be set up as a wing of the Bureau of Public Enterprises to perform the functions indicated above and provide the administrative support required by the PESB.

12. **With the introduction of this new policy and procedure, all earlier orders on the subject are superseded.** As the selections under the new policy will be with reference to job specifications for each post, the empanelment procedure introduced in Cabinet Secretariat O. M. No. 72/45/CF-65, dated the 13th October, 1965, will be discontinued.

## APPENDIX IX

[Vide reply for Recommendation at S. No. 53]

(COPY)

NATIONAL SEEDS CORPORATION LTD.

&

STATE FARMS CORPORATION OF INDIA LTD

4-E. Jhandewala Extension,  
Rani Jhansi Road,  
New Delhi 55.

*Dated, the 3rd. May, 1975.*

No. 16/PS/Ch. NSC/75

### OFFICE ORDER

**SUBJECT:**—*Demarcation of Responsibilities of the NSC and SFCI regarding production, processing and marketing of certified seeds on SFCI Farms.*

In accordance with the policy decision that the production, processing and marketing of the seeds on the Central State Farms should be taken up in a co-ordinated manner, the following instructions are issued for necessary action by all concerned.

2. **Demarcation of responsibilities:** The State Farms Corporation would be responsible for the production of raw seeds like any other seed-grower. The responsibility for processing, storage, both of raw seeds at the Farms and the processed seeds at the seed processing plants as well as the seed receiving areas, movement and marketing will be that of the National Seeds Corporation.

3. **Director's Role:** The Director of the Farm concerned will continue to co-ordinate all activities on the SFCI Farm, including those relating to processing, storage movement and marketing. To this end, he will exercise the powers of an additional Regional Manager, NSC, and be responsible to MD, NSC, in regard to all such functions. It will be his special responsibility to ensure that all facilities for

seed processing, storage and marketing are made available on a priority basis. Likewise, wherever the Regional Manager, NSC is posted at the same place as the Director of the Farm, he should exercise the powers of an additional Director in regard to processing, storage and marketing and he will be responsible to the Director of the Farm.

**4. Immediate delivery of the stock:** The raw seeds will be received on behalf of the National Seeds Corporation immediately after harvesting. As far as possible, the movement of the raw seed should be from the field to the processing plant with necessary precautions about security arrangements, weight determination of quality etc. The raw seed should be weighted and its refraction should be carried out at the time of the delivery. Moisture should also be tested at the same time so that the quantity of the certified seeds and the percentage of recovery of seed may be determined after processing.

**5. Operational arrangement for handling:** The Chief Marketing Manager, SFCI, will be responsible to the Managing Director, National Seeds Corporation, in regard to storage, movement and marketing of certified seeds produced on the Central State Farms. He will continue to be responsible to the Managing Director, SFCI, in regard to commercial produce, including cut-grain, under-sized and over-sized grains, and other rejected stock.

**6. Relationship of the marketing and storage staff:** The marketing and storage staff on the farms dealing with certified seeds will like-wise operate like other NSC staff dealing with these functions and be responsible to the Chief Marketing Manager, on the one hand, and the Director of the Farm on the other.

**7. Processing staff:** The processing staff on the Central State Farms would like-wise operate like other NSC staff discharging these functions. They will be responsible to the respective staff on the NSC, on the one hand, and the SFCI, on the other.

**8. Joint Appointments:** In order to provide the necessary linkages and delineate the lines of responsibility and communication, the staff concerned in the two Corporations required to work closely with the staff of the other Corporation, will be given *ex-officio* honorary appointment in the other Corporation so that there may be no problem of co-ordination. Detailed orders on the subject indicating the designations of the posts in the parent Corporation and the *ex-officio* rank in the other Corporation will be issued separately within a fortnight.

**9. No effect on administrative control, seniority and other personnel matters:** This arrangement of joint appointments will not, in any way, affect the administrative control, seniority or other personnel matters. The device of joint appointments is only to facilitate more effective co-ordination. If any questions affecting any personnel matter, such as, disciplinary proceedings or promotions arise, the matter will be dealt with by the authority prescribed under the existing staff regulations of the parent Corporation to which the employee belongs. In other words, this device is being adopted for operational integration and is not intended to be in the direction of merger of the staff of the two Corporations.

**10. Financial arrangement:** Likewise, the system of ex-officio joint appointment, will not make any difference in regard to financial arrangements. The staff will continue to draw their emoluments from the SFCI or NSC, as hitherto. Overall financial adjustments in the two Corporations on the basis of the charges for services rendered will be made jointly by the Financial Controller, NSC and FA&CAO, SFCI.

