

COMMITTEE ON AGRICULTURE
(2010-2011)

FIFTEENTH LOK SABHA

MINISTRY OF AGRICULTURE
(DEPARTMENT OF ANIMAL HUSBANDRY, DAIRYING AND FISHERIES)

DEMANDS FOR GRANTS
(2011-12)

TWENTY FOURTH REPORT



LOK SABHA SECRETARIAT
NEW DELHI

AUGUST, 2011 / BHADRAPADA, 1933 (Saka)

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Presented to Lok Sabha on 29.08.2011

Laid on the Table of Rajya Sabha on 29.08.2011



**LOK SABHA SECRETARIAT
NEW DELHI**

AUGUST, 2011 / BHADRAPADA, 1933 (Saka)

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COMPOSITION OF THE COMMITTEE ON AGRICULTURE (2010-2011)

Shri Basudeb Acharia - Chairman

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3. Shri K.C. Singh 'Baba'
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5. Shri Jayant Chaudhary
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SECRETARIAT

1. Shri Deepak Mahna - Joint Secretary
2. Shri P.V.L.N. Murthy - Director
3. Shri P. C. Koul - Additional Director

INTRODUCTION

I, the Chairman, Committee on Agriculture, having been authorized by the Committee to submit the Report on their behalf, present this Twenty-fourth Report on the Demands for Grants (2011-2012) of the Ministry of Agriculture (Department of Animal Husbandry, Dairying and Fisheries).

2. The Committee under Rule 331 E(1)(a) of the Rules of Procedure and Conduct of Business in Lok Sabha considered the Demands for Grants (2011-12) of the Department of Animal Husbandry, Dairying and Fisheries, which were laid on the table of the House on 17 March, 2011. The Committee took evidence of the representatives of the Department of Animal Husbandry, Dairying and Fisheries and the Planning Commission at their Sitting held on 11 April, 2011. The Committee wish to express their thanks to the officers of the Department of Animal Husbandry, Dairying and Fisheries and the Planning Commission for appearing before the Committee and for furnishing the information they desired in connection with the examination of Demands for Grants of the Department.

3. The Report was considered and adopted by the Committee at their Sitting held on 26 August, 2011.

4. For facility of reference, the Observations/Recommendations of the Committee have been printed in bold letters at the end of each Chapter of the Report.

NEW DELHI;
26 August, 2011
4 Bhadrapada, 1933 (Saka)

BASUDEB ACHARIA
Chairman,
Committee on Agriculture

ABBREVIATIONS

AHD&F	Animal Husbandry, Dairying and Fisheries
AI&T	Animal Identification & Traceability
BE	Budget Estimate
BSL	Bio Safety Level
CCEA	Cabinet Committee on Economic Affairs
CFDO	Central Fodder Development Organisation
CSS	Centrally Sponsored Scheme
DAD&F	Department of Animal Husbandry, Dairying & Fisheries
DMS	Delhi Milk Scheme
EAP	Externally Added Project
EFC	Expenditure Finance Committee
FAO	Food & Agriculture Organization
FMD	Foot & Mouth Disease
FY	Financial Year
GOI	Government of India
IFD	Internal Finance Division
NABARD	National Bank for Agriculture Rural Development
NABCONS	NABARD Consultancy
NDDB	National Dairy Development Board
NDP	National Dairy Plan
NIFPHATT	National Institute of Fisheries Post Harvest Tech. &
Trg.	
RE	Revised Estimate
RKVY	Rashtriya Krishi Vikas Yojana
SFC	Standing Finance Committee
TCP	Technical Cooperation Programme
ZBB	Zero Based Budgeting

CHAPTER – I

IMPLEMENTATION OF THE COMMITTEE'S RECOMMENDATIONS

The Seventh Report of Committee on Agriculture on Demands for Grants (2010-11) of the Ministry of Agriculture (Department of Animal Husbandry, Dairying and Fisheries) was presented to the Lok Sabha on 28 April, 2010. The Report was laid on the Table of Rajya Sabha on the same day.

1.2 In terms of Direction 73 A of Directions by the Speaker, Lok Sabha the Minister of Agriculture and the Minister of Consumer Affairs, Food and Public Distribution made a Statement in the Lok Sabha on 24 December, 2010 giving the status of implementation of various Recommendations made by the Committee in their Seventh Report.

1.3 On the basis of Action Taken Notes received from the Department in respect of the above Report on 27 July, 2010, the Committee presented their Eighteenth Report to the Lok Sabha on 24 March, 2011. The Report was laid on the Table of Rajya Sabha on 25 March, 2011. Out of the 28 Recommendations of the Committee, 22 have been accepted by the Government. The Committee commented upon the Action Taken Notes furnished by the Government in respect of Recommendations at Para Nos. 2.13, 2.17 and 3.14 in the Original Report. Replies to three Recommendations viz. Para Nos.1.19, 1.20 and 2.20 were of interim nature.

1.4 The Committee note that the Action Taken Notes regarding the action taken by the Government on Recommendations contained in the Seventh Report of the Committee were furnished by the Government within the stipulated three months. Similarly the statement of the Minister under Direction 73 A was made within the stipulated six months period. The analysis of the action taken by the Government reveals that 78% Recommendations have been implemented. 11% Recommendations have not been implemented and an equal percentage of Recommendations are in various stages of implementation. The Committee desire the Government to take conclusive action in respect of the six Recommendations commented upon in their Eighteenth Report and furnish further action taken notes to the Committee expeditiously.

CHAPTER – II

OVERVIEW OF DEMANDS

(i) STRUCTURE

The Department of Animal Husbandry, Dairying & Fisheries' a Department under the Ministry of Agriculture came into being on February 1, 1991 with the merger of two Divisions of the Department of Agriculture and Cooperation viz. Animal Husbandry and Dairy Development. The Fisheries Division of the Department of Agriculture & Cooperation and a part of the Ministry of Food Processing Industries were transferred to this Department on October 10, 1997.

(ii) FUNCTIONS

2.2 The Department is responsible for matters relating to livestock production, preservation, protection & improvement of stocks, dairy development, matters relating to the Delhi Milk Scheme and the National Dairy Development Board. It also looks after all matters pertaining to fisheries, including inland and marine sectors and matters related to the National Fisheries Development Board.

(iii) CONTRIBUTION OF ANIMAL HUSBANDRY, DAIRY DEVELOPMENT AND FISHERIES SECTORS TO THE NATIONAL ECONOMY

2.3 Animal husbandry, dairying and fisheries sectors play an important role in the national economy and in the socio-economic development of the Country. These sectors also play a significant role in supplementing family incomes and generating gainful employment in the rural sector, particularly among the landless labourers, small and marginal farmers and women, besides providing cheap nutritional food to millions of

people. Livestock are the best insurance against the vagaries of nature like drought, famine and other natural calamities.

2.4 Emphasising upon the growing importance of the animal husbandry sector the Secretary of the Department told the Committee during the Oral Evidence held on 11 April, 2011 :-

“We should also take note of the fact that a very large number of beneficiaries in this sector are women and this is an extremely important factor to keep in mind. The Committee would have also have taken note of the fact that importance of this sector is growing. For example, the total value of output of the Agriculture and Allied Sectors. Now, Animal Husbandry, Livestock and Fisheries account for nothing less than 29.7 per cent of the value of output of Agriculture and Allied Sectors. Therefore, I think, it would not be out of place to say that the kind of funding we would like for the future should be something akin to this figure. I would also like to point out that milk contributes more than paddy; milk contributes nothing less than Rs.208,809 crore whereas paddy contributes only Rs.135,307 crore. We all know the importance, which paddy has in this Country. We have no comment to make about that. It is extremely important. But I would suggest, considering the fact that so many farmers in India keep cattle and buffalos; and so many depend on milk for their survival – I call it survival – it is not just their livelihood, but the importance given to the sector should rise.”

(iv) **OVERVIEW OF DEMANDS**

2.5 Demand No. 3 which relates to Department of Animal Husbandry, Dairying and Fisheries of the Ministry of Agriculture was laid in the Lok Sabha on 17 March, 2011. The Demand provides for implementation of various Central and Centrally Schemes both for Plan and Non-Plan activities. The details of Revenue as well as Capital expenditure under the Plan and Non-Plan sides of Demand No. 3 are given hereunder :-

Demand No. 3
(Rs. in Crore)

	Plan	Non-Plan	Total
Revenue			
Voted	1583.26	437.95	2021.21
Charged	-	-	-
Capital			
Voted	16.74	-	16.74
Charged	-	-	-
Grand Total			2037.95

(v) **ANNUAL PLAN 2011-12**

2.6 The Department of Animal Husbandry, Dairying and Fisheries have been allocated Rs.2,037.95 crore for the year 2011-12, which includes Rs. 1,600 crore for Plan schemes and Rs.437.95 crore for Non-Plan schemes. The Plan allocation for Animal Husbandry, Dairy Development, Fisheries, Secretariat & Economic Services and for the 'Special Livestock Sector and Fisheries Package for the Suicide-prone Districts in the States of Andhra Pradesh, Maharashtra, Karnataka & Kerala' are as follows :-

Table 1: Sector-wise Annual Plan allocation 2011-12 (Rs. In crore)

Sl. No.	Sector	Central Sector	Centrally Sponsored	Total
1	Animal Husbandry	187.60	686.76	874.36
2	Dairy Development	99.00	151.25	250.25
3	Fisheries	164.00	134.00	298.00
4	Secretariat & Economic Services	6.50		6.50
5	Special Livestock Sector and Fisheries Package for the Suicide-prone Districts in the States of Andhra Pradesh, Maharashtra, Karnataka & Kerala		98.69	98.69
6	Externally aided project 'Preparedness, Control and Containment of Avian Influenza'	72.20		72.20
	Total	529.30	1,070.70	1,600.00

2.7 The Plan allocation for the year 2011-12 is 23.08% higher than the allocation of Rs.1300 crore for 2010-11. Sector-wise details of Plan allocation and percentage increase/decrease in the last three years are given below :-

Table 2: Sector-wise 11th Plan Outlay and Annual Plan allocations (Rs. in crore)

Sector	11 th Plan Outlay	2008-09	% increase / decrease over previous year	2009-10	% increase / decrease over previous year	2010-11	% increase / decrease over previous year	2011-12	% increase / decrease over previous year
		BE		BE		BE		BE	
1	3	6	7	8	9	10	11	12	13
Animal Husbandry	4323	481	37.07	558.29	16.07	792.15	41.89	874.36	10.38
Dairy Development	580	98	10.73	101.1	3.16	87.76	-13.19	200.25	128.18
Fisheries	2776	215	4.53	298.5	38.84	262.44	-12.08	298	13.55
Sectt. & Eco. Services	35	6	22.45	6	0.00	5.8	-3.33	6.5	12.07
Special package	340	160	-5.88	75	-53.13	95.85	27.80	98.69	2.96
Externally Aided Project	120	40	-55.56	61.11	52.78	56	-8.36	122.2	118.21
Grand Total	8,174.00	1,000.00	9.89	1,100.00	10.00	1,300.00	18.18	1,600.00	23.08

2.8 The Department have proposed an allocation of Rs.1,952.51 crore for the year 2011-12. However, they have been allocated Rs.1,600.00 crore only, by the Planning Commission which is less than 82% of the fund proposed and 0.27% of the total Central Plan Outlay. When asked why the Department have not been able to persuade Planning Commission to allocate the amount proposed initially and what were the reasons put forth by the Planning Commission for reducing the proposed amount to Rs.1,600.00 crore, the Department stated that the Planning Commission discussed the Annual Plan proposals of the Department for the Financial Year 2011-12 in a meeting held under the Chairmanship of Member (Agriculture), Planning Commission on 13 January, 2011. The Department made out a strong case for an allocation of Rs.1,952.51 crore being made to it. However, an outlay of Rs.1,600 crore was communicated by the Planning Commission to the Department for 2011-12.

