



COMMITTEE ON AGRICULTURE
(2009-2010)

FIFTEENTH LOK SABHA

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

DEMANDS FOR GRANTS
(2010-2011)

SEVENTH REPORT



LOK SABHA SECRETARIAT
NEW DELHI

APRIL, 2010/, VAISAKHA, 1932 (Saka)

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(2010-2011)**

Presented to Lok Sabha on 28.04.2010
Laid on the Table of Rajya Sabha on 28.04.2010



**LOK SABHA SECRETARIAT
NEW DELHI**

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COMPOSITION OF THE COMMITTEE ON AGRICULTURE (2009-2010)

Shri Basudeb Acharia - Chairman

MEMBERS

LOK SABHA

2. Shri Narayan Singh Amlabe
3. Shri K.C. Singh 'Baba'
4. Shri Thangso Baite
5. Shri Jayant Chaudhary
6. Smt. Shruti Choudhry
7. Smt. Ashwamedh Devi
8. Shri Biren Singh Engti
9. Smt. Paramjit Kaur Gulshan
10. Shri Anant Kumar Hegde
11. Shri Sk. Nurul Islam
12. Shri Naranbhai Kachhadia
13. Shri Surendra Singh Nagar
14. Shri Prabodh Panda
15. Shri Premdas
16. Shri Vitthalbhai Hansrajbhai Radadiya
17. Shri Nripendra Nath Roy
18. Shri Bhoopendra Singh
19. Shri Uday Singh
20. Shri Jagdish Thakor
21. Shri Hukmdeo Narayan Yadav

RAJYA SABHA

22. Shri Narendra Budania
23. Shri Satyavrat Chaturvedi
24. Shri A. Elavarasan
25. Shri Sharad Anantrao Joshi
26. Shri Vinay Katiyar
27. Shri Mohd. Ali Khan
28. Shri M. Rajasekara Murthy
29. Shri Bharatsinh Prabhatsinh Parmar
30. Prof. M.S. Swaminathan
- *31. Vacant

* Vice Shri Khekiho Zhimomi who ceased to be the member of the Committee due to retirement from Rajya Sabha w.e.f 2 April, 2010.

SECRETARIAT

- | | | | |
|----|--------------------|---|---------------------|
| 1. | Shri S. Bal Shekar | - | Joint Secretary |
| 2. | 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 Seventh Report on the Demands for Grants (2010-2011) of the Ministry of Agriculture (Department of Animal Husbandry, Dairying and Fisheries).

2. The Committee considered the Demands for Grants (2010-11) of the Department of Animal Husbandry, Dairying and Fisheries, which were laid on the table of the House on 11 March, 2010. The Committee took evidence of the representatives of the Department of Animal Husbandry, Dairying and Fisheries and the Planning Commission at their Sittings held on 30 March, 2010. The Committee wish to express their thanks to the officers of the Department of Animal Husbandry, Dairying and Fisheries and others for appearing before the Committee and for furnishing the information that the Committee 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 27 April, 2010.

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

NEW DELHI;

Basudeb

Acharia

27 April, 2010
7 Vaisakha, 1932 (Saka)

Chairman,
Committee on Agriculture

ABBREVIATIONS

AHD&F	Animal Husbandry, Dairying and Fisheries
AI	Artificial Insemination
BE	Budget Estimate
EEZ	Exclusive Economic Zone
EFC	Expenditure Finance Committee
FFDA	Fish Farmers Development Agency
FSI	Fishery Survey of India
IDDP	Intensive Dairy Development Programme
NPCBB	National Project on Cattle and Buffalo Breeding
NABCONS	NABARD Consultancy
NDP	National Dairy Plan
NDDB	National Dairy Development Board
NFDB	National Fisheries Development Board
RE	Revised Estimate
RFD	Result Framework Document
RKVY	Rashtriya Krishi Vikas Yojana
SFC	Standing Finance Committee
ZBB	Zero Based Budgeting

CHAPTER – I

OVERVIEW OF DEMANDS

(i) Animal Husbandry, Dairying and Fisheries Sectors

Given the predominantly weather based nature of agriculture in India, the rural community, more specifically, the small and marginal farmers draw regular sustenance from their activities centering around the livestock. The animal husbandry and dairying and other livestock activities provide the much needed stability to household earnings especially in the arid and semi-arid regions of the country. In fact to say that the livestock related activities act as a regular vocation for the small and marginal farmers and other fringe populations of the rural populace would not be an exaggeration. It is for these very reasons, as the Eleventh Plan Document admits a major part of livestock population is concentrated in marginal and small size holdings. Animal Husbandry, Dairy and Fisheries sectors apart from playing an important role in the national economy and in the socio-economic development of the Country provide cheap and nutritious food to millions of people.

1.2 According to National Sample Survey Organization's latest survey (July 2004-June 2005 NSS 61st round), 6.7 per cent of the work force was engaged in rural areas in animal husbandry sector as compared to 5.5 per cent in rural and urban areas combined in the Country. The proportion of workers in animal husbandry and fisheries sectors together was 7 per cent in rural areas as compared to 5.8 per cent in rural and urban areas combined in the Country.

1.3 India is blessed with sizeable livestock and fisheries resources. Apart from leading in buffalo population and being second in cattle population, the Country continues to be amongst top six countries in the world in so far as goat, sheep and

chicken and camel population is concerned India is amongst the top six countries while in the case of milk production we are in the top spot, in case of other animal husbandry and fisheries produce we are amongst the top few in the world. The value of output from livestock and fisheries sectors at current prices was about Rs. 310891.00 crore during 2008-09 according to the estimated Central Statistical Organisation. This works out to about 27% of the value of output of Rs. 1158400.00 crore from the entire agricultural and allied sector. The Total export earning from livestock, poultry and marine products stood at Rs. 18664.44 crore during 2008-09 (Rs. 10056.50 crore from livestock and poultry and Rs. 8607.94 crore from marine products).

(ii) Role of the Department

1.4 The Department of Animal Husbandry, Dairying and Fisheries are one of the three Departments of the Ministry of Agriculture. They are responsible for matters relating to livestock production, preservation, protection and improvement of stocks, dairy development and also for matters relating to the Delhi Milk Scheme and the National Dairy Development Board. They also look after all matters pertaining to fishing and fisheries, which includes inland and marine sectors and National Fisheries Development Board. The Department advise the State Governments/Union Territories in the formulation of policies and programmes in the field of animal husbandry, dairy development and fisheries.

(iii) Overview of Demands

1.5 Demand No. 3 which relates to the Department of Animal Husbandry, Dairying and Fisheries of the Ministry of Agriculture was laid in the Lok Sabha on 11 March, 2010. The Demand provides for implementation of various Central and Centrally Sponsored Schemes together for Plan and Non-Plan activities. The Centrally

Sponsored Schemes are implemented by the State Governments and managed by the Centre as well as the States. The funding pattern is either 100% central share or it is shared by the Centre and the States. The beneficiaries are the States and the funds are released by the Government of India in the form of Grants-in-Aid depending upon the pattern of assistance. The State Government provides its share wherever required and also the infrastructure including logistics and manpower. The Central Sector Schemes are normally implemented by the Central Government but in certain cases through the State Governments. The funding pattern is generally 100% Central share for such schemes. The details of Revenue as well as Capital expenditure under the Plan and Non-Plan sides of Demands No.3 are as under:

Demand No.3

(Rs. in Crore)

	Plan	Non-Plan	Total
Revenue			
Voted	1288.50	461.10	1749.60
Charged	-	-	-
Capital			
Voted	11.50	-	11.50
Charged	-	-	-
Grand Total	1300.00	461.10	1761.10

(iv) Annual Plan 2010-11

1.6 For the Annual Plan 2010-11 the Department have been allotted an amount of Rs. 1761.10 crore. Seen in the context of the total Central Plan Outlay and the allocation from Budgetary Resources which are pegged at Rs. 524484.00 crore and Rs. 280600.00 crore respectively, the allocation for the Department works out to

0.25% of the former and 0.46% the latter. During the Tenth Plan the share of the Department in the Budgetary Resources was 0.61%.

The share of the Department as compared to Central Plan Outlay of Government of India in the Eleventh Plan is as given below:

(Rs. in crore)

Sl. No.	Period	Central Plan Outlay of GOI			Allocation of DAHD	%share of DAHD	
		Total	IEBR	Budgetary Resources		Total	Budgetary Resources
1	2	3	4	5	6	7	8
1.	Eleventh Plan						
2.	2007-08	319992	165053	154939	910.00	0.28	0.58
3.	2008-09	375485	195531	179954	1000.00	0.27	0.56
4.	2009-10	447921	208081	239840	1100.00	0.25	0.46
5.	2010-11	524484	243884	280600	1300.00	0.25	0.46

1.7 A comparative statement of the Plan Outlays and percentage allocation of Department of Animal Husbandry, Dairying and Fisheries vis-à-vis Central Plan Outlay of the Government of India with some other Ministry/Department, during the Eleventh Plan is as under:

(Rs. in crore)

Sl. N.	Year	Central Plan Outlay Total	<u>ADF</u>	Health	Rural Dev.
1	2	3	4	5	6
1.	2007-08	3,19,992	0.28%	4.34%	8.59%
2.	2008-09	3,75,485	0.27%	4.15%	8.39%
3.	2009-10	4,47,921	0.25%	4.10%	13.99%
4.	2010-11	524484	0.25%	4.00%	12.60%

1.8 The allocation of funds (Plan and Non-Plan) for the 2009-10 and the ongoing Fiscal is given below:

(Rs. in crore)

Budget Estimate 2009-10			Revised Estimate 2009-10			Actuals 2009-10			Budget Estimate 2010-11		
Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan*	Non-Plan#	Total	Plan	Non-Plan	Total
1100.00	483.50	1583.50	930.00	400.84	1330.84	800.11	287.83	1087.94	1300.00	461.10	1761.10

*Till 11 March, 2010 # Till December, 2009

Noting the 15.45% decrease in Plan allocation at Revised Estimate stage in 2009-10 as compared to Plan allocation of Rs. 1100.00 Crore at Budget Estimate stage the Committee desired to know the reasons for the same. In response the Department stated that the Department of Expenditure determines the Revised Estimates keeping in view the factors, among others, half-yearly expenditure registered by the Department, resource availability with the Government of India, urgent obligatory expenditure, competing demands for resources, etc. When the RE was fixed at Rs 920.00 crore the Department made every effort for a higher RE, including a personal meeting of the Secretary with the Secretary, Department of Expenditure and a communication from the Hon'ble Agriculture Minister to the Hon'ble Finance Minister. Secretary (Expenditure) agreed to consider higher allocation of funds on the basis of expenditure achieved by the Department up to 31.12.2009. However except for an additional amount of Rs. 10.00 crore received by the Department for meeting expenditure in connection with control and containment of Avian Influenza in West Bengal nothing further was granted.

Asked further that with only Rs. 800.11 crore being spent by the Department till 11 March, 2010 how will they manage to ensure full and proper utilisation of the funds allocated to them, the Department replied that they had registered an expenditure of Rs.831.31 crore up to 23.3.2010. Based on a number steps including regular reviews and meetings with state governments it is expected that the

remaining unspent allocation would also be utilized, but for some minimum unavoidable surrender.

1.9 As regards the process of allocation for 2010-11, it is seen that the Department had proposed a sum of Rs. 1829.38 crore for Plan activities during the course of discussions the Planning Commission asked then the bring it down to Rs. 1400.00 crore. The direction of Planning Commission was complied with by the Department. However, inspite of that the Planning Commission inexplicably allocated them a sum of Rs. 1300.00 crore only on the Plan side. Asked to clarify further on why the allocation was reduced to Rs. 1300.00 crore from Rs. 1400.00 crore promised earlier, the Department stated in a written reply that the Annual Plan proposals of the Department for the year 2010-11 were discussed in a meeting held under the Chairmanship of Member (Agriculture), Planning Commission on 14 January, 2010. The Department made out a strong case for an allocation of Rs.1829.38 crore being made to it. However, Member (Agriculture) indicated that the available resources did not permit an allocation in excess of Rs. 1400.00 crore. Accordingly, the Department was asked to present an Annual Plan involving an investment of Rs.1400.00 crore during the year. However, when actual allocation for 2010-11 was communicated reasons as to why even the promised amount of Rs, 1400.00 crore could not be allocated. The Hon'ble Committee may consider inviting a representative of the Planning Commission to clarify the position as also why the Department's percentage share of the Central Plan outlay is seeing a declining trend.

