

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:4500
ANSWERED ON:30.08.2011
PACKAGE TO NAFED
Anuragi Shri Ghansyam

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government has assessed/reviewed the working of the National Agricultural Cooperative Marketing Federation (NAFED) including its financial health;
- (b) if so, the details thereof;
- (c) whether the Government has provided any relief package to the NAFED;
- (d) if so, the details thereof; and
- (e) the manner in which the relief package is likely to be utilised by NAFED?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE, FOOD PROCESSING INDUSTRIES AND PARLIAMENTARY AFFAIRS (SHRI HARISH RAWAT)

(a) & (b): During 2009-10, while reviewing the working of NAFED, the Government observed that the business turnover of NAFED increased to Rs.6373.32 crore as against Rs. 5065.05 crore in 2008-09, thereby registering an increase of 25.83 %. However, NAFED incurred loss of Rs. 50.06 crore in 2009-10 against of loss of Rs. 25.70 crore during 2008-09. During 2010-11, the business turnover of NAFED has been Rs. 2008.51 crore and it incurred a loss of Rs. 108.52 crore. The main reason for continuous loss to the NAFED from 2007-08 onwards is due to huge interest liabilities on account of outstanding dues to tie-up business defaulters.

NAFED has diversified its business activities and undertaken new business initiatives in Public Private Partnership mode from 2003-04 onwards on the pattern of other PSUs like STC, MMTTC, PEC etc. and extended advances for an amount of Rs.3945.50 crores to 62 parties inclusive of about Rs.2196 crore towards non- agricultural items. An amount of Rs.2880.91 crore has been realized upto 30.4.2011 from these business associates. An amount of Rs.1726.82 crores inclusive of principal amount of Rs.1064.59 crore, service charges of Rs.7.48 crore and interest of Rs.654.75 crore upto 30.4.2011 is due from 29 parties.

(c): No, Madam.

(d) & (e): Question doesn't arise.