(vi) **BUDGETARY ALLOCATIONS**

2.9 The Budgetary Allocations in respect of Demand No. 3 pertaining to Ministry of Agriculture (Department of Animal Husbandry, Dairying and Fisheries) are given below:

(Rs. in crore)

Budget Estimate 2010-11			Revised Estimate 2010-11			Budget Estimate 2011-12		
Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
1300.00	461.10	1761.10	1257.00	399.02	1656.02	1600.00	437.95	2037.95

The Actual Expenditure upto 28 February, 2011 however has been Rs.955.83 crore (Plan) only. When asked the reasons for decrease in Plan allocation at Revised Estimate stage in 2010-11 as compared to BE of Rs.1300.00 crore, the Department stated that as against the BE, the decrease at RE stage is only Rs.43 crore. The RE is determined by the Department of Expenditure keeping in view performance of the Department and overall availability of resources as against the existing pressing demands. The reduction at RE stage was minimal in respect of this Department.

2.10 As has been mentioned in the Second and Seventh Reports of the Committee, the Department had proposed a Plan Allocation of Rs.17,695.17 crore for the Eleventh Five Year Plan. The Planning Commission, however, approved an outlay of Rs.8,174.00 crore. Following is the year-wise position of funds demanded by the Department, allocated to them and expenditure incurred till 28 February, 2011 in the Eleventh Five Year Plan :-

Plan allocation during different years of Eleventh Plan vis-a-vis funds demanded by the Department and the actual expenditure incurred.

YEAR	FUNDS DEMANDED BY DEPARTMENT	FUNDS ALLOCATED BY PLANNING COMMISSION	EXPENDITURE MADE BY THE DEPARTMENT
2007-08	1435.10	910.00	784.09
2008-09	1891.25	1000.00	865.27
2009-10	1889.07	1100.00	873.38
2010-11	1829.38	1300.00	1154.00
2011-12	1952.91	1600.00	-
	8997.71	5910.00	3676.74

2.11 It is noted that out of the total Outlay of Rs.8,174.00 crore approved by the Planning Commission for the Eleventh Five Year Plan, a sum of Rs. 5,910.00 has been actually allocated. This is less than 72% of the approved funds. Even out of this reduced allocation the Department have been able to spend only Rs. 3,676.74 crore in the first four years of the Plan.

2.12 When queried about the continued lesser than sought allocations, year after year in the Eleventh Plan, the witness informed the Committee during the Oral Evidence as under:-

“Therefore, I would say that the Working Group, while suggesting this sum of Rs.17,695 crore, took note of all factors that were important and said this is what the sector should get. In this connection, it is also important to note that the total allocation for the Tenth Plan was Rs.2,500 crore, whereas the one for the Ninth Plan was Rs.2,346 crore. So, the jump that was recommended by the Working Group, from Rs.2,500 crore to Rs.17,695 crore was a very huge jump, as you will kindly appreciate.

That brings me to the second point, which is the allocation that was actually made for the Eleventh Plan. This was a sum of Rs.8,174 crore, which is round about half or slightly less than half of what was actually suggested by the Working Group during its deliberations and based on the study that was made. Although Rs.8,174 crore, which those days amounted to 0.38 per cent of the Seventh Plan outlay and this is what the Planning Commission had said we would get, we did not get anywhere near that. In fact going by this figure, we should have got an average of about Rs.1,635 crore, each year. Instead in the first year of the Plan during 2007-08, we got Rs.910 crore; in the second year we got Rs.1,000 crore; in the third year we got Rs.1,100 crore; and after that in 2010-11, we got Rs.1,300 crore. It is only in the current year 2011-12 that we have received an allocation of Rs.1,600

crore, which is somewhere near, but still below, what we should have been getting if, it had been equally distributed over the five years. So, the point is that we will have received, during these five years, much less than we should have. We are happy about the fact that the amount has been increasing substantially and we are grateful to the Committee for the fact that we have been supported by you throughout”.

2.13 On the aspect of the Department failing to utilise even these reduced allocations, the witness further clarified :-

“Sir, this brings me to the third point, namely, although Rs.8,174 crore has been allotted to us, our expenditure is way below that. In fact, in the first year, during 2007-08 when the BE was Rs.910 crore, we spent Rs.784 crore, which is 86 per cent; in the second year Rs.1,000 crore was the BE and we spent Rs.862 crore, which is 86.2 per cent; in the third year during 2009-10, the BE was Rs.1,100 crore and we spent Rs.873 crore, which is 79 per cent. In 2010-11, I am happy to say that things improved. Out of Rs.1,300 crore we were able to spend no less than Rs.1,154 crore, that is almost 89 per cent. I would also like to give reasons why we have been unable to reach the kind of expenditure we would have liked them. Ideally we would like to be as close to 100 per cent as possible but there are real problems we face, which I think, I should bring them to the notice of the hon. Committee. In fact, even on occasions in the past, we have brought these problems to the kind notice of the Committee; recommendations have been made on the basis of whatever we have suggested. There are one or two areas, which give us a lot of problems. I would bring them to your special notice. One is the fact that although expenditure ought to be more or less evenly distributed throughout the year, that does not happen. Bulk of the expenditure is done by the State Governments through their Animal Husbandry or Fisheries Department or through the bodies they may have set up like the Livestock Development Boards, Corporations, and so forth. Now, we have a big problem with unspent balances as far as many States are concerned. As on 01.04.2009, the unspent balance in the States was to the tune of Rs. 518.40 crore; and as on 01.04.2010, this amount is Rs. 594.50 crore. We do not have the latest position but then, I am sure, the amount would have increased. Now, as long as there are huge unspent balances, you would appreciate that it is difficult for the Department to release more money except if it is a totally different area than what we had released money for. This constitutes a big problem. Now, over the years, we have mounted a big campaign to see that the States use the money or if they are unable to utilise it and say that they cannot utilise it, to get a refund. Now, you would understand that refunds by the States takes place very rarely. I can remember only one recent instance where it has taken place; I think, it was Jharkhand which returned the sum of money, which it did not utilise, and therefore, they were able to claim a new Scheme, which would give them more benefit. Unfortunately, most of the States are not able to do it. A related point is that it has become quite common in the State Governments to park their funds so as to help them in their Ways and Means position. Just a few days ago I was talking to the Chief Secretary of West Bengal and that too, I spoke to him at the special request of the Animal Husbandry Secretary of West Bengal, who said: “You have released so much money to West Bengal during 2010-11 and a lot of it has not been released; I

am unable to utilise it. Will this affect me in 2011-12?" I said: "It is certainly likely to affect you because second and subsequent instalments of the same Schemes will not reach you. Moreover, there would be a tendency on the part of those who are appraising your Schemes to say that when you have got so much money already left with you, what is the point in releasing more money for you to utilise if you have not utilised what is already there with you?"

Allied to this is the fact that proposals do not reach us on time or if they come, they are not structured in the way we want. Our Schemes have a particular structure. We insist on certain guidelines. Now, guidelines can always be relaxed and there are many occasions when we have taken a considered decision to relax guidelines so that the Schemes are more effective in the States".

2.14 When asked which Schemes of the Department are likely to be affected due to this lesser allocation in Eleventh Five Year Plan in general and how the Department will ensure that their ongoing Schemes do not suffer due to less allocation, the Department submitted that all the schemes of the Department have been scaled down to accommodate the lesser allocation in Eleventh Five Year Plan. The Department are taking all steps to ensure that funds allocated are utilized to the maximum extent.

2.15 When further asked to state the reasons extended by the Planning Commission for lower allocation of funds, year after year during the Eleventh Plan and how the Department will achieve the objectives of various schemes when they have been compelled to scale down all the ongoing schemes of the Department to accommodate them within the allocation provided, the Department stated that the reason communicated to the Department by the Planning Commission is that the exercise on annual allocation of funds to various Ministries/Departments is being carried out by Planning Commission based on the overall funds position available, priority sectors in which more funds are required, rate of expenditure during the previous years, etc. Accordingly, the Department of Animal Husbandry, Dairying and Fisheries has been allocated Rs.1,600.00 crore for the year

2011-12 with an increase of 27% compared to the funds allocated at RE stage during the preceding Fiscal.

The Department have already initiated action to ensure that maximum possible funds are utilized during 2011-12. They have further informed the Committee that they will keep in close touch with State Governments and other implementing agencies. Regional review meetings will be held, and the officers of the Department will tour the States to monitor the progress of the schemes and that they are confident of achieving good progress during the current year.

(vii) SCHEMES OF THE DEPARTMENT

2.16 Given to understand during the course of examination of the Demands for Grants that several Schemes of the Department had been scaled down in tune with the availability of funds, the Committee sought the details of the Schemes which were allocated funds in 2008-09, 2009-10, 2010-11 and 2011-12 but are yet to be implemented and the present status of the 15 new Schemes which have been included for implementation during the Eleventh Five Year Plan. In response, the Department stated that out of the 15 new Schemes meant to be implemented during the Eleventh Five Year Plan only three are yet to be sanctioned. These are National Dairy Plan, Food Safety and Traceability and Strengthening Livestock Extension & Delivery System. When asked about the reasons for the same the following information was furnished by the Department:

- (i) National Dairy Plan: The National Dairy Plan (NDP) budgeted for from 2010-11 onwards is under finalisation. A series of meetings have been held with State Governments, NDDB & the World Bank. This process has taken time. NDDB is in the process of finalizing the 'Project Implementation Plan'. The Department is formulating

the EFC Memorandum for NDP-I. Implementation of NDP-I is expected to commence during the Financial Year 2011-12.

(ii) Food Safety & Traceability : A technical cooperation programme with FAO has been finalised with a programme duration of seven months. This programme will recommend the strategy and action plan for Animal Identification and Traceability Scheme which is expected to be available by November, 2011. The Scheme will be drafted thereafter.

(iii) Strengthening Livestock Extension & Delivery Services: The Scheme's fund provision in the budgets was made from 2009-10 onwards. EFC meeting for this Scheme will be held in April, 2011.