1.10 Clarifying further the Secretary of the Department stated during the Oral Evidence held on 30 March, 2010:

“the amount of funding we get is quite below what we entitled to. You asked us, whether we took it up with the Planning Commission. The answer is emphatic “Yes”. The matter was discussed in the Planning Commission. We have supplied justification for various schemes. We had discussions in terms of on-going schemes and new schemes. All these received so far is only Rs. 4,310 crore which is only sixty-one per cent of the demand. This is despite all the attempts that we have made. In fact, some time after we were given this allocation of Rs. 1,300 crore for 2010-11, I did speak to the Member, Planning Commission, who has been extremely sympathetic to us and who understands our problems. He said that as far as funding for a particular year is concerned, it is something which is outside the Department’s control. He pointed out that any particular amount which the Department gets is dictated by the resource position of the Government of India. He also mentioned that the global financial meltdown had also contributed in ensuring that we got less than what we should have got. But I would like to emphasise that we got less than what we should have got. But I would like to emphasise that we have taken advantage of every opportunity to place our demands before the Planning Commission and to discuss with them.”

1.11 The sector-wise breakup of the allocations to the Department during the Eleventh Plan till date are tabulated below:

(Rs. in crore)

Sector	Outlay 11 th Plan	2007-08			2008-09			2009-10			2010-11
		BE	RE	Exp	BE	RE	Exp	BE	RE	Exp*	BE
1	2	3	4	5	6	7	8	9	10	11	12
Animal Husbandry	4,323.00	350.92	320.46	338.14	481.00	461.31	444.54	558.29	459.20	395.82	792.15
Dairy Development	580.00	88.50	109.25	111.50	98.00	98.10	97.90	101.10	89.24	72.28	87.76
Fisheries	2,776.00	205.68	168.14	162.16	215.00	180.39	178.53	298.50	271.40	254.88	262.44
Sectt. & Eco. Services	35.00	4.90	5.15	5.34	6.00	6.00	4.96	6.00	6.00	4.17	5.80
Spl. Package	340.00	170.00	170.00	131.61	160.00	160.00	132.91	75.00	75.00	61.02	95.85
Externally Aided Project – Avian Influenza	120.00	90.00	37.00	35.34	40.00	34.20	6.43	61.11	29.16	11.94	56.00
Grand Total	8,174.00	910.00	810.00	784.09	1,000.00	940.00	865.27	1,100.00	930.00	800.11	1,300.00

* till 11.03.10.

It may be seen that the Outlay for Eleventh Plan is to the tune of Rs. 8174.00 crore, whereas fund allocation at BE stage for the first four years of the Plan is to the order of Rs. 4310.00 crore. The fund allocation at RE stage for first three years of the Plan is to the tune of Rs. 2680.00 crore only. Adding this year's allocation (BE) of Rs. 1300.00 crore, the total allocation works out to Rs. 3980.00 crore which is less than half of the total allocation for the entire Eleventh Plan.

(v) Plan Outlay of Departments in Ministry of Agriculture

1.12 The Plan Outlays for the three Departments of Ministry of Agriculture for 2010-2011 are given below:

(Rs. in crore)	
Department of Agriculture and Cooperation	8,280
Department of Agricultural Research and Education	2,300
Department of Animal Husbandry, Dairying and Fisheries	1,300
Total	11,880

It is seen that the Department has been allocated less than 11% of the total funds meant for the Ministry of Agriculture. This is inspite of the fact that the Livestock and Fisheries sectors contributes a sizeable 26.8% of the value of output from Agriculture and allied sector. In order to apprise themselves, of the problems besetting the funding of the Department, the Committee sought clarification from the Planning Commission. In response the Planning Commission stated that they had constituted an Advisory Committee for Development of Animal Husbandry and Dairy sectors. The Report of the said Advisory Committee state the following in the context of the Eleventh Plan Outlay for the Department of Animal Husbandry, Dairying and Fisheries:

“Eleventh Plan Outlay

The 11th Plan Outlay for the DAHDF is Rs. 8174 crores. The pace of expenditure during the last two years has been slow . Against an allocation of Rs. 910 crores during 2007-08, an expenditure of Rs. 784 crores was made. Similarly, during 2008-09, against an allocation of Rs. 1000 crores, an expenditure of Rs. 872.86 crores has been made. Similarly, in 2009-10 the original allocation of Rs. 1100 crores has been revised downwards to Rs. 920 crores. It is feared that the total expenditure during the 11th Plan will not reach even Rs. 5000 crores.

The Animal Husbandry & Dairying contributes between 25 per cent to 30 per cent of the GDP of the agriculture. Despite this significant share in GDP, the Resources allocated to DAHD have been meager and insufficient, This in turn has affected the rate of growth of AHD which was less than 4 per cent during the 10th Five Year Plan.”

1.13 The Planning Commission further submitted that things are bound to improve for the Department if they follow the recommendations of the Advisory Committee. The Department, when asked about major recommendations made by the Advisory Committee and steps taken by them to implement these recommendations submitted to the Committee a summary of major recommendation of the Advisory Committee and the steps taken by the Department to implement them during 2010-11. (Annexure-1).

(vi) Status of New Schemes

1.14 The Committee had in their Second Report recommended expeditious action on the 11 new Schemes of the Eleventh Plan which were yet to be implemented. When asked to furnish an update in their regard the Department submitted the following information to the Committee:

S. No.	New Schemes	Present Status
1	Poultry Development	The scheme is under implementation.
2	Integrated Development of Small Ruminants & Rabbits	The Central sector scheme ‘Integrated Development of Small Ruminants & Rabbits’ was approved in the 1 st quarter of 2009-10. However, because of certain operational difficulties, NABARD, which is a major implementing agency, suggested adoption of capital subsidy mode in place of venture capital (interest free loan) mode. This necessitated revision

		of the scheme. Accordingly, a revised EFC Memo has been circulated to the appraisal agencies. Their comments have been received and a meeting of the EFC to consider the scheme is expected to be held soon.
3	Establishment/Modernisation of Rural Slaughter Houses	Scheme is under implementation.
4	Piggery Development	The EFC considered the proposal on 25 th March 2010.
5	Poultry Venture Capital Fund	The Scheme is under implementation.
6	Salvaging and Rearing of Male Buffalo Calves	The EFC considered the proposal on 25 th March 2010.
7	Utilisation of Fallen Animals	The scheme was recently considered in the meeting of the Expenditure Finance Committee held on 26.02.2010. This would be taken up for implementation at an early date in 2010-11.
8	Food Safety & Traceability	This is a new area and there are no past experiences available. Though the Department had engaged NABCONS to advise on the project, however, a workable scheme could not emerge from this consultation. NABCONS conceded that it lacked experience in the subject. The Department has approached FAO to lend services of a foreign expert. An FAO mission is visiting India in the second week of April 2010 for interaction with this Department on the subject and to further progress our requirement of international expertise.
9	Livestock Extension & Delivery Services	After including the recommendations of a sub-group on Livestock Extension constituted by the Planning Commission, an EFC Memorandum on the scheme has been circulated to the appraisal agencies.
10	National Animal Disease Reporting System (NADRS)	The Department intended to progress these subjects as independent

11	National Control Programme of Peste des Petitis Ruminants (PPR)	schemes. Accordingly, EFC Memoranda in respect of these subjects (except on Brucellosis) were circulated to the appraisal agencies in June-August, 2009. The Planning Commission, however, advised that either approval of the full Planning Commission may be obtained to each of these proposals or these be merged in an ongoing scheme of the Department. In accordance with Planning Commission's advice, these components have been added to the scheme 'Livestock Health and Disease Control' and a consolidated EFC Memoranda circulated to the appraisal agencies on 15 th March 2010.
12	Strengthening of Existing Hospitals/Dispensaries	
13	National Control Programme of Brucellosis	
14	National Dairy Plan	The World Bank is in the process of preparing their Project Concept Note. NDDDB and the World Bank would work together to draw up the Detailed Project Document for obtaining approval of the Government of India. NDDDB is working towards expediting the process.

(vii) Private Investment in Agriculture Sector

1.15 When asked about steps taken by the Department to encourage private investment in Agriculture Sector and the core areas/activities where private investment is envisaged, the Department stated that they are implementing a Central Sector Scheme, 'Poultry Venture Capital Fund', under which entrepreneurship skills are being encouraged by way of offering a variety of poultry activities to the beneficiaries. The scheme is devised to consider bankable projects only and there is stake of beneficiary through 10% share in margin money besides repayment of loan. Currently, 50% of the loan is interest-free and 40% loan is on regular interest rates

as applicable. Therefore, private investments are made in various areas of poultry activities under the scheme.

Under 'Poultry Venture Capital Fund' scheme (separated from erstwhile 'Dairy/ Poultry Venture Capital Fund' in 2009-10) setting-up of 292 poultry units attracted private investments during last 4 years and current year upto Feb 2010. The year-wise disbursements and number of poultry units covered, are as follows:

Year	2005-06	2006-07	2007-08	2008-09	2009-10*
Amount disbursed by NABARD (Rs. lakh)	216.82	125.32	298.83	415.53	903.96
Number of poultry units	49	34	75	58	76

*** upto Feb 2010**

Similarly, under 'Poultry Estate' component of Centrally Sponsored Scheme, 'Poultry Development', launched in 2009-10 the bankable individual units under the estates are to be managed by beneficiaries who will contribute 10% margin money as above, thereby leading to private investment. Here also the pattern is 50% of the loan is interest-free and 40% loan is on regular interest rates. One estate has already been sanctioned in Sikkim which proposes setting up of approximately 100 individual broiler farming units.

In the case of Feed & Fodder sector, 25% subsidy (maximum of which is Rs. 21.25 lakh) is provided for establishment of Fodder Block Making Unit and balance funds are met by private entrepreneurs by way of loan. In the modified Feed and Fodder sector scheme formulated by this Department, 50% subsidy (maximum of which is Rs.42.50 lakh) has been proposed for establishment of Fodder Block

Making Unit instead of earlier 25%. Also two new components namely Establishment of By-pass protein production units and area specific mineral mixture/feed pelleting/feed manufacturing units, have been provided with 25% subsidy to encourage private entrepreneurs. Following funds have been released as subsidy for component of Establishment of Fodder Block Making Units.

S.No.	Year	Name of the State	25% of project cost subsidy provided (Rs. in Lakh)	No. of Unit
1.	2005-06	Andhra Pradesh	19.80	1
2.	2006-07	Haryana	21.25	2
3.	2007-08	Uttarakhand	21.25	1
4.	2009-10	Maharashtra	63.75	3

Further, in order to encourage private entrepreneurs under the new schemes, Piggery Development and Salvaging & Rearing of Male Buffalo Calves, capital subsidy of 25% (33% in case of beneficiaries in NER & hilly regions) has been proposed for certain components; 90% in case of Caracas utilization centres under the scheme 'Utilization of Fallen Animals' and 50% capital subsidy is provided under 'Establishment/Modernization of Rural Slaughter Houses including Mobile Slaughter House'.

S.No.	Scheme	% of subsidy
1	Piggery Development	25% (33% in case of beneficiaries in NER & Hilly regions)
2	Salvaging & Rearing of Male Buffalo Calves	25% (33% in case of beneficiaries in NER & Hilly regions)
3	Utilization of Fallen Animals	90%
4	Establishment/Modernization of Rural Slaughter Houses	50%

A Central Sector Scheme 'Dairy Venture Capital Fund' provides assistance to rural/urban beneficiaries through bankable projects. Eligible beneficiaries, under the scheme include agricultural farmers/individual entrepreneurs and groups of all sections of unorganized as well as organized sector including cooperatives and NGOs, from any part of the country.

The following steps have been initiated to encourage private investment in the fisheries sector.