**11. Transfer of facilities:** The existing seed processing plants and the stores required for seed will be transferred to the staff discharging these functions for operational purposes. The question of permanent transfer of some assets and facilities and payment for the same by the Corporation receiving the assets will be worked out by FC, NSC and FA&CAO, SFCI.

**12. Administrative control and operational powers:** While this arrangement of dual appointments and grant of *ex-officio* designations in the other Corporation will not affect the administrative control and other personnel matters, which will continue to vest with the staff in the parent Corporation, the operational powers and responsibilities will vest in the functional officer and these instructions should be carried out the same way as if issued by the functional officer in the parent Corporation itself. In case there is any delay, default or defiance in the implementation of instructions, the supervisory officer holding the *ex-officio* rank in the Second Corporation should refer the case to the disciplinary authority concerned in the parent Corporation of the employee.

**13. Common sharing of the facilities:** The employees of the two Corporations working at the same place, or in the same area, should share all facilities as if they belong to the same organisation. This applies to office accommodation and furniture, stationery, transport, residential accommodation, tarpaulines, fencing, wooden pallets etc. Care should, however, be taken that no employee gets any conces-

sign he is not entitled to in the parent Corporation because the terms and conditions of the two Corporations are separate and, at times, not identical. Thus, for example, in the matter of allotment of accommodation or grant of other facilities, while the employees of the two Corporations working at the same place should be treated at par, the charges should be at the rates applicable to the employee in the parent Corporation. The rent, for example, should be recovered at the rates payable by the employee in his parent Corporation.

14. **Transfer of charge:** If the seed processing plants, stores, equipment, stock of seeds remain in the custody of the same person, with an additional *ex-officio* designation, no formal transfer is necessary. In case, however, a new person takes over the custody of these or other similar assets, a formal handing over and taking over of the assets duly signed by the persons concerned and their supervisory staff, should be effected.

There will be no need to issue any bills for the value of the assets against the NSC as these assets would be utilised for the benefit of the SFCI and the NSC will only be entitled to a service charge at the rate of 10 per cent for the current year and the rate applicable to the State Seeds Corporations next year as the SFCI's stock of seed is expected to become part of the stock of the State Seeds Corporations.

15. **Seed Testing Laboratory and staff:** Likewise, the seed testing laboratory and staff will also be transferred to the charge of the NSC and will be utilised like other seed testing laboratories located at a seed processing plant.

16. **Movement Schedule:** The movement programme will be drawn up in respect of each farm and the trucks and trailers will be provided by the Directors for this purpose on a priority basis for local movement.

17. **Arrangements outside SFCI Farms:** These instructions apply only to the work relating to the seeds grown on SFCI farms and the system of working outside the SFCI farms remains unaffected by them.

Sd/-

(D. P. SINGH)

Chairman.



**APPENDIX II**

[Vide Reply for Recommendation at S. No. 50]  
STATEMENT OF SUNDRY DEBTORS AS ON 30-6-1973

Name of the Farm	2	3	4	5	6	7
	More than 3 years	More than two years but less than three years	More than one year but less than two years	More than six months but less than one year	Less than six months	Total
<b>1. Surasgarh Farm :</b>						
(i) Government Undertaking . . . . .	1,44,304.54	—	130.50	—	709.46	1,45,144.50
(ii) Government Departments . . . . .	82,743.79	200.34	222.00	51353.03	8768.54	1,43,287.70
(iii) Others . . . . .	..	1396.40	..	4761.47	129.15	6,287.02
	<u>2,27,048.33</u>	<u>1596.74</u>	<u>352.50</u>	<u>56114.50</u>	<u>9607.15</u>	<u>2,94,719.22</u>
<b>2. Ludhiana (Punjab) Farm :</b>						
(i) Govt. Depts. . . . .	..	..	..	..	15,240.21	15,240.21
(ii) Govt. Undertaking . . . . .	..	..	..	..	2,046.40	2,046.40
(iii) Others . . . . .	..	..	..	444.35	95.00	539.35
	..	..	..	<u>444.35</u>	<u>17,381.61</u>	<u>17,825.96</u>
<b>3. Jaisalmer (Rajasthan) Farm :</b>						
(i) Govt. Depts. . . . .	..	1,925.80	17,627.71	..	..	19,553.51
(ii) Others . . . . .	..	..	..	..	..	..
(iii) Govt. Contracts . . . . .	..	4,656.24	7,688.50	..	..	12,324.74
	..	<u>6,582.04</u>	<u>25,316.21</u>	..	..	<u>31,878.25</u>