2.17 During the course of the Oral Evidence the witness clarified further :

“If you look at our figures, you will find that three schemes are yet to be sanctioned for various reasons, which we have explained in our note to the Committee. The other 12 were sanctioned and they are all going on. Now we have the confidence that out of the 15 Schemes, the three which are left, I hope, will be cleared very soon. In fact, the EFC meeting for one of them is likely to be held by the end of next month. We will complete that. Another major Scheme is the National Dairy Plan where we have to draft an EFC memo. I think, that EFC would be floated by the end of this month or early next month and the meeting will be held by the end of May so that it would also be ready thereafter. This is a World Bank project. So, we are hoping to get the World Bank approval also within the time-limit specified. The third Scheme is one which entails a little more effort because that involves animal identification. As we have mentioned to you on earlier occasions, this is an area where we do not have any kind of experience. So, we have requested FAO to do a study for us and FAO have agreed. They are now going to start a study in the next few weeks time, and by November, they will give their report. Based on that report, we will prepare a Scheme. Therefore, by the end of this financial year, the three Schemes which are not ready yet, out of the 15 new Schemes, would be ready”.

(viii) NATIONAL DAIRY PLAN (NDP)

2.18 Planning Commission has on 19 November, 2010 conveyed its observation that the IDA loan under Phase-I of NDP amounting to Rs.1,584 crore may be made available to NDDB. The Department have been asked to make a provision in their budget, beginning

2011-12 itself with the clear provision that the amount shall be made available as grant-in-aid to NDDDB for implementation of Phase-I and to obtain necessary EFC/CCEA clearances. When asked about the present status of the proposed grant-in-aid, the Department stated that after the Planning Commission conveyed in-principle approval for transferring Rs.1,584 crore under NDP-I to end implementing agencies as grant-in-aid for implementation of NDP Phase –I, an outlay of Rs.100 crore has been made in the Annual Plan budget for 2011-12 with grant in aid provision of Rs.50.00 crore from domestic resources and Rs.50.00 crore from external aid. Extensive consultation were held with major milk producing States during 14 to 21 March, 2011.

NDDDB is in the process of finalizing the 'Project Implementation Plan'. This will be posed for World Bank assistance. In parallel, the Department are formulating the EFC Memorandum for NDP-I. Implementation of NDP-1 is expected to commence from October, 2011.

(ix) FOOD SAFETY AND TRACEABILITY

2.19 Food Safety and Traceability being an entirely new area for the Country for which neither requisite expertise nor experience is locally available, the Department held consultations within the Country through NABARD / NABCONS which did not provide an actionable blueprint. Thereafter, FAO was approached by the Ministry to provide the services for preparing a strategy paper on Animal identification and traceability system in India. FAO has sent the Department a study proposal under Technical Cooperation Programme (TCP) on Animal Identification and Traceability system for India. A sum of Rs.1.1 crore has to be paid as Indian contribution. IFD has already concurred to the proposal for the release which will be done after supplementary grants are finalized. When

asked the main points of the study proposal under technical cooperation programme on Animal Identification and Traceability system for India sent by FAO and by when do the Department think they will be able to start the Scheme finally, the Department stated that the TCP which has seven months duration will produce a strategy and an action plan for an animal identification and traceability system for India, which will initially be implemented in one or more pilot states to confirm its practicality.

2.20 The main points of the study proposal under TCP of AI&T are :-

(i) A complete description of the current status of the factors which are critical to the design and implementation of an animal identification and traceability system for India.

(ii) Strategy and action plan for an animal identification and traceability system.

(iii) A fully operational national animal identification and traceability scheme will lead to improved control of major animal diseases such as FMD and Brucellosis, increased exports of buffalo meat, improved breeding programmes and more rigorous statistical information.

(iv) The recommendations in terms of the strategy and action plan for AI&T are expected to be available by November, 2011 and Scheme in form of a pilot project will be formulated within the Financial Year 2011-12.

(x) LIVESTOCK EXTENSION AND DELIVERY SERVICES

2.21 Based on the revised EFC Memorandum circulated to the appraisal agencies, the meeting of the SFC/ EFC took place on 05 May, 2011. Planning Commission expressed the view that being the last year of Eleventh Plan; no new schemes may be taken up in 2011-12. Planning Commission also advised to take this up as a part of one of the ongoing CSS scheme namely 'Intensive Dairy Development Programme'. The Department's view in this matter is that this Scheme cannot be clubbed with any of the ongoing CSS whether it is

in the dairy, fishery or small ruminants sector. In order to give it a significant boost, DAD&F would like to take up the new scheme as a stand-alone proposal. Discussion with Planning Commission is going on and efforts are being made to launch the Scheme early.

It was further stated that the Department are making all efforts to ensure that the Schemes are implemented in the current year itself.

(xi) TWELFTH PLAN – SYSTEMIC IMPROVEMENTS

2.22 Observing inordinate delays in the planning and approval of the schemes and the resultant losses to the developmental process, the Committee in their Second Report on the Demands for Grants (2009-10) of the Department had recommended to the planners and the Government a complete overhaul of the extant system of planning and approval of Schemes. In this connection, the Committee had been informed subsequently by the Planning Commission that they were in full agreement with the Recommendations of the Committee.

2.23 The Secretary of the Department while dwelling upon the aspect of planning stated during the Oral Evidence as follows :-

“Sir, I will handle your last question first regarding how we are making the preparation for the Twelfth Plan, whether our Schemes can be ready and implemented on time and related matters. Sir, you are very correct that one major reason why Schemes may not be as successful as they should be is the fact they are sanctioned late. Now, you may kindly recall, Sir, that 15 Schemes were new Schemes to be implemented during the current Five Year Plan. If you look at our figures, you will find that three Schemes are yet to be sanctioned for various reasons, which we have explained in our note to the Committee. The other 12 were sanctioned and they are all going on.”

2.24 The Planning Commission, at the commencement of the Eleventh Plan, had conducted a Zero Based Budgeting (ZBB) Exercise with a view to improve financial

management. They had, thereafter, advised the Ministries / Departments to finalise their Schemes accordingly. However, since the ZBB Exercise of Planning Commission was a time consuming one, leading to delays in planning and approvals, the Committee has recommended in their previous Reports that the Ministries / Departments should themselves explore the possibility of conducting the ZBB Exercise and send the schemes, thus processed for approval of the Planning Commission to save time.

2.25 When asked what systemic improvements have been initiated by the Planning Commission with a view to implement the Recommendation of the Committee now, that the Twelfth Five Year Plan is being worked out, the time lines set for the various stages of drawing-up and finalisation of the Twelfth Five Year Plan and by when would the Twelfth Five Year Plan be conveyed in all its dimensions to the line Ministries / Departments for its implementation, the Department stated that Planning Commission has prepared an Approach Paper for Twelfth Plan (2012-17) and the same was presented in a meeting of the full Planning Commission chaired by the Prime Minister on 21 April, 2011. After wider consultations with experts and various other stakeholders the Approach Paper will be placed before the National Development Council for its approval.

2.26 Planning Commission has also constituted 11 Working Groups on various aspects of agriculture and allied sectors for formulation of Twelfth Five Year Plan. There are two Groups for the Department of Animal Husbandry, Dairying and Fisheries. These Working Groups are represented by concerned Departments/Ministries along with experts and other stake holders.

These Working Groups are expected to submit their reports by 30 September, 2011. The reports of the Working Groups will be considered by a Steering Committee whose report will form the basis for formulation of the Twelfth Five Year Plan. Thereafter, the

Twelfth Plan will be placed internally by the Planning Commission before the National Development Council for its approval. Planning Commission has constituted a committee under chairmanship of Shri B.K Chaturvedi, Member to suggest ways to reduce the number of centrally sponsored schemes. A smaller number of schemes with large amount and broader objective is expected to inter-alia expedite sanctioning procedure by cutting down on the need for seeking approval for a number of schemes with small amounts.

2.27 The rationalization of the schemes / programmes of this Department would be considered by the Sub-group of the Working Group on Animal Husbandry & Dairying and would thus be recommended to the Planning Commission for consideration and follow-up action as above. The Secretary, Department of Animal Husbandry, Dairying and Fisheries elaborated further during the Oral Evidence as under :-

“Now during the course of the discussion with the Planning Commission, Sir as you yourself mentioned, the zero-based budgeting exercise will take place and every one of our Schemes is going to be studied. There, we will make sure that any elements, which are now hindering a Scheme rather than helping it proceed, are removed so that the Scheme can be implemented successfully. We have had enough experience in that. We feel confident that we can do that. This is an exercise we will be ready for and where new Schemes are concerned, we are not thinking of very many new Schemes. One problem we have faced during the Eleventh Plan period is that there were as many as 15 new Schemes and getting approvals for 15 new Schemes even within a period of a few years has not been as easy a task as we would have liked, but for the next Five Year Plan period, since we have done a lot of ground work already, I do not anticipate that we are going to have such a huge number of new Schemes. There will be a few new Schemes. We are already working on what should be done.”

2.28 To the specific queries about the suggestions of the Department for improving the extant process of planning and approvals and the measures initiated by them on the basis of the experience gained from the Eleventh Plan so as to ensure that the Plan period of five years is entirely dedicated to implementation of Schemes, the Department informed the Committee that the approvals for the schemes to be implemented by the Department under the Twelfth Five Year Plan need to be approved and intimated by the Planning Commission

before the commencement of the first year of the Twelfth Plan Period; say by December 2011.

2.29 Furthermore, as per the instruction of the Planning Commission, the following measures have been initiated by the Department to ensure the planning and approval stages of the Twelfth Plan are completed well before the commencement of the Plan.

- i) Schemes are being recasted so to be more effective.
- ii) The recommendations of the “Advisory Committee for Development of Animal Husbandry & Dairying” is given prior consideration.
- iii) Modifications of the existing schemes are being carried out.
- iv) New schemes are proposed to be introduced
- v) Anticipated investment through EAP if any will be taken into consideration.
- vi) Redefining, sharpening and strengthening of the delivery machineries’ at the level of the Department (Centre) and the State is being worked out in the interest of better focus and effective implementation of the schemes.

Annual Plan 2011-12

2.30 The Committee note that the Department of Animal Husbandry, Dairying and Fisheries is entrusted with the task of livestock production, preservation, protection and improvement of stocks, dairy development, matters relating to Delhi Milk Scheme, the National Dairy Development Board, Fisheries and the National Fisheries Development Board. In the light of the crucial role that the animal husbandry, dairying and fisheries sectors play in the socio-economic development of the Country and more importantly the sustenance of the majority of rural populace, the job of the Department is clearly laid out. They have to work out well thought off Schemes for holistic development of these three sectors and implement them in tandem with the State Governments with the aim of creating sustainable livelihoods

for the rural populace and fringe elements in the urban and semi urban areas; socio-economic development, ensuring availability of affordable nutrition to public at large, etc. The animal husbandry, dairying and fisheries sectors are contributing in significant measure to the total value of output of agriculture and allied sectors. In fact their contribution in the recent past in this regard has been 29.7 percent of the total value. The fact that milk at Rs.2,08,809 crore is contributing far more than the contribution of paddy at Rs.1,35,307 crore ought to be an eye-opener to the planners and policy makers. In such an encouraging situation, the development of animal husbandry, dairying and fisheries sectors would have been a win-win situation for all. However, as the subsequent narrative will prove this could be sunshine sector has suffered due to continued apathy of the planners and policy makers alike.