- (i) Financial incentives by way of subsidies for promotion of aquaculture.
- (ii) Support to State Governments, fishermen cooperatives and other fishermen organizations for setting up essential infrastructure such as hatcheries, feed mills, marketing facilities, etc.
- (iii) Financial support for establishment of brood banks.
- (iv) Incentives by way of subsidy for ornamental fisheries etc.

- (v) Investment for creations of fish landing facilities such as fishing harbour and fish landing centres.
- (vi) Incentives for providing basic navigation aids, sea safety equipments, etc.
- (vii) Establishment of a dedicated board viz. NFDB for a focused and coordinated approach to develop fishery in the country.
- (viii) The results of such steps have led to increase fish production from 6.57 million MT at the end of X Plan to 7.65 million MT during 2009 at an overall growth rate of 6.4%.

(viii) Results Framework Document

1.16 It has been reported that the Ministries will submit a Quarterly performance report for the period January-March, 2010 to the Cabinet Secretariat. The data is to be furnished according to the Results Framework Document (RFD). For being evaluated the Ministries/Departments would be required to specify one or more success indicators or key performance indicators or key result areas when queried in this regard the Department stated that they expected to submit the results for the year 2009-10 by 30th April 2010. RFD submitted by the Department indicating the success indicators based on various schemes being implemented by the Department is at Annexure-II.

I. ELEVENTH PLAN ALLOCATION

1.17 The Committee note that the approved outlay of the Department for Eleventh Five Year Plan is Rs. 8174.00 crore, whereas the fund allocation (BE) of the first four years is of the order of Rs. 4310.00 crore. REs for the first three years of the Plan have been to the extent of Rs. 2680.00 crore which is only 32.78% of the Eleventh Plan Outlay. The Actuals of the first three years add upto a further lowly Rs. 2481.67 crore, which includes a sum of Rs. 831.31 crore spent by the Department till 23 March, 2010 in 2009-10 Fiscal. The Committee are deeply disturbed by this pathetic situation. The continuous neglect of the animal husbandry, dairying and fisheries sectors by the Planners and the Government has resulted in the Department getting into a vicious circle of delayed approvals, meager allocations, still meager and unpredictable releases of funds. Consequently, their performance over the years has suffered to an extent where they are not able to show desired results. The step-motherly treatment to the Department is clear from the measly share of 0.25% provided to them from the Central Plan Outlay. It is further confirmed from the mere 10% of the total allocation of the Ministry of Agriculture coming their way inspite of they contributing a healthy 26.8% of the value of output from agriculture and allied sectors. This unprofessional handling of these sectors has resulted in a situation where the Department have been able to utilize hardly 30% of the allocation for Eleventh Plan in the first three years of the Plan. Even if they are able to utilize the Rs. 1300.00 crore earmarked for the ongoing Fiscal, provided it is not curtailed at RE stage, they would not have even touched the halfway mark. The Committee can safely guess the fate of the more than 50% of funds remaining to be utilized in

the last year of the Plan. Apparently, the Planners and Government have either erred in the initial working out of the allocation for the Department for the Eleventh Plan or there is lack of seriousness in dealing with the Department, subsequently. The Committee, therefore, recommend that rather than starving the various Schemes of the Department this year and leaving more than 50% of total allocation for the last year of the Plan, which the Department surely cannot absorb, the Government should allocate the Department atleast a sum of Rs. 2800.00 crore this year so that a similar amount is left for the last year of the Plan for being utilized by the Department.

II. ANNUAL PLAN 2010-11 ALLOCATIONS

1.18 The Committee are concerned to note that there is not much to speak about as regards the funds allocation position of the Department of Animal Husbandry, Dairying and Fisheries for the year 2010-11. Though the sum of Rs. 1300.00 crore for Plan activities on a mere statistical interpretation would appear about 18 per cent or so more than the allocation made for the purpose in 2009-10, still the fact remains that it is not at all in consonance with the requirements of these sectors which contribute significantly to the GDP of the Country. The Committee have been time and again recommending to the Government not only appropriate enhancement of funds for these sectors but also to mull over seriously the creation of a separate Ministry of Animal Husbandry, Dairying and Fisheries thereby veering away from their agriculture centric funding mindsets. It, however appears that the Planning Commission and the Government, inspite of being aware of the present commendable contribution of these sectors to the Indian economy and their huge future

potential, are dragging their feet over this issue. The Committee firmly believe that unless and until the animal husbandry, dairying and fisheries sectors are provided with such levels of funds infusion as to take them on a fast track course they cannot contribute optimally to the creation of wealth and would remain confined to fringe efforts like today. They, therefore, expect that reality should dawn upon the planners and the Government atleast now when the resilience of rural economy of India because of contributions of these sectors has been proved even during the global recession and they recommend that the Department should be given a substantial enhancement of funds for them at the RE stage of the ongoing Fiscal.

III. STATUS OF NEW SCHEMES

1.19 The Committee in their Second Report, which was presented to the Parliament on 18 December, 2009, had an observing that 11 new schemes of the Eleventh Plan were yet to be implemented had recommended prompt and conclusive action so that their implementation proper, commences at least from the fourth year of the Plan. From the update sought by the Committee on these schemes during the course of the examination of the Demands for Grants 2010-11, they note that though some progress has been made in case of some of these schemes, still they continue to remain on paper and the Department have not been able to furnish any concrete timelines as to when their implementation would commence, which is a matter of grave concern.

1.20 Some of these new schemes and the action taken by the Government with a view to fructify them have been discussed in detail in subsequent Chapters of this Report. It would, however, suffice to state here

that the Committee are not at all happy with the state of affairs prevailing vis-à-vis these new schemes which are of immense value for the animal husbandry, dairying and fisheries sectors. Therefore, the Committee at the cost of sounding repetitive recommend that all remaining formalities concerning these Schemes should be got completed by the Government without any further wastage of time so that the Department are able to implement them in right earnest during the current financial year itself.

IV. DEVELOPMENT OF ANIMAL HUSBANDRY AND DAIRYING

1.21 The Committee note that the Planning Commission had constituted an advisory committee on Animal Husbandry and Dairying. The advisory committee have submitted their Report in January, 2010. During the course of examination of Demands for Grants (2010-11) the Committee were apprised by the Planning Commission that if the recommendations of the advisory committee are strongly followed by the Department their performance was bound to improve in the last two years of the Plan. The Committee have gone through the major suggestions of the advisory committee and the action taken by the Department in pursuance, thereof, in the meanwhile. The Committee find that some of the recommendations of the advisory committee on National Project for Cattle and Buffalo Breeding, Intensive Dairy Development Programme, Dairy Venture Capital Fund, Livestock Health and Disease Control, Fodder Development Scheme and Central Fodder Development Organisation are well thought of and would definitely improve performance of these Schemes. They, however do not agree with the Planning Commission's view that if the Department implement recommendations of the

advisory committee their performance in the remaining two years of the Eleventh Plan is bound to improve because most of the recommendations would require substantial time to implement and as such the benefits cannot be instantaneous. The Committee would like the Department to immediately get down to implementing the recommendations of the advisory committee with due promptitude and within set timelines so that their benefits would accrue to the maximum extent in the last two years of the Eleventh Plan.

CHAPTER – II

ANIMAL HUSBANDRY

(i) **Animal Husbandry Sector**

The Department operate 18 Central Livestock Organizations and allied Institutions for production and distribution of superior germ plasms to the State Governments for cross breeding and genetic upgradation of the stocks. Besides, the Department is implementing various central sector and centrally sponsored schemes for the development of requisite infrastructure and supplementing efforts of the State Governments for achieving accelerated growth of the animal husbandry sector.

(ii) **Allocations to Animal Husbandry Sector**

2.2 The Eleventh Plan Outlay for the sector is Rs. 4323.00 crore. Following are the budgetary allocations and expenditure on Animal Husbandry:-

	BE	RE	(Rs. in crore) Expenditure
2007-08	350.90	320.46	338.14
2008-09	481.00	461.31	444.54
2009-10	558.29	459.20	395.82*
2010-11	792.15	-	-

*upto 11 March, 2010.

When asked about the drastic pruning down of funds at RE stage during 2009-10 the Department replied that the reduction in the allocation to animal husbandry sector at the RE stage was on account of reduction in the Department's budgetary allocation from Rs. 1,100.00 crore to Rs.930.00 crore. It was noted that a number of new schemes were at various stages of the approval process. It was thought prudent to accommodate the reduction in the schemes, which were yet to be launched and had still not reached the approval stage rather than the schemes which

were already under implementation. Since all the new schemes were in the animal husbandry, the sector had to bear the impact of the reduced RE allocation.

2.3 Asked about the likelihood of absorption of a higher fund allocation during 2010-11 in view of low expenditure during 2009-10, the Department stated that as all the new schemes have either been approved or are at an advance stage of receiving consideration, the Department are of the view that they would be able to absorb the allocation made out for the sector for the next financial year.

(iii) Poultry Development

2.4 Poultry Development Scheme was launched during Eleventh Plan with an outlay of Rs. 150.00 crore. In the Basic Material submitted by the Department there is mention of Rs. 141.00 crore. The Scheme aims to help rural farmers to gain supplementary income from poultry activities. Poultry Development Scheme has one ongoing component 'Assistance to State Poultry/Duck farms' and two new components 'Rural Backyard Poultry Development' and 'Poultry Estates'. The financial performance of this Scheme is tabulated below:

(Rs. in crore)

YEAR	BE	RE	Expenditure
2007-08	35.75	18.84	18.43
2008-09	22.09	10.52	9.74
2009-10	28.00	19.89	15.81*
2010-11	44.40	-	-

*upto 11 March, 2010

It is seen that there have been drastic reduction in BE allocation at RE stage in all the three years of Eleventh Plan.

2.5 When asked how the Department would ensure full utilisation of Rs. 44.40 crore earmarked as BE for the scheme for 2010-11, the Department submitted that now proposals for new components of 'Rural Backyard Poultry Development' and 'Poultry Estates' are coming from other States and it is expected that the earmarked BE amount of Rs. 44.40 crore for 2010-11 will be utilized.

(iv) Veterinary Health Services

2.6 A Centrally Sponsored Scheme Livestock Health and Diseases Control Programme has four ongoing components, viz.:

- (i) Assistance to States for Control of Animal Diseases (75%:25%)
- (ii) National Project on Rinderpest Eradication (100%)
- (iii) Professional Efficiency Development (50:50 to State & 100% to VCI)
- (iv) Foot and Mouth Disease Control Programme (100%)

During the Eleventh Plan following four new components are proposed for implementation:

- (i) Strengthening of existing hospitals/dispensaries
- (ii) National Control Programme of Peste des petits ruminants (PPR)
- (iii) National Control Programme of Brucellosis and
- (iv) National Animal Disease Reporting System

It has been informed by the Department in their Action Taken Replies on Second Report on Demands for Grants (2009-10) that the EFC Memoranda for the new Schemes mentioned at Sl. Nos. (i) (ii) & (iv) were prepared and circulated to the appraisal agencies. However, the Planning Commission observed that the new schemes would require approval of the Full Planning Commission and suggested to explore the possibility of merging these schemes with the on-going scheme. The matter was again discussed with the member, Planning Commission on 07.01.2010 when it was decided that these schemes may be merged with existing scheme

'Livestock Health and Disease Control'. This has been done and the revised EFC Memorandum circulated to the appraisal agencies.

Above the present status of these new schemes the Department informed that these will be implemented as stand-alone components in the ongoing Centrally-sponsored scheme 'Livestock Health and Disease Control'.