	1	2	3	4	5	6	7.
<b>4. Hinjar Farm :</b>							
(i) Govt. Depts.	..	..	1,402.50	28.00	..	..	1,430.50
(ii) Govt. Concerns	..	..	2,128.25	475.00	..	..	2,603.25
	..	..	3,530.75	503.00	..	..	4,033.75
<b>5. Raichar Farm :</b>							
(i) Govt. concerns & Department.	..	..	..	..	1,839.25	2,387.10	4,226.35
<b>6. Chengam Farm :</b>							
(i) Govt. Depts. & Govt. Concerns.	..	..	..	..	..	32,714.30	32,714.30
<b>7. Jharsuguda (Orissa) :</b>							
(i) Govt. Depts.	..	43.75	15,868.16	..	..	..	15,911.91
(ii) Govt. Undertaking	..	..	..	..	..	4,900.00	900.00
(iii) Others	..	..	..	..	..	4,058.00	4,058.00
	43.75	..	15,868.16	..	..	4,953.00	20,869.91
						TOTAL	4,06,267.74

(ANNEXURE TO APPENDIX X)

THE BREAK-UP OF OLD OUTSTANDING DEBTS AS ON 30-6-1973

(Rupees in Lakh)

Name of the farm	3 years and more	More than 2 years but less than 3 years	More than 1 year but less than 2 years	More than 6 months but less than 1 year	Outstanding for less than six months	Amount of total debts
1. Suratgarh .	6.31	0.27	0.10	1.16	2.03	9.87
2. Jetsar .	—	0.07	1.43	—	—	1.50
3. Hissar . .	0.21	0.09	0.85	—	—	1.15
4. Raichur .	—	0.01	0.12	—	0.23	0.36
5. Jharsuguda .	—	—	0.16	—	0.05	0.21
6. Ladhawal .	—	—	—	0.11	4.72	4.83
7. Cannanore .	—	—	—	—	0.01	0.01
8. Chengam .	—	—	—	—	0.65	0.65
9. Kokilabari .	—	—	—	—	—	—
10. Rae Bareli .	—	—	—	—	—	—
11. Khammam .	—	—	—	—	—	—
TOTAL .	6.52	0.44	2.66	1.27	7.69	18.58

**ANNEXURE 'B'**

**THE BREAK-UP OF OLD OUTSTANDING DEBTS AS ON 31st MAY, 1976**

(Rupees in Lakhs)

Name of the Fama	Govt. period	3 years and more	More than two years but less than 3 years	More than one year but less than 2 years	More than six months but less than one year	Less than six months	Total
Suratgarh . . .	2.10	1.55	0.20	0.30	0.10	0.32	4.57
Jetsar . . .	—	—	0.02	0.09	0.02	—	0.13
Missar . . .	—	—	—	0.01	—	—	0.01
Raichur . . .	—	—	—	—	0.01	0.02	0.03
Chengam . . .	—	—	—	—	—	0.02	0.02
Marsuguda . . .	—	—	0.12	—	—	—	0.12
<b>TOTAL</b> . . .	<b>2.10</b>	<b>1.55</b>	<b>0.34</b>	<b>0.40</b>	<b>0.13</b>	<b>0.36</b>	<b>4.88</b>

## APPENDIX XI

(Vide para of Introduction)

Analysis of the action taken by Government on the recommendations contained in the 54th Report of the Committee on Public Undertakings (5th Lok Sabha)

1. Total number of recommendations	55
2. Recommendations that have been accepted by Government ( <i>vide</i> recommendations at Serial Nos. 1, 2, 3, 14, 17, 19, 20, 21, 22, 23, 29, 30, 31, 32, 34, 36, 37, 38, 39, 40, 41, 42, 45, 46, 47, 48, 52, 53 and 55)	
Number	29
Percentage of Total	53%
3. Recommendations which the Government do not desire to pursue in view of Government's reply ( <i>vide</i> recommendations at serial Nos. 7, 18, 26, 35, 43, 50 and 51)	
Number	7
Percentage of Total	13%
4. Recommendations in respect of which replies of Government have not been accepted by the Committee ( <i>vide</i> recommendations at Serial Nos. 4, 5, 6, 8, 9, 10, 11, 12, 13, 23, 24, 25, 27, 49 and 54)	
Number	15
Percentage of Total	27%
5. Recommendations in respect of which final replies of Government are still awaited ( <i>vide</i> recommendations at Serial Nos. 15, 16, 33 and 44)	
Number	4
Percentage of Total	7%