The Committee note that the Department were allocated a sum of Rs.8,174.00 crore for the Eleventh Plan against Rs.17,695.00 crore proposed by them. Based on their expected requirements, the Department have sought a sum of Rs.8,998.00 crore during the five years of the Eleventh Plan. Unfortunately, however, they have been allocated only Rs.5,910.00 crore for the purpose. This is 72% of the approved allocation and less than 66% of the funds sought over the five years of the Plan by the Department. Thus, the Department instead of an average allocation of Rs.1,635.00 crore in each year of the Plan got sums of Rs.910.00 crore, Rs.1,000.00 crore, Rs.1,100.00 crore, Rs.1,300.00 crore and Rs.1,600.00 crore as outlay in the five years of the Eleventh Plan. It is thus apparent that they have barely touched the average annual allocation of Rs.1,635.00 crore only in the last year of the Plan.

2.31 As if the treatment meted out by the planers was not enough, the Department on their part, have also not acquitted themselves well in the matter. Out of the Rs.4,310 crore allocated to them during the four completed years of Eleventh Plan, they have been able to spend a sum of Rs.3,677 odd crore only. Even if they are able to spend the entire Rs.1,600.00 crore allocated to them this year they would be able to touch only 89% of the drastically reduced actual allocation of Rs.5,910.00 crore. The Committee understand that the delays in clearance of the Schemes of the Department meant for Eleventh Plan was an important factor in the underutilization of the earmarked funds. However, they are not convinced by the other reasons extended by the Department for the less expenditure. It is a well known fact since the planning process commenced decades ago that release of funds cannot be evenly distributed throughout the year. The Department have to, therefore, time the availability and release of funds keeping in view these almost permanent constraints. Besides, they have to also ensure that the various Schemes being implemented by them are also devised in such a way that they continue unimpeded in the given scenario. The second reason extended by the Department about the States retaining huge unspent balances, thereby, forcing the current financial arrangements go awry, is also not an insurmountable problem. The unspent balances with the States amounted to Rs.518 crore plus on 1 April, 2009 and rose sharply to Rs.595 odd crore as on 1 April, 2010. It is disconcerting to observe that unspent balances amount to half the annual allocation of the Department in the first four years of the ongoing Plan and is definitely a matter of grave concern. It is apparent that the present mechanism for follow-up being practiced by the Department for liquidation of unspent balances by the States has not served the intended purpose. The Committee feel that there is an urgent need to revisit this

mechanism and introduce necessary correctives at the earliest so that the States are persuaded to liquidate the unspent balances in a time bound manner and further release of funds from the Department continues unhindered. They, therefore, desire the Department to initiate corrective measures in this respect well before the next Plan commences to avoid its recurrence and apprise them of the action taken in the matter.

2.32 Another difficulty being faced by the Department is that the State Governments routinely park their funds so as to help them in their ways and means position. This also leads to funds remaining unspent. Though a matter of concern, the Committee feel that this situation can also be overcome by regular online monitoring of the funds released by the Department so that they are utilized only for the designated purposes. While recommending such a system be put in place, post haste the Committee also desire the Department to also issue unambiguous instructions at the highest level to all State Governments pointing out how the unspent balances, ultimately lead to the curtailing of their further funding and for desisting them from parking of the funds released by the Department for implementation of their Schemes.

Another reason the Department attributed for less expenditure was late receipt of proposals and their not being structured as per the requirements of the Department. The Committee, however, do not tend to agree with the Department on this count also. Sufficient advance planning as well as State specific orientation of the Schemes to some extent alongwith some flexibility in implementation would in their considered opinion go a long way in streamlining the timely submission of properly structured proposals. Both for their Central Sector Schemes and Centrally

Sponsored Schemes, the Committee would like the Department to seriously consider whether a structure akin to Rashtriya Krishi Vikas Yojana would be a better option than the existing strait jacket pattern which doesn't provide the desired leeway to the executing agencies.

2.33 The Committee also note that for the ongoing Fiscal, the Department have been allocated a sum of Rs.1,600 crore against Rs.1,953 crore (approx) sought by them. With a view to ensure that maximum possible funds are utilized during the year, the Department have taken a slew of measures including closer coordination with State Governments and other implementing agencies; regional review meetings, visits by officers to States to monitor progress of Schemes, etc. The Committee are sure that these measures alongwith those recommended by them would enable the Department to not only utilize the allocated amount fully but also help them in obtaining additional funds at the RE stage as well as for the Twelfth Plan.

Schemes in Eleventh Plan

2.34 During the course of the examination of the Demands for Grants (2011-12) the Committee were informed that several Schemes of the Department have been scaled down due to paucity of funds. Moreover, out of the 15 Schemes proposed by the Department for implementation during the Eleventh Plan 3 are yet to be sanctioned. The Department, however, expects to roll out these Schemes to take place in the Eleventh Plan, itself. The Committee are really dismayed with the manner in which planning and approval of Schemes has been handled by the planners and the Government in the Eleventh Plan. They have extensively commented upon this

aspect in almost all their previous Reports on the Demands for Grants from the year 2009-10 onwards pertaining to the Ministries / Departments under their jurisdiction. To recapitulate, the Eleventh Plan Document was released in May, 2008, whereas, the Plan had already commenced from 1 April, 2007. This led to disastrous consequences, as planning and approvals got staggered causing severe delays in actual implementation of the Schemes. The very same reason has manifest itself in the instant case, when three major Schemes of the Department viz. National Dairy Plan, Food Safety and Traceability and Strengthening Livestock Extension and Delivery System are yet to be approved when we are in the terminal year of the Plan. Having been witness to what happened to the developmental process during the Eleventh Plan, the Committee recommend quick and conclusive action on all the three pending Schemes, so that as assured by the Department, the implementation proper of these Schemes begins at least in the last year of the Eleventh Plan.

Twelfth Plan – Systemic Improvements

2.35 In view of the glitches faced during the Eleventh Plan in implementation proper of the various Schemes of the Government, the Committee had recommended a slew of measures in their Second Report on the Demand for Grants (2009-10) of the Department. The Planning Commission were also in full agreement with the Recommendations of Committee about going for a complete overhaul of the extant system of planning and approval of the Schemes. The Committee note with satisfaction that this time the Planning Commission have already prepared the Approach Paper for the Twelfth Plan and the same has been presented in a meeting of the full Planning Commission chaired by the Prime Minister on 21 April, 2011.

Eleven Working Groups have also been constituted on various aspects of agriculture and allied sectors for formulation of Twelfth Plan. Two of these Groups are for the Department of Animal Husbandry, Dairying and Fisheries. The Committee further note that these Groups will submit their reports by 30 September, 2011. Their reports will be considered by a Steering Committee, whose report will be the basis for the formulation of the Twelfth Five Year Plan. The Committee have also been apprised that the Planning Commission have constituted a Committee under the Chairmanship of one of their Member to suggest ways to reduce the number of Centrally Sponsored Schemes.

2.36 The Committee feel that good progress has been made in the direction of preparation of the Twelfth Plan. They are happy that there is a concerted effort being made to reduce the number of Centrally Sponsored Schemes. The Committee are in full agreement that a smaller number of Schemes with larger allocation and broader objective will expedite sanctioning procedure as compared to larger number of Schemes with smaller allocations. The Committee are confident that with the present speed of preparations, the Twelfth Plan will be finalized and got approved from the National Development Council in the coming months. They are also confident, that as recommended by them in their previous Reports and as reiterated here, the Twelfth Plan will be intimated to the line Ministries / Departments at the most by December, 2011 so that all preparation are made by them with a view to implement the Plan from 1 April, 2012 positively and effectively. The Committee also expect the Department to complete all formalities preparatory to implementation of the Twelfth Plan well in advance so that not even a day is lost from 1 April, 2012 on planning and approvals and the Schemes get full five years for their implementation. They desire to be apprised of the progress made in this direction at the earliest.

CHAPTER – III

SECTORAL ANALYSIS

(A) ANIMAL HUSBANDRY

(i) ANIMAL HUSBANDRY SECTOR

The Department is implementing various Central Sector and Centrally-Sponsored Schemes for the development of requisite infrastructure and supplementing efforts of the State Governments in achieving accelerated growth of animal husbandry sector. Besides, the Department has been operating 18 Central Livestock Organizations and allied institutions for production and distribution of superior germplasm to the State Governments for cross-breeding and genetic upgradation of the stocks.

(ii) ALLOCATIONS TO ANIMAL HUSBANDRY SECTOR

3.2 Following is the fund allocations to Animal Husbandry Sector during the last four years :-

	(Rs. in crore)		
	BE	RE	Actuals
2008-09	481.00	461.31	444.54
2009-10	558.29	459.20	435.84
2010-11	792.15	776.30	717.35
2011-12	874.36	--	--

When asked the reasons for low expenditure in 2010-11, the Department stated that the Department could spend / release Rs.717.35 crore during 2010-11. Shortfall is due to a variety of reasons including lack of appropriate proposals, unspent balances, non-receipt of progress reports, etc.

(iii) POULTRY DEVELOPMENT

3.3 Following is the fund allocation under Poultry Development during the Eleventh Plan:

(Rs. in crore)

S. No	Name of Scheme	11 th Plan	2007-08			2008-09			2009-10			2010-11			2011-12
			BE	RE	EXP	BE	RE	EXP	BE	RE	EXP	BE	RE	EXP up to Dec 2010	BE
I	Establishment of Poultry Estates	10.25	0.00	0.00	0.00	1.09	0.01	0.00	5.00	5.00	3.06	4.70	4.29	3.69	2.56

When asked to state the reasons for substantially lesser BE in 2011-12 as compared to BE & RE 2010-11, the Department stated that only two poultry estates have been approved by EFC for implementation during Eleventh Plan on pilot basis. The proposed total Outlay is Rs.10.25 crore during Eleventh Five Year Plan for one Broiler and one Layer Estate. The broiler estate has been sanctioned with qualifying amount of GOI share as Rs.4.28 crore as per the proposal of Government of Sikkim. The Layer estate has been sanctioned with qualifying amount of GOI share as Rs.5.57 crore as per the proposal of Government of Orissa. Thus, the sanctioned project cost for these two pilot projects is Rs. 9.85 crore and the total release till date is Rs.7.35 crore. The committed expenditure now for the year 2011-12 is only Rs.2.50 crore. In addition there may be some requirements (approx. Rs.6.00 lakh) for conducting workshops/seminars/study etc. Therefore, proportionate allocation of Rs.2.56 crore has accordingly been made during 2011-12 to meet the committed expenditure.