2.7 Fund allocations for these new components during the last three years are as follows:

(Rs. in crores)

Name of the Scheme	2007-08			2008-09			2009-10			2010-11
	BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals	BE
Strengthening of Existing Hospitals/Dispensaries (NEW)	0.01	0.01	0.00	0.00	0.00	0.00	0.01	0.01	0.00	68.90
National Control Programme of PPR (NEW)	0.01	0.01	0.00	0.00	0.00	0.00	39.00	0.04	0.00	40.00
National Control Programme of Brucellosis (NEW)	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	4.70
National Animal Disease Reporting System (NADRS) (NEW)	0.01	0.01	0.00	0.00	0.00	0.00	53.24	0.04	0.00	87.50

The amount provided for these new schemes at the B.E. stage was reduced at the R.E. stage, keeping in view the status of their appraisal by the concerned appraisal agencies and over-all reduction in the Department's budgetary allocation. A consolidated EFC Memorandum seeking comments of the appraisal agencies has already been circulated. By securing an approval of the EFC in the first quarter of the next financial year, the Department will ensure that the funds provided for these schemes in 2010-11 are utilized in the manner envisaged.

2.8 The Secretary of the Department while elaborating on this aspect stated the following during the Oral Evidence:

“The cutting-edge of our schemes is the Veterinarian in veterinary dispensary/hospital. All our schemes are done through the State Governments or through a State implementing agency of the State Government, and of course, through cooperative federations. Now, that brings us to the first point. What is the condition of our veterinary hospitals? I am sure that the Members themselves are aware of its since they have strong grass-root knowledge. Let us take the number of veterinary hospitals. I have read a report recently which says that we need about 10, 000 more veterinary dispensaries than we have at the moment. That is a huge figure.”

(v) Salvaging & Rearing of Male Buffalo Calves

2.9 It is reported that about 8 million male buffalo calves are intentionally killed by starvation and neglect by the farmers and dairy owners with a view to save milk for commercial purposes. During Eleventh Plan a new Scheme ‘Salvaging & Rearing of Male Buffalo Calves’ has been approved for the welfare of Male Buffalo Calves with an outlay of Rs. 300.00 crore. When asked about the present position of the Scheme, the Department replied that the EFC Memorandum of the Scheme was circulated initially vide OM dated 3 March, 2009 and 14 July, 2009 after changing the funding pattern. But the EFC meeting under the chairmanship of Secretary (Expenditure) could not be held, due to variety of reasons. However, with only two years remaining during Eleventh Plan, financial and physical targets have been revised to make it achievable in the remaining two years with an outlay of Rs.121.62 crore. Earlier the outlay of the Scheme was Rs.300.00 crore. Questioned further as to how the Department intended to implement the Scheme in the remaining two years of the Eleventh Plan without further delaying it and what were the bottlenecks being faced in finalizing the Scheme it was stated that the approval of Minister of Agriculture has been obtained and the Administrative approval will be issued after obtaining the approval of Ministry of Finance. It was further stated that the

Empowerment Committee chaired by Secretary of The Department will resolve any impediment during the course of the implementation.

(vi) Food Safety and Traceability

2.10 The Food Safety and Traceability Scheme in a new Scheme of the Eleventh Plan. The Scheme is, however, still on paper. Being a Scheme of immense value particularly in the context of boosting export the Committee had recommended expeditious action on the Scheme in their Second Report. As a follow-up when the Committee desired to know the present status of the scheme the Department stated that NABCONS was engaged to advise on it, however, a workable scheme could not emerge from this consultation. NABCONS conceded that they lacked experience in the subject. Now, the Department have approached FAO for lending services of a foreign expert in the matter. Queried when NABCONS was engaged and on what terms and conditions and when finally did they concede their inexperience in the subject the Department stated in a written submission that NABCONS was engaged to prepare an approach paper and a blue print for the scheme on Food Safety and Traceability in November 2008 with the following terms of reference:

- (i) Develop national level animal identification system to establish traceability for livestock products, field performance recording and health care.
- (ii) Develop uniform ten digit code for animal recording.
- (iii) Suggest appropriate and economic method for animal identification.
- (iv) Suggest appropriate documentation strategy and linkage of identified animals.
- (v) Suggest plan of action at appropriate level

NABCONS conducted a preliminary workshop on April, 2009 followed by another meeting in May, 2009 to prepare roadmap for introduction of food safety and traceability in livestock sector in the country. The roadmap subsequently submitted by NABCONS was discussed in the Department under the Chairmanship of Secretary (ADF) in June, 2009. It was observed that the suggested model may not serve the purpose of establishing foolproof traceability without having proper system of animal identification and unique numbering system. This is entirely a new area for the country for which neither requisite expertise nor experience is available. Hence it is necessary to proceed with due caution so that any step taken does not have to be retraced and public money spent infructuously. Therefore, efforts were initiated to identify an alternate source of expertise which led the Department to contact FAO. The organization agreed to identify and to provide the services of an international expert. An FAO mission is visiting India for a meeting on the subject with the Department on 12-13 April, 2010.

(vii) Utilisation of Fallen Animals

2.11 The Department informed that an estimated 40 million animals die every year in the country due to natural causes, disease and other adversities. The average rate of mortality in cattle and buffaloes is 7.5% and 9.6% respectively. The recovery of hides, skins and other byproducts from fallen animals is very low due to non-availability of necessary infrastructure. As per a study carried out by the CLRI, the estimated loss suffered by the country due to non-recovery of hides and skins is to the tune of Rs.990.00 crore per annum. These fallen animals are also a cause of serious environmental pollution. Hence a scheme for utilization of fallen animals has been approved with an outlay of Rs.75.00 crore. The meeting of Expenditure

Finance Committee was held on 26.02.2010. Fund allocations for the last three years are as follows:

(Rs. in crore)

YEAR	BE	RE	Expenditure
2007-08	0.01	0.01	0.00
2008-09	0.00	0.00	0.00
2009-10	0.01	0.01	0.00*
2010-11	9.30	-	-

*upto 11 March, 2010

When the Department asked for any roadmap has been prepared with specific timelines and cost inputs, for this Scheme, so as to implement it as quickly as possible the Department replied that approval of the Hon'ble Agriculture Minister has been obtained and the Administrative Approval of the scheme will be issued after obtaining the approval of Ministry of Finance. In order to implement the scheme quickly, this Department will hold consultation with NABARD on regular basis and for conduct of a suitable publicity campaign to create awareness among the potential beneficiaries.

I. ALLOCATION TO ANIMAL HUSBANDRY SECTOR

2.12 The Committee are perturbed to note that the Animal Husbandry Sector has borne the brunt of the inconsistent funding of Department of Animal Husbandry, Dairying and Fisheries by the Government. Right from the inception of the Eleventh Plan the Sector has seen very small quantities of funds being allocated to it, each year, even from within a modest Rs. 4323.00 crore earmarked for this Sector in the Plan. The result being that it was allocated Rs. 350.92 crore, Rs. 481.00 crore and Rs. 558.20 crore respectively for the first three years of the Plan. In percentage terms these work out to 8%, 11% and 13% respectively of the total allocation for Eleventh Plan. These allocations have been, as usual, curtailed further at the RE stages, thereby, putting a spanner in the implementation schedule of various schemes. Consequently, the actuals have also fluctuated accordingly. The total actual expenditure during these three years (upto 23 March, 2010) has been about Rs. 1614.00 crore which is hardly 37% of the total allocation for the sector. Even if the Department are able to spend the BE of Rs. 792.15 crore allocated for 2010-11 in entirety, their sectoral spending would barely reach about 56% of the total leaving more than 44% funds for the last year. This lop sided way of funding is a matter of concern for the Committee. If insufficient funds are provided to the Department in such an inconsistent manner they cannot be blamed for the shortfalls in their performance. For obvious reasons of cash crunch the Department, as per their own admission have chosen to accommodate the reduction in funding in the Schemes which were yet to be launched. Having noticed innumerable such instances, the Committee are of the considered view that the planners and the Government while working out

initial allocations should be more realistic about what they can mop up on the revenue side and then plan the allocations. Lofty outlays ought to be avoided. Once this is done the BE, RE and actuals will also be rationalized to a large extent and infructuous efforts made on planning and working out on Schemes which cannot be implemented due to the actual resource availability position will be avoided.

II. POULTRY DEVELOPMENT

2.13 In this Scheme the Committee find that a sum of Rs. 150.00 crore has been provided as Outlay for the Eleventh Plan. Out of this a sum of Rs. 43.98 crore has been spent during first three years of the Plan (upto 11 March, 2010) which is about 30% of the total. Even if the entire allocation of Rs. 44.40 crore is spent this year, provided it does not witness a drastic reduction at RE stage as in previous years, more than 50% funds would be carried forward to the last year of the Plan. Poultry is a very important source of supplementary income for the small and marginal farmers and other poor segments of the rural community. It is, therefore, but imperative that this Scheme should perform at the optimum levels for the benefit of these groups. The Committee, therefore, desire that the Department should be provided additional funds for 'Poultry Development' for 2010-11 without waiting for the RE stage.

2.14 Since the allocation for the Scheme has been shown as Rs. 141.00 crore in one of the documents furnished to the Committee, they would also like the Department to clarify on the exact amount earmarked for the Scheme for the Eleventh Plan.

III. VETERINARY HEALTH SERVICES

2.15 The Committee note with satisfaction that at last, after three years of the Eleventh Plan having gone by, the wrangle about the four new components of the Livestock Health and Disease Control Programme has been sorted out. The Department will now be implementing the four new components viz. strengthening of existing hospitals/dispensaries; National Control Programme of PPR; National Control Programme of Brucellosis and National Animal Disease Reporting System as stand alone components of the ongoing Livestock Disease and Health Control Programme. A consolidated EFC Memorandum seeking comments of the appraisal agencies has already been circulated and the Department intend to secure the approval of EFC in the first quarter of 2010-11 so as to ensure that funds earmarked for these Schemes for the Fiscal are utilized for the purpose. The Committee expect the Department now to complete all related formalities promptly so that these Schemes are implemented in right earnest in the remaining two years of the Eleventh Plan.

2.16 The Committee would also take this opportunity to make a special mention of the existing status of the veterinary health services in the Country. The veterinary health services are in shambles and woefully inadequate to take

care of the increasing susceptibility of livestock to various diseases, including the exotic ones, due to cross breeding programmes. There is an acute shortage of veterinary hospitals/dispensaries. The representative of the Department himself quoted a figure of 10000 dispensaries in this context. The situation is further aggravated by the perennial shortage of manpower in the existing hospitals/dispensaries. By citing jurisdictional compulsions due to these services being in the domain of State Governments, the Union Government is helping nobody's case. The resource position of the State Governments is known to all. Therefore, expecting them to pro-actively plan and invest in the area of veterinary health services is wishful thinking. The Committee, therefore, recommend that the allocation for the new stand alone component of 'Strengthening of existing Hospitals/Dispensaries' be augmented appropriately so as to be able to provide the much needed improvement in the existing hospitals and dispensaries.

2.17 They also recommend that the Department should work out a 100% Centrally Sponsored Scheme for establishment of dispensaries in all States/UTs with a view to kickstart the process immediately. To begin with one dispensary each may be established by the Department in all Blocks of the Country. Apart from the funding of these dispensaries from the Central Coffers, the Department may mull over the option of the possibility of requesting the members of Parliament to utilize the funds provided under the MPLAD Scheme for construction of dispensaries in consultation with the Ministry of Programme Implementation and Statistics and other authorities concerned, so as to provide added impetus to the Scheme.

IV. SALVAGING AND REARING OF MALE BUFFALO CALVES

2.18 The Committee are shocked to note that about 8 million male buffalo Calves lose their lives due to imposed starvation and deliberate neglect by the owners, who are guided by the petty motive of saving milk for commercial use. In such a grim situation, the proposed scheme Salvaging and Rearing of Male Buffalo Calves has come not a day too soon. The Committee are, however, extremely disappointed to find the Scheme being virtually confined to the files being tossed around. As a result, three precious years of the Eleventh Plan have gone by and many more million male calves have also been lost. It seems that even the vast potential of these calves, when reared properly, in the farming activities, in rural transport and other traditional activities, for development of meat, by-products and leather industry has also been lost to the Government.

2.19 The Committee note further with dismay that this inordinate delay in approvals has led to the Outlay for the Scheme being brought down from Rs. 300.00 crore to Rs. 121.62 crore for the remaining two years of the Plan. With only Rs. 27.70 crore being provided for the year 2010-11 and leaving almost Rs. 94.00 crore for the last year makes the intentions of the Government very very clear and the Committee deprecate the same in strong terms. They, therefore, recommend even at this late Stage that the Government put their act together and complete all formalities pertaining to this Scheme without any further loss of time. This is the only way the Department can salvage the Scheme for 'Salvaging and Rearing of Male Buffalo Calves'.