3.4 Asked further if any timelines had been fixed to implement this Scheme all over the Country, the Department stated that originally 6 poultry Estates were proposed to be set up for farmers in non-traditional States/areas for poultry. However, the EFC approved establishment of two estates only, on a pilot basis. Once these projects become fully operational, the gains and shortcomings, if any, would be assessed. Inclusion of any other

State would depend on success of these projects. No timelines have been fixed but if there is favorable outcome/recommendation in the evaluation study we may initiate the process for setting up of poultry estates in other States/areas.

(iv) CENTRAL SECTOR SCHEMES

3.5 Following are the funds allocations for some of the Central Sector Schemes during the Eleventh Plan :-

(Rs. in crore)

S. No.	Name of Scheme	11 th Plan	2007-08			2008-09			2009-10			2010-11			2011 -12
			BE	RE	EXP	BE	RE	EXP	BE	RE	EXP	BE	RE	EXP up to Dec 2010	
I	Livestock Census	351.60	60.90	60.90	76.38	130.00	126.80	126.83	23.11	23.00	20.88	18.50	9.36	8.03	4.00
II	Integrated Sample Survey	80.00	7.00	7.00	6.80	9.00	9.00	5.71	9.00	6.94	8.23	7.40	9.20	7.30	9.50
III	Central Cattle Development Organisation	105.00	12.00	13.36	12.88	14.00	19.72	16.53	23.47	24.73	20.90	22.70	22.40	13.13	25.00
IV	Central Sheep Breeding Farm	13.00	1.40	1.60	1.12	2.00	2.21	1.91	2.21	2.30	1.55	1.75	2.00	0.85	2.00
V	Central Fodder Development Organisation	80.00	9.50	10.20	9.54	8.00	10.00	11.71	17.37	25.53	24.19	25.10	26.00	13.40	43.50
VI	Central Poultry Development Organisation	50.00	5.60	6.06	6.06	6.00	9.90	9.78	9.90	12.68	11.24	9.40	11.00	6.28	15.50
VII	Directorate of Animal Health	92.60	19.64	12.65	8.52	10.00	17.95	10.09	27.50	15.66	13.60	11.40	11.28	5.81	17.10
VIII	Control & Containment of Avian Influenza	120.00	90.00	37.00	35.34	40.00	34.20	6.43	61.11	29.16	12.27	56.00	10.53	8.11	72.20
IX	Integrated Development of small Ruminants and Rabbits	190.00	10.22	0.04	0.00	15.00	0.02	0.00	18.33	12.27	4.45	42.00	8.48	5.18	12.00
X	Piggery Development	150.00	9.48	0.04	0.00	8.00	0.03	0.00	3.00	0.04	0.00	3.00	1.86	1.50	5.00
XI	Salvaging & Rearing of Male Buffalo Calves	300.00	0.00	0.00	0.00	25.00	0.05	0.00	4.00	0.02	0.00	27.70	5.51	1.92	3.00
XII	Food Safety and Traceability	50.00	0.00	0.00	0.00	3.00	0.01	0.00	0.01	0.01	0.00	3.00	1.10	0.00	1.00

3.6 Asked about the reasons for low expenditure in most of the Schemes under this Head in the year 2010-11 and for the drastic reduction of funds at RE stage in respect of Schemes mentioned in the above Table at Sl. Nos. I, VIII, IX, X, XI and XII, the Department furnished the following reasons in a written submission :-

- (a) Livestock Census : This was reduced because of less demand for funds from the States/UTs.
- (b) Control & Containment of Avian Influenza : As funds for construction work of BSL III laboratories were not required during the year 2010-11, therefore, the funds at RE stage were reduced accordingly.
- (c) Integrated Development of small Ruminants and Rabbits : Because of lack of demand from NABARD, allocation available under the Scheme could not be utilized.
- (d) Piggery Development : Adequate demand was not generated by NABARD.
- (e) Salvaging & Rearing of Male Buffalo Calves : Adequate demand was not generated by NABARD.
- (f) Food Safety and Traceability : A Technical Cooperation Programme with FAO was accepted by the Department. The RE was reduced to Rs.1.10 crore since this was the amount required.
- (g) Central Cattle Development Organization : The budget provided for import of germplasm could not be utilized. As on 31st March, 2011 the expenditure is Rs. 19.75 crore against the BE of Rs. 22.70 crore.
- (h) Central Sheep Breeding Farm : The Central Sheep Breeding Farm reported an expenditure of Rs.1.78 crore against BE Rs.1.75 crore during 2010-11. Expenditure at the expected level (RE) not reached due to non clearance of proposals by the Department of Expenditure before the end of this financial year.
- (i) Central Fodder Development Organization : The total expenditure under CFDOs during 2010-11 is Rs.39.34 crore against RE of Rs. 26 crore.

(j) Central Poultry Development Organization : During 2010-11 an expenditure of Rs. 11.60 crore has been incurred against RE of Rs. 11 crore for Central Poultry Development Organizations.

(k) Directorate of Animal Health : Against the BE of Rs. 1,140.00 lakhs, Rs 1,045.79 lakhs has been utilized in FY 2010-11. A sum of Rs. 94.21 lakhs was not utilized.

(v) LIVESTOCK HEALTH AND DISEASES CONTROL PROGRAMME

3.7 This Centrally Sponsored Scheme has the following components, viz.:

- (a) Assistance to States for Control of Animal Diseases (ASCAD)
- (b) National Project on Rinderpest Eradication (NPRE)
- (c) Professional Efficiency Development (PED)
- (d) Foot & Mouth Disease Control Programme (FMD-CP)

The Scheme has been expanded in August, 2010 by including four new components and enlarging the scope of the existing FMD-CP component as under :

- (a) National Animal Disease Reporting System (NADRS)
- (b) National Control Programme on Peste des Petits Ruminants (NCPPPR)
- (c) National Control Programme on Brucellosis (NCPB)
- (d) Establishment and Strengthening of Veterinary Hospitals and Dispensaries (ESVHD)

3.8 The Table below indicates the financial performance of the Scheme during the Eleventh Plan till date :

S. No	Name of Scheme	11 th Plan	2007-08			2008-09			2009-10			2010-11			2011-12
			BE	RE	EXP	BE	RE	EXP	BE	RE	EXP	BE	RE	EXP up to Dec 2010	BE
I	Livestock Health & Disease Control	1300.00	82.96	106.44	122.18	120.00	142.82	147.14	220.32	139.86	143.81	373.90	394.19	182.46	395.00

When asked to furnish the reasons for low expenditure during 2010-11, which was even less than half of the BE or RE, the Department stated that the expanded Scheme was approved in August, 2010; therefore the funds for the new components could be released only in the later part of the Financial Year. The Department have released Rs. 353.43 crore under the Scheme during 2010-11 (94.53% of BE). Since implementation has successfully begun, the Department are confident of showing good expenditure in 2011-12.

(vi) INADEQUACY OF VETERINARY INFRASTRUCTURE

3.9 There are only 8,732 veterinary hospitals and 18,830 veterinary dispensaries in the Country. Besides being highly inadequate in number, these institutions lack basic infrastructure in terms of buildings and equipment. The Committee have been pointing out the gross insufficiency of the veterinary services, time and again in their Reports. During the current examination of Demands for Grants (2011-12), the Department informed the Committee that in order to help the States to set up infrastructure for new veterinary hospitals and dispensaries and to strengthen / equip the existing ones, the Department is providing funds on 75:25 (Centre : State) sharing basis except NE States, where the grants are provided on 90:10 basis.

About 350 hospitals and 500 dispensaries were targeted to be strengthened / established by providing funds during 2010-11.

3.10 During the course of Oral Evidence of the Department on hold 11 April, 2011, the Witness while admitting the deficiencies in the veterinary infrastructure and services in the Country stated:

“The very last point in the Animal Husbandry Department is the veterinarian, the Government veterinary doctor. If you look at the requirement of veterinarians, you will find that it is huge. But, as far as the actual filling is concerned, it is far less. About 25,000 veterinarians are there in the Government sector. The number of

veterinarians that are actually required is calculated on the basis of cattle units. One cattle unit is one large animal or five pigs or ten sheep/goats. That is the prescribed formula. Following that formula, we should be having one doctor for every 5,000 cattle units in this Country. What we have actually is one veterinarian doctor for 14,240 units. How is it possible for a veterinarian doctor, even the most dedicated person, to give the kind of attention that is required of him? How is it possible for him or her to go and ensure that the demands of poor people are actually met? What is necessary is for the veterinarian to go to the house of the person concerned and give the assistance that is required. It is not as though the person should have to bring the animal to the veterinarian and show it to him or her. The best results are obtained when doorstep delivery of the service is given. The artificial insemination Scheme will succeed only when we are able to ensure doorstep delivery of various services. But, when the number of veterinarians is so low and when the demands are so huge, you will appreciate that it is an extremely difficult task to get these things done. I thought I would very briefly mention the kind of problems we face because the Committee should be aware of them”.

3.11 In this context, the Committee in their Seventh Report had categorically recommended that in view of the lack of resources with the State Governments the Union Government should start a 100% Central Scheme for the purpose. The Committee had further recommended that to begin with one veterinary dispensary be established under this Scheme in each block of the Country. The Department in their Action Taken Notes have stated that the States could do the needful by utilising the funds available under Rashtriya Krishi Vikas Yojana (RKVY).

3.12 When asked about the impediments in implementing the scheme as a 100% Central Scheme, given the fact that leaving the Scheme for implementation by the respective State Governments cannot ensure a focused and integrated implementation, Countrywide, the Department stated that the provision of veterinary services is primarily the responsibility of the States. The veterinary hospitals, dispensaries, polyclinics, etc. are set up by the States/ Union Territory Governments depending upon the livestock population in a particular area and availability of resources.

3.13 They further added that in order to address the need to set up new veterinary hospitals and dispensaries and to strengthen/ equip the existing ones suitably, the Department has initiated a new component as part of Centrally Sponsored Scheme 'Livestock Health & Disease Control (LH&DC)' since August, 2010. Prior to the finalization of EFC Memorandum for the Scheme 'Livestock Health & Disease Control, the Department made a presentation before Planning Commission for 100% Central assistance for all the new components including Establishment & Strengthening of Veterinary Hospitals and Dispensaries (ESVHD). Planning Commission modified the funding pattern under Establishment & Strengthening of Veterinary Hospitals and Dispensaries (ESVHD) on 75:25 Central: State sharing except for NE States where the proportion is 90:10. The Scheme has been well accepted by the States and during 2010-11, as against the BE of Rs.68.90 crore, a sum of Rs.97.27 crore was provided to the States/UTs for new construction/strengthening of veterinary hospitals/dispensaries under this component. During 2011-12, the provision of Rs.90.00 crore has been kept at B.E. stage under this Component.

(B) DAIRYING

(i) DAIRY SECTOR

3.14 The Indian Dairy sector acquired substantial growth momentum from Ninth Plan onwards, achieving an annual output of 112.54 million tones of milk during 2009-10. This has not only placed the country on top in the world, but also represents sustained growth in the availability of milk and milk products for the growing population. The per capita availability of the milk reached the level of 263 grams per day in the year 2009-10, but it is still lower than the world average of 284 grams per day. Government of India is making efforts to increase the productivity of milch animals and thus increase the per capita

availability of milk. Milk production and marketing system in India is unique. Most of the milk is produced by small, marginal farmers and landless labourers. About 14.08 million farmers have been brought under the ambit of 1,35,439 village level dairy cooperative societies.

The efforts of the Department in the dairy sector are concentrated on promotion of dairy activities mainly in non-operation flood areas with emphasis on building up cooperative infrastructure, revitalization of sick dairy cooperative federations and creation of infrastructure in the States for production of quality milk and milk products. The Department is implementing four schemes in the dairy sector during Eleventh Plan. National Dairy Development Board (NDDB) continues its activities for the overall development of Dairy Sector in Operation Flood areas.

3.15 Dairying has become an important secondary source of income for millions of rural families and has assumed the most important role in providing employment and income generating opportunities.

The following Table depicts the BE, RE and Actuals on Dairy Sector Schemes in the last three Fiscals and the ongoing one :-

(Rs. in Crore)

YEAR	BE	RE	Actual
2008-09	98.00	98.10	97.90
2009-10	101.10	89.24	85.93
2010-11	87.76	87.56	64.49*
2011-12	200.25	-	-

*upto 28 February, 2011

3.16 When asked to state the reasons for more than double the fund allocation during 2011-12 as compared to BE and RE 2010-11, the Department stated that the demand for milk and milk products has been growing. This can be ascribed to increase in disposable

incomes, growing urbanization and changing dietary habits. In order to meet the growing demand and make available milk and milk products at reasonable price to the consumers there is a need to enhance budgetary outlay for dairy sector. Increased outlay has, therefore, been provided for Dairy Development in the Budget 2011-12.

3.17 When asked about the Department's views on incentivizing farmers to encourage them to opt for dairying in a big way, the witness responded during evidence as under:-

"I fully agree with you that it is necessary that the farmer gets a good price; otherwise, he will not be incentivized to produce the quantum of milk that he is supposed to. As you are aware, the demand of milk is growing at a faster pace. That is for a number of reasons. The first one is that because of certain reasons, we are now in a position where 50 per cent of the milk that is produced is consumed at the rural areas itself.

It is only the rest of it that is coming to urban and semi-urban areas. Now as far as production of milk is concerned, I must say that in absolute terms the actual production of milk has gone up. I will give you the figures which are there with me. In 2007-08, the production was 104.85 million tones; in 2008-09, it increased to 108.58 million tones; in 2009-10, it became 112.53 million tones; and the projection for 2010-11 is that it will be about 116 million tones. So, it is increasing by about four million tones every year. Now, I will be first to say that we should be able to increase the production much more than this. The various Schemes that are being implemented by the Department, and which we would continue to implement in future, our aim is to ensure that all facilities are placed at the disposal of the farmer so that he is incentivized to produce milk and he produces good quality milk which could be sold at good prices.

As far as prices are concerned, there are two-three issues. About 69 per cent of the cost of milk is due only to the cost of feed and fodder. As you know better than me, the cost of feed as well as fodder has been going up substantially. I am told that it is now about Rs. 11 to Rs. 16 per kilogram of feed. It varies from place to place. About 75 per cent of animals in this Country are low input and low output types and more than 70 per cent of farmers who pour milk in this Country own between one to three animals. Therefore, for a man who owns just one to three animals, even an increase of Rs. 1 in the price of cattle feed is something which will make him worried. Now the bulk of the animals in this Country are, unfortunately, low input and low output because they are mainly fed on crop residues. So, what is necessary is to ensure that the farmer gets adequate recompense and payment for whatever he produces so that he is not only able to meet the full cost of production but he is also able to make a satisfactory margin on that".

3.18 Queried further as to whether the Government was contemplating introducing some mechanism like support price for milk to encourage dairying, the witness stated :-

“Sir, you had asked about the support price. At the moment, we are not aware of any thinking on the part of the Government to have a support price. But in my opinion, the fact that a good price is necessary to dairy farmers for their product is now fairly well understood in this Country. In fact, we can tell you also that in certain seasons when there is a big demand for milk and when milk procurement is going up, there is competition between Federations as well as private parties. The private parties offer Re.1 to Rs.2 more per kilo milk to attract farmers, and cooperative federations also do the same thing. Now we can say that eventually the cost will be passed on to the consumer. But then if you do not give the right kind of price to the farmer, you will not get the milk in the first place. Now Delhi is a city full of multiplexes. You go to a multiplex and you pay Rs. 200 for a ticket and you pay Rs. 75 for a packet of popcorn and all kinds of things. If people are willing to do that, they should be able to pay little more for the milk which is ten times more healthy than popcorn and will give benefit to everybody. That is my answer to this question”.

3.19 The fund allocation this year has more than doubled on account of higher outlay for the scheme Dairy Entrepreneurship Development Fund – which has been allocated Rs.88.00 crore for 2011-12 (as against Rs.32.40 crore for 2010-11) for the last year of the Five Year Plan. An outlay of Rs.100 crore has been provided for NDP-I, which has already been discussed in Chapter II of this Report, during 2011-12 (as against Rs.1 crore for 2010-11) as the Scheme is planned to be implemented from 2011-12.

(ii) DELHI MILK SCHEME (DMS)

3.20 Following are the BE, RE and Actuals for Delhi Milk Scheme in the Eleventh Plan:
(Rs. In Crore)

S. No	Name of Scheme	11 th Plan	2007-08			2008-09			2009-10			2010-11			2011-12
			BE	RE	EXP	BE	RE	EXP	BE	RE	EXP	BE	RE	EXP up to Dec 2010	
I	Delhi Milk Scheme	5.00	3.50	5.50	5.05	7.00	9.00	9.00	9.00	11.20	11.20	8.30	8.10	6.78	10.00

When asked the reasons for less expenditure as compared to BE and RE in the year 2010-11, the Department stated that the Non Plan expenditure of DMS has been less than the Budgeted Estimates on account of shortage in procurement of milk by DMS. As DMS

could not achieve procurement target as well as sale target set at BE stage, the Non Plan allocation at the RE stage were reduced.

3.21 It was further stated that the BE and RE (Plan) expenditure for the year 2010-11 was Rs. 1 crore. No saving has been reported during the Financial Year.

(Rs. in crore)

11 th Plan	2007-08			2008-09			2009-10			2010-11			2011-12
	BE	RE	Exp.	BE	RE	Exp.	BE	RE	Exp.	BE	RE	Exp.	BE
5.00	1.00	1.00	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

3.22 The Committee in their Seventh Report had asked the Department not waste further time on corporatisation of DMS. Instead, they had recommended that the Government should improve the infrastructure and wherewithal of DMS with state-of-the-art machinery and equipments so that it turns around and starts making profit like its sister concern 'Mother Dairy' and numerous other such entities in the co-operative and private sectors. They had also reiterated this Recommendation in their Eighteenth Report. However, it seems that the Government is yet to consider it.

(C) FISHERIES

(i) FISHERIES SECTOR

3.23 Fisheries sector contributes significantly to the national economy while providing livelihood to approximately 14.49 million people in the Country. It has been recognized as a powerful income and employment generator as it stimulates growth of a number of subsidiary industries and is a source of cheap and nutritious food besides being a source of foreign exchange earner. Most importantly, it is the source of livelihood for a large section of economically backward population of the Country. The main challenges facing fisheries development in the Country include development of sustainable technologies for fin and

shell fish culture, Fish Seed Certification, yield optimization, infrastructure for harvest and post-harvest operations, landing and berthing facilities for fishing vessels and uniform registration of fishing vessels.

3.24 The Table below summarises the financial performance of the Fisheries Sector during the preceding three Fiscals and the BE in the current Fiscal:

(Rs. in crore)			
YEAR	BE	RE	EXPENDITURE
2008-09	215.00	180.39	178.53
2009-10	298.50	271.40	272.51
2010-11	262.44	294.25	195.25
2011-12	298.00	-	-

*upto 28 February, 2011

In view of the Actual Expenditure being far less than RE during 2010-11, the Department were asked as to what strategy has been adopted to utilize fully the BE allocated in 2011-12. In response, the Department stated that they proposed to focus on the following priority areas:-

- (i) Enhancement of Fish production and productivity for ensuring sustainability in aquaculture sector taking into consideration of major inputs like quality and healthy fish seeds, feed etc. and promising species.
- (ii) Adoption of culture based capture fisheries in reservoirs and under- utilized larger water bodies.

(ii) **CENTRAL SECTOR SCHEMES**

3.25 The financial allocations during the Eleventh Plan in respect of Central Sector Scheme in the Fisheries Sector are as under:-

(Rs. in crore)

S. No	Name of Scheme	11 th Plan	2007-08			2008-09			2009-10			2010-11			2011-12
			BE	RE	EXP	BE	RE	EXP	BE	RE	EXP	BE	RE	EXP up to Dec 2010	
I	Strengthening of Database & Geographical Information System of the Fisheries Sector	25.00	2.80	2.80	2.53	3.00	3.00	2.40	5.00	10.00	8.88	10.15	10.55	6.62	10.00

It is noted that in all the four years the Actuals have been lesser than RE.

When asked about the reasons for low utilisation of funds in 2010-11 by almost 34% it was stated by the Department that the percentage of utilisation of funds under strengthening of Data Base and Geographical Information System of Fisheries Sector during 2010-11 is 93.3% of BE as on 31 March, 2011. Further bulk of the amount is spent on salaries, wages, etc. of the survey staff. States did not recruit adequate number of personnel. Some proposals received from implementing agencies could not materialise due to late receipt.

(iii) **NATIONAL INSTITUTE OF FISHERIES POST HARVEST TECHNOLOGY AND TRAINING (NIFPHATT), KOCHI**

3.26 Integrated Fisheries Project has been renamed as National Institute of Fisheries Post Harvest Technology and Training (NIFPHATT). The Project envisages processing, popularization and test marketing of unconventional varieties of fish. The Project has an

ice-cum-freezing plant and a modern fish-processing unit. It also provides institutional training in various courses. Besides the Head Quarters at Kochi, the Project also has a centre at Visakhapatnam. During 2009-10, 146.23 tonnes of fish were processed and 103.27 tonnes of fish were marketed. During the year 2010-11 (upto January, 2011), the Institute has processed 128.33 tonnes of fish including job work for outside parties and sold 89.07 tonnes of fish and fish products valued at Rs.47.00 lakh through stalls, mobile units, contractor sales etc. The Institute has imparted 8009 trainee days for self help groups and students in various disciplines during the year 2010-11.