V. FOOD SAFETY AND TRACEABILITY

2.20 The Food Safety and Traceability Scheme, in the opinion of the Committee, is of immense value particularly in the context of boosting exports from the animal husbandry, dairying and fisheries sectors. The Committee had, therefore, in their Second Report recommended expeditious action for implementation of the Scheme. The Committee are, however pained to note that NABCONS which was engaged to prepare an approach paper and blueprint of the Scheme in November, 2008 with specific terms of reference, has failed to provide a workable scheme. More surprisingly the Agency has now conceded that it lacked experience in the Subject. The result is that almost one and a half years later the Department are back to square one and are approaching Food and Agriculture Organization (FAO) for identification and provision of the services of an international expert in the field. An FAO Mission would be visiting India for a meeting on the subject with the Department in middle of April, 2010. The Committee strongly feel that this instance is indicative of a very casual attitude of the Department towards this Scheme of substantial importance and should be deprecated. Rather than doing the background work to identify an alternative source of expertise, which led them to contact FAO now, they could have done this one and a half years back when they assigned the task to NABCONS. Notwithstanding the *alibi* extended by the Department that this *faux pas* happened because this is entirely a new area for the Country for which neither expertise nor experience is available, the Committee consider this as a case of bad planning. The Committee, however, share the view of the Department that it is necessary to proceed with due caution so that any step taken does not have to be retreated and public money spent infructuously. The Committee expect the Department

to follow this dictum in letter and spirit and work expeditiously towards the formulation and implementation of this Scheme.

VI. UTILISATION OF FALLEN ANIMALS

2.21 Utilisation of Fallen Animals, which is again a Scheme of substantial utility for the farmers and livestock rearers has been languishing for want of the requisite clearances/approvals during the three years of Eleventh Plan gone by. The Committee note that at last the Scheme has been considered by EFC on 26 February, 2010. The Scheme has also met the approval of Minister of Agriculture. The Administrative Approval of the Scheme will be issued once the approval of the Ministry of Finance is obtained. On their part the Department intend to expedite implementation of the Scheme through regular consultation with NABARD and by conducting a suitable campaign for awareness generation amongst the potential beneficiaries.

2.22 As the Scheme has already been delayed badly, the Committee recommend that Ministry of Finance should grant the requisite approvals with the alacrity it deserves. They also recommend that the Department should leave no stone unturned with a view to make this Scheme a success, even so belatedly, by suitably interacting with NABARD and launching a publicity blitz through media, ATMA, KVKs, SAUs, State Governments including Panchayati Raj Institutions etc. to create awareness about this Scheme amongst the targeted beneficiaries.

CHAPTER III

DAIRY DEVELOPMENT

(i) Dairy Sector

Dairying is an important secondary source of income for millions of families in rural areas. India is at number one position in production of milk, achieving an annual output of about 108.5 million tonnes of milk during 2008-09. The Indian Dairy Industry acquired substantial growth momentum from 9th Plan onwards. The per capita availability of the milk has reached 258 grams per day in the year 2008-09, but it is still low compared to the world average of 265 grams per day. Most of the milk in India is produced by small, marginal farmers and landless labourers who are grouped into cooperatives at the village level. To provide them a steady market and a remunerative price for the milk produced, about 13.90 million farmers have been brought under the ambit of 133349 village level cooperative societies in the country as part of Operation Flood Programme.

3.2 The efforts of the Department in the dairy sector are concentrated on promotion of dairy activities in non-operation flood areas with emphasis on building up cooperative infrastructure, revitalisation of sick dairy cooperative federations and creation of infrastructure in the States for production of quality milk and milk products.

(ii) Allocations to Dairy Sector

3.3 The Dairy Development Sector consists of the following major schemes.

A. Centrally Sponsored Schemes

(a) Intensive Dairy Development Programme (IDDP) (Strengthening Infrastructure for quality and clean milk production)

(b) National Dairy Plan

B. Central Sector Schemes

(a) Assistance to Cooperatives.

(b) Delhi Milk Scheme (DMS).

(c) Dairy Venture Capital Fund.

The outlay and expenditure for the entire sector is as under:-

(Rs. in Crore)

YEAR	BE	RE	Expenditure
2007-08	88.50	109.25	111.50
2008-09	98.00	98.10	97.90
2009-10	101.10	89.24	72.28*
2010-11	87.76	-	-

*upto 11 March, 2010

3.4 Following is the fund allocation for Centrally Sponsored Schemes:

(Rs. in crore)

	11 Plan Outlay	BE 2009-10	RE 2009-10	Actuals 2009-10	BE 2010-11
Centrally Sponsored Schemes	225.00	53.10	57.04	42.73*	46.06

* Upto 11 March 2010

The financial performance of Central Sector Schemes is tabulated below:

(Rs. in crore)					
	11 Plan Outlay	BE 2009-10	RE 2009-10	Actuals 2009-10	BE 2010-11
Central Sector Schemes	355.00	48.00	32.20	29.55*	41.70

* Upto 11 March 2010

3.5 The Dairy Sector allocation of Rs. 87.76 crore for 2010-11 is even less than the reduced RE figures of Rs. 89.24 for the year 2009-10. When asked why such low allocation has been made inspite of even the Eleventh Plan Document mentioning that such reduction in State funding is undesirable for growth of the Dairy Sector, the Department have stated that they had sought Rs. 125.01 crore, however, the allocation is Rs. 87.76 crore only. The Planning Commission, when queried in the matter staked in a written communication that they allocate overall plan allocation to the Ministry/ Departments. Scheme wise allocation is done by the DAHDF themselves based on their priorities. However, total allocation was increased to the tune of Rs. 1300.00 Crores for 2010-11 as against BE of Rs. 1100.00 Crores, RE of Rs. 930.00 Crores and Expenditure Rs. 878.49 Crores for 2009-10.

(iii) National Dairy Plan

3.6 The National Dairy Plan is a new Scheme of Eleventh Plan. National Dairy Plan (NDP) is a strategic plan with an outlay of Rs.17,371 crore to achieve a target of 180 million tonnes of milk production annually by 2021-22. Milk production is expected to grow at 4% with an annual incremental output of 5 million tonnes in the next 15 years. Districts will be categorised into 324 high potential districts for intensive development and remaining 282 low potential districts for further expansion of the sector. At the time of examination of Demands for Grants (2009-10) the Committee were given to understand that the National Dairy Plan proposed was under consideration of the World Bank. The Committee had in their Second Report, therefore, recommended that the Department should work in tandem with all

concerned to ensure the implementation of National Dairy Plan does not suffer like many of their other Schemes. However, when the Committee obtained an update on National Dairy Plan in connection with the examination of Demands for Grants (2010-11). The Committee noted that not much progress has been achieved in respect of the National Dairy Plan. The National Dairy Development Board is working towards expediting the process, but nothing tangible is seen. They, therefore, wanted to know whether the Department had tried to rope in the Ministry of Finance and the diplomatic channels for expediting the matter.

In response Department of Animal Husbandry, Dairying and Fisheries in a written submission stated that in response after getting the necessary approvals, the Preliminary Project Report (PPR) was posed to the World Bank on 17.3.2009. A World Bank Identification Mission visited Gujarat, Punjab and Uttar Pradesh during 8-17 February, 2010 in respect of this project.

The Mission discussed the proposed project objective and reviewed the technical components which have been proposed for Bank financing. While these would be examined in greater detail during the course of project preparation and refined as appropriate, World Bank is of the view that the overall content of the proposed investments appears generally sound/greater clarity on certain issues like terms and conditions for the transfer of the project funds from Government of India, roles and responsibilities of various stakeholders, like Department of Animal Husbandry, Dairying & Fisheries, State Governments, National Dairy Development Board and other related agencies, provision of appropriate policy and regulatory framework to ensure quality of programme delivery, eligibility criteria for state implementing agencies for participating and receiving funds and development of effective institutional mechanism to provide quality service delivery to small and marginal dairy farmers still remain. The Department have informed the Committee these issues will be addressed and resolved through consultative process with various stakeholders in the next four to six months.

(iv) Delhi Milk Scheme (DMS)

3.7 Delhi Milk Scheme (DMS) was established to provide reasonably priced milk and milk products to the Delhi consumers. From the initial installed capacity of 2.55 lakh litres per day, the capacity of DMS now stands at 5 Lakh litres per day.

3.8 The Department have provided following details of expenses and revenue generated by the DMS during each of the last three years:

YEAR	EXPENDITURE (Rs.in lakhs)	REVENUE (Rs.in lakhs)
2006-07	18,641.72	16,147.52
2007-08	23,289.15	21,891.03
2008-09	28,233.98	27,135.43
2009-10 (upto Feb 2010)	27,511.27	24,149.91

3.9 In response to a query about corporatisation of DMS which has been under consideration of the Department for quite years, now the Department stated that NDDB has been entrusted with finalization of modalities for corporatisation of DMS. NDDB has commissioned IDBI Capital to conduct feasibility study and submit assessment report on DMS. IDBI Capital has submitted the draft assessment report for DMS corporatisation and the same was discussed by the Department with representatives of IDBI, NDDB and DMS. Final report is awaited. When asked about when Final Report for corporatisation of DMS will likely to be received by the Department, they furnished that the Final Report for corporatisation of DMS is likely to be received by the end of May 2010.

3.10 It is evident from the above table that DMS is running in continuous loss. About the reasons for these recurring losses and efforts made by the Department to rectify the situation, the Department stated that DMS has incurred losses due to low procurement of milk and utilization of commodities like Skimmed Milk Powder, Whole Milk Powder and White butter etc. for re-generation of milk to meet market requirement. To tide over the situation, DMS is making every effort to procure maximum quantity of raw milk as per approved policy by broad basing its sources of milk procurement as under:

- (i) State Dairy Federations
- (ii) Cooperative Societies / Milk Producer Companies
- (iii) Other Companies

DMS has also started paying incentives to its milk suppliers on the pattern paid by Mother Dairy, Delhi since November 2009. As there is a continuous increase in the rates of major component of costs i.e. Light Diesel Oil (LDO) Water, Polythene Film and Electricity etc. DMS is making all efforts to cut down the cost on these items by following the system of Good Manufacturing Practices (GMP) in the dairy plant. The Plant & Machinery at DMS is old and high manpower oriented causing higher cost of production. Within the available Plan Head Budget DMS has carried out up gradations in the plant & machinery as follows:

- (i) 300 TR Ammonia Plate Heat Exchanger
- (ii) Ammonia Compressors and Diffusers.
- (iii) 2 No. of 750 KVA Transformers in 11 KV Sub-Station
- (iv) Electrical Cubical Panels for Refrigeration Plant
- (v) ACB (Air Circuit Breaker) for 11 KV Sub- Station

(vi) 20 KLPH Milk Pasteurizer and 5 litre Polypack Machine

(vii) 5000 ampere bus coupler for electrical sub station.

For improving the operational efficiency DMS has obtained a certificate of approval in accordance with ISO 22000-2005 Certification for milk procurement, processing, packaging, storage & distribution of milk and milk products.

(v) Assistance to Cooperatives

3.11 Assistance to Cooperatives, started during 1999-2000, aims at revitalizing the sick dairy cooperative unions at the district level and cooperative federations at the State level. The Department have stated that since inception, they have approved 36 rehabilitation proposals of Milk Unions. Out of 36 Milk Unions, 18 have turned around or started earning profits as on 15.03.2010. Following are the financial allocations for the purpose:

YEAR	BE	RE	(Rs. in crore)
			EXPENDITURE
2008-09	7.00	9.00	9.00
2009-10	9.00	11.20	8.61*
2010-11	8.30	-	-

*upto 11 March, 2010

Noting the continuous trend of increase in RE as compared to BE every year the Committee desired to know why sufficient allocations are not made at BE stage. In response the Department stated that the committed liability of GOI share for the Milk Unions under rehabilitation for the year 2010-11 has been assessed at Rs.9 crore. Although, as against this requirement, Rs.8.30 crore has been provided, additional fund requirement, if any, will be projected at RE stage.