Allocations to the Animal Husbandry Sector

3.27 The Committee observe that the Department have been allocated sums of Rs.481.00 crore, Rs.558.29 crore and Rs.792.15 crore respectively in the last three Financial Years. However, in all the three years there have been reductions at RE stage. In 2008-09 RE was reduced by Rs.20.00 crore or so; in 2009-10 by almost Rs.100.00 crore and in the last Fiscal by about Rs.16.00 crore. The Department has not even been able to spend these reduced amounts. The actual expenditure being Rs.444.54 crore, Rs.435.84 crore and Rs.717.35 crore respectively in these three years. The Department have justified the lesser utilisation on the plea that in percentage terms they have acquitted themselves reasonably. The Committee are, however, concerned on an altogether different plane. The animal husbandry sector holds immense promise and potential for the welfare of the deprived sections of our population including small and marginal farmers, the rural landless, the urban poor. More importantly, it can provide the much needed financial help to the women folk of these segments of society. And the Department, in spite of being in existence for decades together have not even been able to create a sound financial base for the

sector. Still being content with a budgetary allocation in hundreds of crore, which the Committee consider is a pittance, the Department have regularly failed to show case the sector in its full potential and dimensions to the planners and policy makers. The Committee, therefore, desire the Department to deeply introspect in the matter and work out a detailed roadmap to project the animal husbandry sector in its entirety so that it could claim its rightful place in the economy and the developmental process. The Committee expect all alacrity in this regard from the Department and hope that they would do the needful this right now when the Twelfth Five Year Plan is being formulated.

3.28 The Committee also note that this year the Department have been allocated a sum of Rs.874.36 crore for the Animal Husbandry Sector. From their past performance of three years, the Committee feel that unless the Department gear themselves up appropriately, it would again be difficult for them to spend this amount. Such an unfortunate eventuality would ultimately lead not only to reductions at the RE stage but also to the Planning Commission and the Ministry of Finance forming a definite opinion about the absorption capacity of the Schemes of the Department, a situation the Department can ill afford at this juncture. The Committee, therefore, desire the Department to schedule their spending and releases diligently and in close coordination with State Governments and other user agencies to ensure full utilisation of the allocated amount.

Poultry Development

3.29 The Scheme for Establishment of Poultry Estate could not make any headway during the first two years of the Eleventh Plan due to delays in approval, etc. Finally instead of the proposed six estates, the EFC gave approval to only two estates viz.

one broiler and one layer estate. While the broiler one is a proposal of Government of Sikkim, the layer one is a proposal of Government of Orissa. Due to the delay in commencement of these two pilot projects, the Department are not in a position to confirm or otherwise the likely expansion of the Scheme in other States / areas. Thus, concrete inputs for the future of the Scheme during the Twelfth Plan would not be forthcoming at this stage. However, keeping in view the high hopes expressed by the Department during the examination of the Demands for Grants (2011-12) as also the previous one, the Committee desire that the evaluation of the Scheme be done at the earliest available opportunity, so that the further course of action is accordingly decided.

Central Sector Schemes

3.30 The Committee are concerned to note that in most of the Centrally Sponsored Schemes, the performance of the Department has not been upto the mark during 2010-11. In fact in at least six out of twelve Schemes analysed by the Committee, there have been drastic cuts in the allocations at the RE stage. In most of these cases, the Department have attributed low demand for funds by various agencies as the reason for the lower utilisation. The Committee, however, strongly feel that the lower demand for funds perhaps does also reflect on some shortcomings in the structuring of the concerned Schemes and planning. The Department can, therefore, not escape some responsibility in this regard. The BE of Rs. 18.50 crore for Livestock Census was almost halved to Rs. 9.36 crore; Control and Containment of Avian Influenza witnessed a spiralling down from BE of Rs. 56.00 crore to RE of Rs. 10.53 crore which is more than five times down sizing; Integrated Development of Small Ruminants and Rabbits Scheme was allocated Rs. 42.00 crore as BE which was curtailed at the RE stage to Rs. 8.48 crore; the BE of Rs. 3 crore for Piggery

Development was slashed to Rs. 1.86 crore at the RE stage; the Scheme for Salvaging and Rearing of Male Buffalo Calves saw its BE of Rs. 27.70 crore getting reduced to Rs. 5.51 crore; and the BE of Rs. 3.00 crore for Food Safety and Traceability Scheme was also more than halved to Rs. 1.10 crore at the RE stage.

The above narrative speaks volumes of the Department's capacity to plan and manage their finances prudently. While the user agencies may not be generating adequate demand, it is also incumbent on the Department to anticipate and plan in a manner that such drastic cuts are avoided to a large extent. The Committee hope the Department will, in view of the experience gained over the years, improve upon this aspect of financial planning, so as to ensure that funds are managed in a more professional manner and such drastic cuts at the RE stage are avoided.

Livestock Health and Diseases Control Programme

3.31 The Livestock Diseases and Health Control Programme consisted hitherto of four components viz. (a) Assistance to States for Control of Animal Diseases (b) National Project on Rinderpest Eradication (c) Professional Efficiency Development and (d) Foot and Mouth Disease Control Programme. However, the Committee find that four new components viz. (a) National Animal Disease Reporting System (b) National Control Programme on Peste des Petits Ruminants (c) Brucellosis and (d) Establishment and Strengthening of Veterinary Hospitals and Dispensaries were added to it in August, 2010. The Committee observe that this important Scheme was allocated a sum of Rs. 1300.00 crore for the Eleventh Plan out of which, a sum of Rs. 766.56 crore only i.e. about 59% has been spent during the first four years of the Eleventh Five Year Plan. The Committee, even while sharing the optimism of the Department about being able to spend the entire amount of Rs.395.00 crore

earmarked for the terminal year of the Plan, know that only 89% of the earmarked allocation will be spent. This is not a healthy sign, more so when these funds are meant for eight most vital aspects of the animal husbandry sector. The Committee, therefore, recommend, the least the Department can do is to utilise funds far more promptly and gainfully so that additional funds are sought at the RE stage with a view to utilise as much allocated amount as possible.

Inadequacy of Veterinary Infrastructure

3.32 It is common knowledge that the Veterinary Infrastructure and services in the Country are in a pathetic state. There are only 8732 veterinary hospitals and 18830 veterinary dispensaries in the Country. Most of them even lacking in basic facilities and infrastructure. As admitted by Secretary, Department of Animal Husbandry, Dairying and Fisheries against the prescribed one veterinary doctor for every 5000 cattle units there is actually one for 14240 cattle units. In such a bleak scenario, the Committee had recommended in their Seventh Report, which was presented to the Parliament on 24 April, 2010 that the Government should start a 100% Central Scheme for the purpose. They had also recommended that to begin with one veterinary dispensary be established under this Scheme in each block of the Country. The Department it seems had made a presentation before the Planning Commission for providing 100% central assistance for the proposed Establishment and Strengthening of Veterinary Hospitals and Dispensaries component of the Livestock Health and Disease Control Scheme. However, the Planning Commission modified the funding pattern for the component on 75:25 basis Central/State sharing except in the NE States where the proportion was 90:10. This new component is being implemented since August, 2010. The Department on repeated probing has

also suggested that the States can also avail funds for the purpose under the Rashtriya Krishi Vikas Yojana.

3.33 The Committee further note that during the year 2010-11 against a BE of Rs. 69.00 crore a sum of about Rs. 97.00 crore was provided to the States/UTs under the new component. Furthermore, a sum of Rs. 90.00 crore has been earmarked as BE for the component during 2011-12. Notwithstanding the figures doled out and the circumstances explained by the Department, the Committee are still of the firm opinion that if the veterinary infrastructure and services are to be improved in the Country the Central Government has to take the lead admittedly though the veterinary services are primarily the responsibility of the State Governments. The Committee strongly feel that the augmentation of veterinary infrastructure and services cannot be achieved in a piecemeal manner as the State Governments cannot ensure a focussed and integrated pan-India implementation of any Scheme meant for the purpose which has some or the other level of contribution from the State Government side. It is, therefore, imperative that the Scheme be implemented in a 100% central assistance pattern. The Committee, therefore, reiterate their Recommendation about having a 100% Central Scheme for the purpose in which to begin with one dispensary be established in each block of the Country. This time around the Committee expect the Department to put forth their case before the Planning Commission in a more forceful and purposeful manner so that the Scheme as envisaged by them becomes a part of the Twelfth Five Year Plan.

Dairy Sector

3.34 India is number one producer of milk in the World. Still the per capita availability of milk is 263 grams per day which is lower than the World average of 284

grams per day. Dairying is mostly concentrated in cooperative societies a majority of whom are composed of small and marginal farmers and the landless labour. Even in these segments a large population consists of women. Dairying has become one of the important and dependable secondary source of income for millions of rural families. A major problem facing the dairy sector is the low productivity of milch animals in the Country. The Government's effort, therefore, is mainly focussed on improving the productivity of the milch animals with a view to increase production. The Committee have been informed that the Department is primarily involved in promotion of dairying activities in non-Operation Flood areas where they are assisting building up of cooperative infrastructure, revitalisation of sick dairy cooperative federations and creation of infrastructure in the States for production of quality milk and milk products. Towards these goals the Department are implementing four Schemes in the Dairy Sector.

The Committee note that during the last three Fiscals (upto 28 February, 2011), Dairying Sector could hardly spend Rs.250.00 crore or so primarily because the National Dairy Plan (NDP), which has been discussed in the preceding Chapter, was in limbo all these years. This year since a sum of Rs.100.00 crore has been earmarked for NDP the allocation has accordingly more than doubled to Rs.200.25 crore for Dairy Development. This being the terminal year of the Eleventh Plan, the Committee exhort the Department to fully utilise this entire amount so that not only NDP is kickstarted at last but funds in sufficient amounts are also made available for the Dairy Sector by the Planning Commission in the Twelfth Plan.

Incentivising Milk Production

3.35 The demand of milk and milk products is not only growing for internal consumption but their exports are also growing at a steady rate. To keep pace with these growing requirements it is but essential that the production of milk stays ahead of the demand. The production of milk has been growing at the rate of about 4 million tons per annum but this is not good enough. The Committee, however, are disappointed to note that the present environment is not conducive for the dairy sector to grow. As the dairying business is mostly the vocation of small and marginal farmers and rural landless labour any increase in input costs discourages them from going beyond their own requirement and a little more to sell. With almost 70% of the cost of milk being attributed to cost of feed and fodder, this attitude is but understandable. The situation is further compounded by the fact that 70% of milch animals are low input, low output one. And more than 70% farmers who are involved in dairying activities have hardly one to three animals. In such a scenario a two pronged approach is very essential for ensuring a decent remuneration to the farmers involved in dairying activities. The availability of feed and fodder has to be improved manifold from the present levels. And Schemes that place such facilities at the disposal of farmer which encourage him to produce more and more good quality milk are to be devised and implemented with due promptitude. With the Twelfth Plan on the anvil, the Committee desire that a distinct roadmap for the purpose may be immediately worked out by the Department so that the extant shortcomings on both the counts are attended to in the Twelfth Plan.