About the present status of the remaining 18 loss making Cooperative Unions, the Department informed the Committee that out of these 18 Milk Unions, the rehabilitation plan has recently been started in 7 Milk Unions. The remaining 11 Milk Unions are continuing to have accumulated losses. The major reasons for the inability of these Unions to achieve positive net worth are:

- (i) Frequent change of CEO and lack of professional and competent manpower.
- (ii) Low operational levels and high fixed overheads.
- (iii) Time overrun costs.
- (iv) Grant-in-aid not utilized for the purpose it was provided.

Despite organizational and operational deficiencies of these Milk Unions as mentioned above, the Department with the assistance of NDDB is continuously monitoring the progress of these projects, being implemented by the Milk Unions.

I. ALLOCATION TO DAIRY SECTOR

3.12 The Committee are distressed to observe that dairying which is an important secondary source of income of millions of families in the rural areas and also a regular source of income for countless of their urban brethren involved in bulk processing, transportation, retailing and other allied activities, is yet to catch the eye of the Government as a sunshine sector of the national economy. India's number one position in the world as producer of milk notwithstanding, the Government's assistance and handholding of the sector is not much worth reporting back, while last three years saw allocations of Rs. 88.50 crore, Rs. 98.00 crore and Rs. 101.10 crore respectively. The allocation for the year 2010-11 has been pegged at Rs. 87.76 crore, being the lowest till date in the Eleventh Plan. With the past record of expenditure in the first three years of the Eleventh Plan which adds to Rs. 281.68 crore upto 11 March, 2010 and the allocation of Rs. 87.76 crore in the ongoing fiscal, the Department would be left with a huge balance of more than Rs. 200 crore for the terminal year of the Eleventh Plan. The Committee find this a very disquieting situation and they are not satisfied by the explanation of the Planning Commission that the meager allocation coming the way of dairy sector is the fault of the Department, as *inter se* allocation is their forte. The Planning Commission's explanation is also on a weak ground in view of the fact that the Eleventh Plan Document prepared by them candidly admits that the reduction in State funding has been detrimental to the growth of the dairy sector. The Committee, therefore, reiterate their recommendation made previously in this Report that the Department of Animal Husbandry, Dairying and Fisheries

should not be starved of funds so that their hands are tied while deciding *inter se* allocation for various sectors. They urge upon the Government to, therefore, consider the recommendation of this Committee about hiking the allocation for the current Financial Year for the Department to Rs. 2800.00 crore in all seriousness, so that the various sectors including dairying sector get requisite boost to perform optimally and contribute further to the Country's economy.

II. NATIONAL DAIRY PLAN

3.13 The National Dairy Plan is one of the most ambitious Schemes of the Government. With an estimated Outlay of Rs. 17371.00 crore, the NDP intends to strategise increase in the milk production of the Country beyond the projected demand of about 180 million tones by 2021-22 and also enhance the share of organised sector from the present 30% to about 65%. The Committee are, however, disturbed to observe that not much headway has been made in the direction of fructification of NDP since the time they presented their Second Report to the Parliament on 18 December, 2009. After the Preliminary Report was passed on to the World Bank on 17 February, 2009, a World Bank Identification Mission visited Gujarat, Punjab and Uttar Pradesh during 8-17 February, 2010 in connection with this Project. While the World Bank is of the view that overall content of proposed investment appears generally sound, greater clarity is required on certain issues like terms and conditions for the transfer of the project funds from Government of India, roles and responsibilities of various stakeholders, like Department of Animal Husbandry, Dairying and Fisheries, State Governments, National Dairy Development Board

and other related agencies, provision of appropriate policy and regulatory framework to ensure quality of programme delivery, eligibility criteria for state implementing agencies for participating and receiving funds and development of effective institutional mechanism to provide quality service deliver to small and marginal dairy farmers. The Department have informed the Committee that these issues will be addressed and resolved through consultative process with various stakeholders in the next four to six months. The Committee are very much aware that the issues mentioned above are complex ones and may require extensive consultations with the various stakeholders which may be a time consuming affair. They, therefore, recommend that if the Department have to stick to their originally envisaged timelines of four to six months for completing the consultation process with various stakeholders, they should prepare a well laid out Plan of Action, with rigid timelines so that there is no further spill over on this ground and the NDP is finalized and ready for implementation at the earliest. The Committee would like to be apprised of this Plan of Action alongwith a well laid out schedule for implementation of NDP in the context of the position as it stands today.

III. DELHI MILK SCHEME

3.14 The Daily Milk Scheme was established with the objective of providing reasonably priced milk and dairy products to the residents of the Country's Capital. In spite of burgeoning population of the Capital, DMS has been able to cater to requirements of milk and dairy products of the City only to a limited extent. Though the production capacity of DMS has almost doubled from the installed 2.55 lakh liter per day to 5 lakh liter per day, due to various

reasons like low procurement of milk and utilization of commodities like skimmed milk, butter, whole milk scheme, butter for regeneration for meeting the market requirements, constant increase in the cost of major components e.g. light diesel oil water, polythene film, electricity, etc., the DMS continues to incur losses continuously while DMS has taken certain steps to improve its functioning. The Committee feel that the delay in a decision regarding corporatisation of DMS is a major reason for the inept performance of the Organisation. In this context the Committee note that the Department had entrusted NDDB with the task of finalisation of modalities for corporatisation of DMS. The NDDB in turn have commissioned IDBI Capital to conduct a feasibility study. IDBI has submitted a draft assessment report, which has been discussed by the Department with the representatives of IDBI, NDDB and DMS. The final report is expected by the Department by end of May this year. In the opinion of the Committee, the matter of corporatisation of DMS has been hanging fire for quite a number of years now. Since such a major changeover in the set up creates a lot of apprehensions and misgivings, the functioning of any organization suffers, if a rational and expeditious decision in the matter remains elusive. This is there to see for everyone, from the losses being incurred by DMS, continuously, over the years. The Committee, therefore, recommend that instead of wasting their time any further on the vexed and controversial issue of corporatisation, the Government should immediately improve the infrastructure and wherewithal of DMS with state-of-the-art machinery and equipments, so that it turns around and starts making profits like its sister concern 'Mother Dairy' and numerous other such industries in the profitable Dairy Sector. The Committee also feel that the Government can

think of some diversification of product range being offered by DMS to further augment its financial position.

IV. ASSISTANCE TO COOPERATIVES

3.15 The Committee note that the Assistance to Cooperatives Scheme aims at revitalizing the sick dairy cooperative unions at the district level and cooperative federations at the State level. Since the inception of the Scheme, the Department have approved 36 rehabilitation proposals of milk unions. Out of these 36 Unions, they have been able to achieve turnaround /profitability in case of 18 Unions as on 15 March, 2010, which is commendable. Of the remaining 18, rehabilitation plan has been started recently in the case of 7 unions, while the remaining 11 continue to accumulate losses due to various reasons explained previously in this Chapter.

3.16 The Committee are of the firm opinion that the cooperative movement in the dairy sector has made laudable contributions towards the Country becoming the largest producer of milk in the world. The milk cooperatives/unions therefore, deserve to be provided a special hand holding dispensation in their bad days. It is not only in the interest of the dairy sector but also in the interest of countless small and marginal farmers and other poor sections of the society for whom the income from the small quantities of the milk they contribute to these cooperatives and unions is an importance source for making out a living. The Committee, therefore, recommend that the Department should expand the ambit of good work being done by them under the Scheme of Assistance to Cooperatives by working out rehabilitation plans for the remaining 11 loss making unions immediately, so that their turnaround

is also achieved at the earliest. The Committee hope that the Government would not shirk from providing the necessary additional funds to the Department for this endeavour, right away.

CHAPTER IV

FISHERIES SECTOR

(i) Fisheries Sector

The fisheries sector is a source of livelihood to about 14.49 million people engaged fully, partially or in subsidiary activities pertaining to the sector, with an equally impressive segment of the population engaged in ancillary activities associated with fisheries and aquaculture. India has potential of fish production from marine and inland resources as per estimate, 3.9 million tonnes and 4.5 million tonnes respectively. While the country has surpassed the assessed potential in inland fisheries by producing 4.63 million tonnes last year. The production of marine fisheries is 2.92 million tonnes. The aggregate fish production is about 7.60 million tonnes.

(ii) Allocations to Fisheries Sector

4.2 Following are the allocations and expenditure for the Fisheries Sector during the Eleventh Plan till date:

YEAR	(Rs. in crore)		
	BE	RE	EXPENDITURE
2007-08	205.68	168.14	162.16
2008-09	215.00	180.39	178.53
2009-10	298.50	271.40	254.88*
2010-11	262.44	-	-

*upto 11 March, 2010

The Committee on finding that the present pattern of allocation and spending in the Fisheries Sector would leave a very huge amount for spending in the last year of the Eleventh Plan. They, therefore, desired to know how the Department would be able to fully amount the balance outlay during the last year of the Plan. In response the Department replied that the Fisheries Sector was provided an outlay of Rs 2776.00 crore for the entire Eleventh Five Year Plan. The outlays (BE) provided in the first four years of the Plan add up to Rs. 981.62 crore. In order to achieve the targeted outlay of Rs. 2776.00 crore for the entire Plan period, Fisheries Sector should be provided a staggering Rs. 1794.38 crore in the last year. This is more than the entire Department's allocation for 2010-11. It is highly unlikely that such a huge outlay can be provided in 2011-12, and hence the actual outlay for the fisheries sector for the Plan as a whole will fall far short of the outlay approved for the 11th Plan.

4.3 In response to the query about reasons behind such a huge backloading of Plan funds during Eleventh Plan and remedial measures being contemplated by the Department to avoid recurrence of the same in the Twelfth Plan, the Department stated that reasons for backloading of outlay during 11th Plan were mainly due to less availability of resources while allocating plan funds. In fact the allocation has been far short of the projected targets. Outlay required for Fisheries sector during Twelfth Plan would be projected as per requirement of funds for schemes which would have direct impact on production and performance of various components of schemes during Eleventh Plan. Possibility of availing convergence of funds through other programmes like RKVY would also be looked into.

4.4 Following are the financial allocations under the Centrally Sponsored Schemes in the Fisheries Sector:

(Rs. in Crore)

Scheme	BE 2008-09	RE 2008-09	Exp 2008-09	BE 2009-10	RE 2009-10	Exp*	BE 2010-11
Development of Inland Fisheries & Aquaculture (including new components)	12.00	12.90	13.60	17.90	19.00	16.78	18.50
Development of Marine Fisheries & Post Harvest operations (including new components)	45.00	44.99	49.56	60.00	61.00	58.34	62.80
National Scheme of Welfare of Fisherman, Fisheries Training and Extension (including new components)	25.00	25.00	25.15	33.00	36.00	35.37	34.20
Total CSS (Fisheries)	82.00	82.89	88.31	110.90	116.00	110.49	115.50

*Upto 11 March, 2010

When asked about the reasons for increase in fund allocation at RE stage, the Department stated that one of the main reasons for this is increased demand to access funds under the scheme by the State Governments due to revised funding pattern in the Schemes for the Eleventh Plan. The schemes have been made more attractive for the States. In addition, within the overall RE for the Department as a whole, the scheme wise distribution of outlay within the overall RE results in some schemes getting less allocation while the balance funds are made available to the schemes where the demands are better from the State Governments. The increase in allocation in RE is also an account of better implementation and utilization of funds.

4.5 Financial allocation in respect of Central Sector Schemes is as under:

(Rs. in crore)

S. N.	Scheme	BE 2008-09	RE 2008- 09	Exp 2008- 09	BE 2009-10	RE 2009-10	Exp*	BE 2010- 11
1	Strengthening of Database & Information Networking for Fisheries	3.00	3.00	2.40	5.00	10.00	9.75	10.15
2	Assistance to Fisheries Institutes	55.00	47.60	40.92	47.60	45.40	34.06	44.49
2.1	Central Institute for Fisheries Nautical & Engineering	10.00	7.00	7.18	7.00	5.85	4.87	7.30
2.2	Central Institute for Coastal Engineering for Fisheries	0.10	0.10	0.13	0.10	0.10	0.01	0.10
2.3	National Institute for Fisheries Post Harvest Technology and Training	1.90	2.00	1.74	2.00	1.95	1.62	2.00
2.4	Fishery Survey of India	43.0	38.50	31.87	38.50	37.50	28.14	35.09
3	National Fisheries Development Board	75.00	46.90	46.90	135.00	100.00	100.00	92.30
	Total CS (Fisheries)	133.00	97.50	90.22	187.60	155.40	144.39	146.94

*upto 11 March, 2010

On being asked about the reasons for lower fund allocation to FSI and NFDB the Department replied that there has been no reduction in the outlay of major developmental and welfare schemes of the Department covering Inland, Marine and Welfare components. Similarly as mentioned earlier, the slow progress of NFDB schemes was essentially due to carrying forward of allocations during its formative years. There has been a slight reduction in the allocation of the Fishery Survey of India (FSI) which is due to the non procurement of survey vessels.

4.6 When asked about failure of Fishery Survey of India to procure survey vessels, the Department stated in a written reply that FSI intends to procure resource specific survey/fishing vessels for exploitation of midwater, deep sea and oceanic resources. Though the Institute has made repeated attempts to

procure/fabricate the vessels, they could not succeed in getting valid quotations from suitable firms capable of fabricating required fishing vessels.

It was further stated that the Department have advised FSI to initiate discussion for procurement/ fabrication of survey/training vessels from the Cochin Shipyard Ltd., (CSL) Kochi. Accordingly, two discussions were held with the officers of CSL. The Institute was also advised to look into the possibility of engaging suitable fishing vessels on lease for continuing the survey work.

(iii) Development of Inland Fisheries

4.7 There is huge potential in fisheries. Large quantities of fish can be grown for harvesting. On being asked about steps taken by NFDB to promote water quality literacy movement in aquaculture areas and steps taken by it to substantially augment the production of both marine and fresh water varieties, the Department informed the Committee that NFDB is supporting the state Fisheries departments for conducting various training programmes related to fresh water and coastal aquaculture, wherein the farmers are also trained on water quality management. NFDB also has schemes for financial assistance for setting up water testing and diagnostic laboratories. Strategies contemplated to be followed for enhancing fish production and productivity are given below. Accordingly, States have reported that there is hike in enhancement of production and productivity in reservoirs, ponds and tanks. States could also produce quality fish seeds by establishing fish hatcheries to meet their fish seed requirement.

- Enhancing productivity of Carp polyculture in the existing ponds and tanks through capacity building of the farmers besides bringing in new areas under carp culture.

- Diversification of culture to include new species culture as catfishes, Magur, *Clarias batrachus*, murrels (*channa Spp.*) pearlspot (*Etroplus suratensis*), pangas (*Pungasius spp.*)
- Freshwater prawn farming (*M. rosenbergii*)
- Promotion of Cold water fisheries
- Establishment of Broodstock banks for availability of quality broodstock to avoid inbreeding and quality to overcome
- Promoting Running water fish culture in north eastern states partially in Sikkim
- Establishment of fish Feed production units for production of extruded floating pellets.
- Capacity building in State Fisheries Departments and farmers
- Encouraging Central fisheries research institutes to undertake demonstration of new technology upgradation activity.
- Encouraging states to undertake assistance of hatcheries, nurseries, renovation/upgradation of fish seed rearing units for optimizing the fingerling production in the state to meet the fingerlings demand for reservoir stocking.
- Establishment of Fish seed rearing units under both government and private sector for rearing of fry to fingerlings suitable for reservoir stocking.
- Reservoir stocking with fish fingerlings.
- Encouraging states for *insitu* production of fingerlings through pen/ cage culture technologies.
- Training and Demonstration to stakeholders in reservoir management, cage/pen rearing of fry to fingerlings.

- Pilot schemes for demonstrating Mariculture activities.
- Encouraging deep sea fishing operation for exploitation of tuna and allied resources.

4.8 In response to the query about any research work done on fresh water fish varieties like Hilsa, etc., the Department stated that a major project of research on Hilsa fishery has been taken up in collaboration with Bay of Bengal Programme. Fishery Survey of India (FSI) is the nodal agency and this project will be in collaboration with Bangladesh. Central Inland Fisheries Research Institute and Central Institute of Freshwater Aquaculture regularly conduct research and development programme for improvement and value addition freshwater species.

Elaborating further the representative of the Department stated during evidence:

“A major project of research on Hilsa has been taken up in collaboration in Bay of Bengal programme. Director General of Fishery Survey of India is the nodal agency. We are doing it in collaboration with Bangladesh.”

To a query about air breathing and other such fish the representative of the Department informed the Committee during Oral Evidence:

“The NFDB has recently taken up four pilot projects on Magur. One of the major programmes of the NFDB is the propagation of Magur culture because of its high value and better returns to the farmers. In addition, diversification of species is also a major thing which we have taken up. As the Hon’ble Member mentioned, while we are focussing on Chinese and exotic carp varieties, the high value Indian varieties are being neglected. We are definitely conscious that instead of looking only at the absolute quantity in terms of production, we should also look at the value of the production. To this extent, we have taken a decision to introduce some high value species. Magur is one. The average productivity in white shrimp has gone up from 4.5 tonnes per hectare to nine tonnes per hectare whereas the normal shrimp is giving a productivity of 0.5 tonnes to one tonne.”

4.9 When asked about steps taken for further development of fresh water aquaculture the Department stated that the guidelines of the scheme has been

revised last year with objective of further Development of Freshwater Aquaculture. Keeping in view the escalation in the cause of various activities in the fisheries sector, the ceiling limit of activities in terms on unit cost have been by and large increased by 50 per cent over the cost ceiling fixed for the 10th Five Year Plan. This has made the scheme more attractive among the State Governments as well as farmers engaged in Aquaculture. A number of steps have been initiated to increase production and productivity to the targeted levels. The Department have formulated guidelines for management of small reservoirs and circulated the same to the states which is intended to optimize production potential from small reservoirs in the country. In addition, a model bill on Inland Aquaculture has been circulated to the states for adoption which will attract investment into this sector. Provisions for extension and training activities, exposure visit and forward and backward linkages in the fisheries sector are also being made.

(a) Brackish Water Aquaculture

4.10 It is seen that the largest set for constructions/ponds for Brackish Water Aquaculture is 3000 hectares. In response to a query about development of Brackish Water aquaculture the Department stated that the guidelines of the scheme have been revised last year with the objective of further development of freshwater aquaculture. Keeping in view the escalation in the various activities in the fisheries sector, the ceiling limit of activities in terms on unit cost have been buy and large increased by 50 per cent over the cost ceiling fixed for the Tenth Five Year Plan. This has made the scheme more attractive among the State Governments as well as farmers engaged in Aquaculture. No states could access funds for undertaking brackish water aquaculture during the years 2007-08 and 2008-09. However, during the year 2009-10 three states have come forward for implementing this component

essentially due to revised guidelines which has been made operational from the current year.

(iv) Development of Deep Sea Fishing

4.11 The Department have informed that on the basis of the guidelines issued by them during November, 2002 permitting Indian Flag Vessels in the Indian Exclusive Economic Zone, Indian companies are issued Letters of Permission (LOPs) for import & operation of resource specific vessels. By the end of 2009-10, 82 deep sea vessels belonging to 20 Indian companies/firms are holding valid LOPs and are authorized to fish in the Exclusive Economic Zone (EEZ) of India beyond territorial waters. In response to the point raised about giving boost to deep sea fishing and incentivising it, the Department stated that Development of Deep Sea Fishing in the country is implemented by the nodal Department of Animal Dairying & Fisheries in accordance with the Comprehensive Marine Fishing Policy promulgated with the approval of the CCEA in 2004 and also in accordance with the broader guidelines issued by CCEA in 1996 on the recommendations of a (Murari) committee appointed by the Government to study the issues of the deep sea fishing sector. These policies basically stipulate that (i) only resource specific fishing should be permitted in the Indian EEZ, (ii) only Indian vessels or joint venture with at least 51% Indian equity should be allowed to operate in the Indian EEZ. The Department in consonance with the above stipulations developed guidelines and issued Public Notice inviting Indian entrepreneurs to venture into deep-sea fishing. An Inter-ministerial Empowered Committee on marine fisheries (EC) was also constituted to advise the Department on deep-sea fishing matters. EC in its meetings held time-to-time considers proposals of Indian entrepreneurs for deep-sea fishing by acquisition through construction / import of deep-sea fishing vessels for issuance of Letter of Permission

(LOP). The committee meets as often as required, but not less than once in six months. Under LOP system, as on date, 86 resource specific vessels belonging to 21 Indian companies are authorized for fishing in the Indian EEZ. These vessels are imported under deferred payment basis. However, out of 86 vessels, 15 vessels belonging to 03 companies have paid the full amount towards the cost of vessels to their suppliers and became fully Indian owned; whereas 20 vessels belonging to 05 companies have already paid more than 50 percent cost of their vessels. New proposal(s) for import & operation of 20 vessels under OP scheme which are under consideration are likely to be considered by the forthcoming EC meeting likely to be held in April, 2010. MPEDA has provided subsidies to 245 trawlers for their conversion into tuna long liners.

(v) Fish Farmers Development Agency

4.12 The Fish Farmers Development Agency was set up with an objective to increase the production of fish and also to increase the potentialities and bringing fisheries into farming mode. When asked about the extent, Fish Farmer Development Agency has been able to serve its aims and objectives, the Department stated that the major two components viz; Development of fresh water aquaculture and Development of brackish water aquaculture of the umbrella scheme on Development of Inland Fisheries and Aquaculture are being implemented by a network of 429 FFDA's and 39 BFDA's in the respective States and UTs. Due to the efforts of FFDA's and introduction of improved technology of fish farming, the national average productivity of ponds and tanks covered under the programme has reached a figure of 2600 kg/ha/annum.

4.13 In response to the query about evaluation been done regarding the growth in land fisheries through Fish Farmers Development Agency, the Committee were informed that an evaluation study of the scheme on Development of Inland Fisheries & Aquaculture wherein FFDA plays an important role in implementation of the scheme under the administrative control of State Fisheries Departments was made by the NABARD during June, 2008 and recommendations made were considered accordingly. Salient points of the evaluation report are:

- FFDA's which did not have seed farms should be provided with seed farms
- In view of the rise in prices, the present level of assistance for purchase of inputs per hectare may be raised.
- The existing rate of subsidy on fish seeds may be enhanced so as to be on par with similar subsidy on ongoing projects.
- The daily allowance given to fish farmer trainees is meager and should be enhanced suitably.
- Although marketing of fish has so far not posed any problem, it would be better if cooperative fish marketing societies are formed at the earliest in each FFDA.
- Since the FFDA scheme is being implemented by the State governments through their permanent staff of the fishery department, it would be more appropriate if the States bear the basic cost of establishment of the scheme while central assistance may be directed towards developmental expenses. This is expected to act as an incentive to the FFDA's to expand their activities.
- The FFDA's in the States of Haryana, Uttar Pradesh, Tamil Nadu and Rajasthan have shown comparatively better performances. These States should be encouraged in setting up new FFDA's.

4.14 Elaborating further in the matter the representative of the Department stated during the Oral Evidence on 30 March, 2010:

“These FFDA's were evaluated in great detail before the Eleventh Plan by the NABCONS. And the general response and review was that the FFDA's definitely have done two great things. One is convincing the farmers of viability of fisheries as an alternative occupation and alternative to agriculture, which can be more rewarding. And the second is to some extent accelerating the growth of culture fisheries in rural areas. One of the reasons why there has been a slight set back to this FFDA scheme was that till four or five years back, the Government of India was fully funding even the non-plan component of the FFDA in terms of salaries of

the staff and contingencies and vehicle expenses. There after, the Government of India decided that they have done enough hand-holding and they will continue to fund up to hundred per cent the developmental component of FFDA in terms of bringing more areas under culture, in terms of subsidy for new ponds, in terms of subsidy for the input and also the backward and forward linkages, financial assistance for setting up hatcheries or multiplication centres, marketing support.”