3.36 While on the issue of increasing productivity and production of milk, the Committee would also like to touch upon the aspect of having a minimum support price for milk. The representative of the Department informed them that as of now

there appears to be no thinking on the part of the Government to have a support price for milk. However, he was one with the Committee on the need of ensuring that the farmer is not only adequately compensated for whatever he produces but is also able to make a satisfactory profit on it. Though the idea is at the moment at the very nascent stage, the Committee would like the Department to consider it in all its ramifications in consultation with all agencies concerned and revert to the Committee with their views within three months of presentation of this Report to Parliament.

Delhi Milk Scheme

3.37 The Delhi Milk Scheme (DMS) has catered to the milk and dairy product requirements of NCT of Delhi for decades together now. However, due to mismanagement, continued neglect of affairs of the Organisation, obsolescence of plant and machinery, the DMS continues to make losses year after year. The Government have been toying with the idea of corporatization of DMS for quite sometime now, with no success. Resultantly, DMS continues to suffer and is not able to function at its optimal best in stark contrast to other players in milk and dairy products market. The Committee, strongly feel that the approach of the Government with regards to handling the problems faced by DMS is far away from reality. Instead of the time consuming corporatization, DMS can be, in the opinion of the Committee turned around by a one time infusion of capital for acquisition of State-of-the-art machinery and equipment. The Committee, therefore, once again reiterate that needful be done by the Government at the earliest so as to ensure that DMS is restored to a flourishing, profit making entity like Mother Dairy and others.

Fisheries Sector

3.38 The Fisheries sector provides livelihood to a large section of economically weaker sections in the Country. Approximately, 14.5 million people are dependent on this Sector which is not only an important income and employment generator but also stimulates growth of a number of subsidiary industries. However, as in the case of the other two sectors under the jurisdiction of the Department of Animal Husbandry, Dairying and Fisheries, the Fisheries Sector has also not received the necessary impetus so that its full potential is exploited. As admitted by the Department before the Committee, there are several challenges facing the sector including need to develop sustainable technologies for fin and shell fish culture, fish seed certification, yield optimization, infrastructure for harvest and post harvest operations to cite a few. Unfortunately, however, as in the case of animal husbandry and dairying, the fisheries sector too has received only a pittance as allocations. Albeit, the Department have not been able to utilize even these nominal funds in any of the last three years. Against the BE of Rs. 215.00 crore, Rs. 298.50 crore and Rs. 262.44 crore respectively in 2008-09, 2009-10 and 2010-11, the Department was able to spend Rs. 178.53 crore, Rs. 272.51 crore and Rs. 195.25 crore (upto 28 February, 2011) only. The Committee, however, are satisfied to note that for the ongoing Fiscal, the Department intend to focus on enhancement of fish production and productivity for ensuring sustainability in aquaculture sector, adoption of culture based capture fisheries in reservoirs and under-utilized larger water bodies, etc. They are also confident that, if these issues are managed in a professional manner, the Department would definitely be able to optimally utilize the allocation of Rs. 298.00 crore earmarked for the current Fiscal.

National Institute of Fisheries Post Harvest Technology and Training, Kochi

3.39 The National Institute of Fisheries Post Harvest Technology and Training (NIFPHATT), at Kochi envisages processing, popularization and test marketing of unconventional varieties of fish. The project also has a Centre at Visakhapatnam. The Committee have been informed that during 2009-10, 146.23 tonnes of fish were processed and 103.27 tonnes were marketed. In 2010-11 (upto January, 2011) the Institute processed 128.33 tonnes of fish including job work for outside parties and sold 89.07 tonnes of fish and fish products valued at Rs. 47 lakh through stalls, mobile units, contractor sales, etc. The Institute has imparted 8009 trainee days for self help groups and students in various disciplines during the year 2010-11. The Committee during their programme of Study Visit in June-July, 2011 had also visited the Institute at Kochi. They observed that the Institute is contributing a lot towards processing and popularization of unconventional varieties of fish. They, therefore, recommend that the Department should immediately conduct an exercise to identify areas with sizable availability on unconventional varieties of fishes and open regional Centres of NIFPHATT, Kochi in coastal States in the first instance, if not in all States, for the benefit of self help groups and students. They would like to be apprised of the action taken in the matter.

NEW DELHI;
26 August, 2011
4 Bhadrapada, 1933 (Saka)

BASUDEB ACHARIA
Chairman,
Committee on Agriculture

**COMMITTEE ON AGRICULTURE
(2010-11)**

MINUTES OF THE TWENTY-FOURTH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 11th April, 2011 from 1445 hours to 1700 hours in Room No.62, Parliament House, New Delhi.

PRESENT

Shri Hukmadeo Narayan Yadav – In the Chair

MEMBERS

LOK SABHA

2. Shri Narayansingh Amlabe
3. Shri Thangso Baite
4. Smt. Ashwamedh Devi
5. Shri Anant Kumar Hegde
6. Shri Sk. Nurul Islam
7. Shri Naranbhai Kachhadia
8. Shri Prabodh Panda
9. Shri Premdas
10. Shri Vitthalbhai Hansrajbhai Radadiya

RAJYA SABHA

11. Shri Shashi Bhusan Behera
12. Shri Narendra Budania
13. Shri Satyavrat Chaturvedi
14. Shri Mohd. Ali Khan
15. Shri Upendra Kushwaha
16. Shri Bharatsinh Prabhatsinh Parmar
17. Shri Rajpal Singh Saini

SECRETARIAT

- | | | | |
|----|-------------------------|---|---------------------|
| 1. | Shri Raj Shekhar Sharma | - | Joint Secretary |
| 2. | Shri P.V.L.N. Murthy | - | Director |
| 3. | Shri P.C. Koul | - | Additional Director |

REPRESENTATIVES OF MINISTRY OF AGRICULTURE (DEPARTMENT OF ANIMAL HUSBANDRY, DAIRYING AND FISHERIES)

- | | | |
|-----|-------------------------|------------------------------------|
| 1. | Shri Rudhra Gangadharan | Secretary |
| 2. | Shri Ashish Bahuguna | Additional Secretary & FA |
| 3. | Dr. A.S. Nanda | Animal Husbandry Commissioner |
| 4. | Ms. S. Rawla | Joint Secretary (P&F) |
| 5. | Shri Tarun Shridhar | Joint Secretary (Fy.) |
| 6. | Shri Sanjeev Ranjan | Joint Secretary (A&DD) |
| 7. | Shri Rajbir Singh Rana | Joint Secretary (LH) |
| 8. | Shri A.K. Mathur | Advisor (Stats.) |
| 9. | Dr. D. Chaudhuri | DDG (Fy. Adm. & Stat.) |
| 10. | Shri B. Vishnu Bhat | Fisheries Development Commissioner |

OTHER ORGANISATIONS

- | | | |
|----|------------------------|--|
| 1. | Dr. P. Krishnaiah | Chief Executive Officer,
National Fisheries Devp. Board |
| 2. | Dr. C.S. Prasad | Asstt. Director General, DARE |
| 3. | Dr. K.G. Karmakar | Managing Director, NABARD |
| 4. | Shri Kush Sapru | Dy. General Manager, NABARD |
| 5. | Dr. T. Srinivasa Mohan | Asstt. General Manager, NABARD |
| 6. | Dr. Durairaju | Deputy Director General,
Central Statistical Organisation |

PLANNING COMMISSION

- | | | |
|----|-------------------|---------|
| 1. | Dr. V.V. Sadamate | Adviser |
|----|-------------------|---------|
2. At the outset, Joint Secretary, Lok Sabha Secretariat informed the Committee that due to unforeseen exigencies, it would not be possible for the Chairman to chair the Sitting. Therefore, the Committee chose Shri Hukmdeo Narayan Yadav, MP (Lok Sabha) to act as Chairman for the Sitting under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha. Thereafter, the Chairman welcomed the Members of the

Committee and the representatives of the Ministry of Agriculture (Department of Animal Husbandry, Dairying & Fisheries), Planning Commission and other Departments / Organisations to the Sitting. The Chairman then asked the witnesses to introduce themselves.

3. The Committee then took oral evidence of the representatives of the Department and other witnesses for and in connection with examination of Demands for Grants (2011-12) of the Department. The Secretary briefly highlighted the activities / achievements made by the Department during the year in the Animal Husbandry, Dairying and Fisheries Sectors.

4. The Chairman and Members of the Committee raised queries and sought clarifications on several issues concerning the Animal Husbandry, Dairying and Fisheries Sectors. The representatives of the Department and other witnesses responded to the same.

5. The Chairman, thereafter, thanked the witnesses for appearing before the Committee as well as for furnishing valuable information desired by the Committee on the subject. He also directed them to send the information on points on which information could not be provided by them during the Sitting to the Committee Secretariat by 18 April, 2011.

6. A verbatim record of the proceedings has been kept separately.

The Committee then adjourned.

**COMMITTEE ON AGRICULTURE
(2010-11)**

MINUTES OF THE THIRTY NINTH SITTING OF THE COMMITTEE

The Committee sat on Friday, the 26th August, 2011 from 0930 hours to 1000 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia - *Chairman*

LOK SABHA

2. Shri Narayansingh Amlabe
3. Shri Thangso Baite
4. Smt. Ashwamedh Devi
5. Smt. Paramjit Kaur Gulshan
6. Shri Naranbhai Kachhadia
7. Shri Prabodh Panda
8. Shri Premdas
9. Shri Nripendra Nath Roy
10. Shri Uday Singh
11. Shri Jagdish Thakor
12. Shri Hukmadeo Narayan Yadav

RAJYA SABHA

13. Shri Shashi Bhusan Behera
14. Shri Satyavrat Chaturvedi
15. Shri Mohd. Ali Khan
16. Shri Upendra Kushwaha
17. Shri Rajpal Singh Saini
18. Shri S. Thangavelu

SECRETARIAT

1. Shri Deepak Mahna - Joint Secretary
2. Shri P.V.L.N. Murthy - Director
3. Shri P.C. Koul - Additional Director
4. Shri C. Vanlalruata - Deputy Secretary

2. At the outset the Hon'ble Chairman welcomed the members to the Sitting of the Committee. They, thereafter, took up the following draft Reports for consideration:-

* (i) xxx xxx xxx xxx

* (ii) xxx xxx xxx xxx

(iii) draft Report on Demands for Grants (2011-2012) relating to the Ministry of Agriculture (Department of Animal Husbandry, Dairying and Fisheries);

* (iv) xxx xxx xxx xxx

After some deliberations, the Committee adopted the above draft Reports without any modification. They also authorized the Chairman to finalise the above Draft Reports in the light of factual verification got done from the concerned Ministry/Department and present them to the Parliament.

The Committee then adjourned.

*Matter not related to this Report.