I. ALLOCATION TO FISHERIES SECTOR

4.15 The Committee observe that for the Fisheries Sector an allocation of Rs. 2776.00 crore has been made in the Eleventh Plan. The Outlays provided in the first four years of the Plan add upto Rs. 981.62 crore. Similarly, the actual expenditure of the first three years of the Plan and the BE for the ongoing Fiscal amount to a still lower figures of Rs. 848.01 crore, leaving thereby a huge unutilised amount of Rs. 1928.00 crore for the last year of the Plan. This is more than one and a half times the entire Department's allocation for 2010-11. The Committee are in agreement with the Department's apprehension that it is highly unlikely that such a huge Outlay can be provided to them in 2011-12, leading to the most unfortunate situation of the actual allocation for the Fisheries Sector for the Eleventh Plan as a whole falling far short of the approved Outlay for no fault of the Department. Though, similar sentiments have already been expressed by the Committee previously in this Report, they again express their extreme displeasure at the unprofessional manner in which the allocation of the funds to the Department of Animal Husbandry, Dairying and Fisheries has been handled by the authorities concerned. The Committee expect that once their recommendation about enhancing the allocation of the Department for the ongoing Fiscal to Rs. 2800.00 crore is implemented, the Department would be able to make sufficient funds available for the Fisheries Sector in the ongoing Financial Year through *inter se* allocations so that more and more Schemes in the grossly neglected area of the welfare of fishermen are worked out and implemented by the Department from this year itself. Another benefit would be that once this is done the Department would

also be saved of the unenviable task of utilizing the huge unspent balance of Rs. 1928.00 crore in the last year of the Eleventh Plan.

II. FISHERY SURVEY OF INDIA

4.16 The Committee note with concern that Fishery Survey of India (FSI) has not been able to utilize the funds allocated during the last two years. The BE of Rs. 43.00 crore in 2008-09 was reduced to Rs. 38.50 crore at RE stage. However, the actual expenditure during the year was significantly less at Rs. 31.87 crore. In the next year, the BE of Rs. 38.50 crore was reduced to Rs. 37.50 crore at RE stage. The actual expenditure (upto 11 March, 2010) is however, far less at Rs. 28.14 crore. The Department have stated that the 'slight' reduction in the allocation of the FSI is due to the non-procurement of survey vessels. The reasons extended by the Department for the failure of FSI to procure the survey vessels are that though the Institute have made repetitive attempts to procure/fabricate the vessels, they could not succeed in getting valid quotations from suitable firms capable of fabricating the required fishing vessels. The Committee find it inexplicable as to why year after year the efforts of FSI to procure survey vessels is not yielding the desired results. They, therefore, recommend that the Department should themselves analyse the issue in its entire gamut and work out a fresh strategy to acquire survey vessels so that the acquisition of the vessels is completed at the earliest. As recommended by the Committee in their Second Report, the Department may also explore the possibility of taking the required vessels on lease if other options fail to materialize.

III. INLAND FISHERIES

4.17 The Committee note that there is a huge untapped potential in Inland Fisheries from the existing sources. They further note that in the present demand driven scenario, further benefits can be derived from the Inland Fisheries Sector by having focussed attention on development of the high value fresh water fish species like Hilsa and air breathing fish varieties like Magur, to cite a few examples. The Committee have been given to understand that the Government/ Department in collaboration with the Government of Bangladesh have taken up a research project on Hilsa fishery under the joint Bay of Bengal Programme. The Department also intend to replicate this Programme in the Arabian Sea. The National Fisheries Development Board has also embarked upon four pilot projects on Magur. The Central Inland Fisheries Research Institute and the Central Institute of Freshwater Aquaculture also regularly conduct research and development programme for improvement and value addition of fresh water species.

The Committee, however, have a growing realisation, which has also been corroborated by the candid admission of the Department, that in their quest for development of Chinese and exotic Carp varieties, the high value Indian varieties have unfortunately been neglected in the present scheme of things. To undo this damage and in order to fully exploit the potential of Indian fish varieties, the Committee recommend the Department to prepare more and more schemes for the research and development and aquaculture of such varieties on a priority basis. While such a step would augment the production of these hitherto neglected varieties, the Department would be well advised to also take a lead in coordination with all concerned to suitably

highlight and publicize the excellent nutritive and culinary qualities of these varieties so that they are household names globally, in no time.

IV. DEVELOPMENT OF FRESH WATER AQUACULTURE

4.18 The Committee note that the main objectives of the Scheme 'Development of Fresh Water Aquaculture' are to popularize fish farming, create employment opportunities, diversify aquaculture practices and provide assistance to fish farmers with a view to create a cadre of trained and well organized fish farmers fully engaged in aquaculture. The target set for constructions/ponds and tanks for undertaking fresh water aquaculture is 23700 hectares. The Committee note with satisfaction that the Department have taken several measures with a view to incentivise the Scheme. This include issue of revised guidelines of the Scheme last year, increase in ceiling limit of activities in terms of unit cost by almost 50% over the cost ceiling fixed for the Tenth Five Year Plan, circulation of guidelines for management of small reservoirs to the States to optimize production potential from small reservoirs in the Country, circulation of a Model Bill on inland aquaculture to the States for adoption to attract investment into the sector. The Department are also making provisions for extension and training activities, exposure visits and forward and backward linkages in the fisheries sector, etc..

In the opinion of the Committee there is huge potential for growth in inland fisheries and the Scheme for Development of Fresh Water Aquaculture, if implemented with due diligence, can enhance the growth potential of inland fisheries. Apart from augmenting the inland fisheries potential, fresh water aquaculture concept of fish farmers fully engaged in aquaculture will also be a

significant source of employment generation. The Committee, therefore, recommend that while handholding measures and other incentivisation efforts should continue unbridled, the Department should also vigorously pursue the adoption and enactment of the Model Bill on inland aquaculture by the States at an early date. They should also immediately get down to the task of providing extension and training activities, exposure visits and forward and backward linkages in the Fisheries Sector which are being contemplated.

V. BRACKISH WATER AQUACULTURE

4.19 The Committee note that the Brackish Water Aquaculture inspite of its substantial potential is yet to pick up the requisite pace. This is mainly due to not much priority being assigned to aquaculture in brackish waters. It is noted that the target set for constructions/ponds for Brackish Water Aquaculture is 3000 hectares. The low figures is indicative of the importance given to this form of aquaculture. Due to low incentivisation and lack of sufficient awareness about the scheme, no State could access funds for undertaking brackish water aquaculture in 2007-08 and 2008-09 under the then operational Brackish Water Aquaculture Scheme of the Department. This led the Department to revise the relevant guidelines in 2009-10. Under these revised guidelines, the level of incentivisation of various types has gone upto 50 per cent over the cost ceiling fixed for the Tenth Plan. The Committee find that due to these steps taken by the Department three States have come forward for implementing this component.

The Committee feel that the revision of guidelines on Brackish Water Aquaculture is a step in the right direction and should be appreciated.

However, this step needs to be followed by several more proactive steps to persuade other States to opt for the Scheme. The Committee are of the firm view that brackish water bodies being quite in abundance, can be very successfully exploited for enhancing the fisheries production of the country. In this context the Committee would like to draw the attention of the Government to their Second Report in which fast track development of estuaries, which are some of the biggest sources of brackish water was recommended. The Committee would also recommend that apart from taking concrete positive action on development of estuaries, the Department should also prepare Action Plan on priority to develop other brackish water habitats like mangroves, brackish water lakes, brackish water marshes etc., for utilizing their fisheries potential.

V. DEVELOPMENT OF DEEP SEA FISHING

4.20 The Committee note with deep dismay that inspite of various measures and efforts cited by the Department, we are not able to reach anywhere near our assessed potential of 3.9 million tonnes in marine fisheries, as the latest capture is only 2.92 million tonnes, which is about three-fourth of the assessed potential. The Committee, therefore feel that if the Department are serious about achieving the full potential of marine fisheries they have to develop deep sea fishing on a far more proactive basis so that the Tuna and allied resources are suitably exploited. The Committee would also like the Department to focus on the capacity building for deep sea fishing on a more sustained basis because with the well-known limitations of shore and coastal stock of fisheries, the deep sea fishing provides a ray of hope for augmenting marine fisheries production. The Committee would like the Department to

draw a roadmap for the purpose at the earliest accordingly and submit it to the Committee within three months of the presentation of this Report to the Parliament.

VI. FISH FARMERS DEVELOPMENT AGENCY SCHEME

4.21 The Committee note with satisfaction the laudable role that the Fish Farmers Development Agency Scheme has played towards convincing the farmers about the viability of fisheries as an alternative occupation which can be more rewarding. They have also played a significant role in accelerating the growth of culture fisheries in the rural areas. The Committee note that as of now there is a network of 429 Fish Farmers Development Agencies and 39 Brackish Water Fish Development Agencies working in various States and UTs with the aim of implementing the Development of Fresh Water Aquaculture and Development Of Brackish Water Aquaculture Schemes of the Department. The Committee are, however disappointed to note that the Scheme suffered some setback because the Union Government have, some years back, withdrawn funding of the Non-Plan Component of the FFDA's thinking that enough hand-holding of the Scheme had been done. As of now the Union Government are funding upto 100% of the development component of FFDA's in terms of bringing more areas under culture, in terms of subsidy for the new ponds, in terms of subsidy for the new and also backward and forward linkages, financial assistance for setting up hatcheries of multiplication centres, marketing support, etc. The Committee feel that in view of the excellent record of the services rendered by the FFDA's, the Department should seriously reconsider their decision regarding

discontinuing of funding of Non-Plan Component of FFDA's Scheme so that the gains of the Schemes of the recent past are not squandered away because of such minor pitfalls. They, therefore recommend that the funding pattern of few years back, may be restored for another five years or so till the Scheme is fully capable of carrying on its own. Keeping in view the pivotal position of the FFDA's in the development of fisheries sector, the Committee feel that they have immense potential for acting as the convenient delivery systems for the Schemes meant for fishermen welfare. They, therefore, desire that the Department should give a serious thought to this matter and revert with their considered views at the earliest.

NEW DELHI;

27 April, 2010
7 Vaisakha, 1932 (Saka)

BASUDEB ACHARIA

Chairman,
Committee on Agriculture

Recommendations of the Advisory Committee constituted by the Planning Commission for the development of Animal Husbandry and Dairy Sector

S. No.	Recommendations of Advisory Committee	Action taken by the Department
National Project for Cattle and Buffalo Breeding		
1.	NPCBB which has been planned for a period of 10 years completed Phase-I in 2007 and in the Phase-II with greater focus, two years have already been completed. The success of the scheme and its impact has to be essentially assessed from the parameters of productivity enhancement, number of progeny tested bulls used for AI, increase in area of coverage and how effectively AI services are being delivered at farmers' door step.	Department is undertaking mid term evaluation of NPCBB Phase-II by an independent agency namely NABCONS during 2010-2011. All the points mentioned by the Advisory Committee have been included in Term of References (TOR) of the proposed study.
2.	Against the above impact parameters, NPCBB has done fairly well in terms of infrastructure creation, setting up of exclusive implementing agency, improved AI delivery mechanism and enhanced coverage in most of the states. However, the scheme has not been able to make a significant dent in productivity enhancement, which essentially is the principal outcome of the scheme. The limited success achieved in the scheme could primarily be ascribed to the fact that	

	<p>it has been conceived in a holistic manner incorporating various inter-related components like infrastructural development, delivery mechanism, institutional arrangement, involvement of NGOs and private AI workers, decentralised fund flow mechanism, quality assurance, etc.</p>	
<p>3.</p>	<p>Use of progeny tested bulls with high milk production potential which is a critical component for achieving envisaged success in the scheme has not been realised to the desired extent. Most of the semen stations across different States do not have any progeny tested bulls for semen collection and freezing and use of bulls of unknown genetic makeup for semen production and use of low quality semen may cause more damage in the long run than benefit.</p>	<p>Recognising the importance of Progeny Testing Programme in genetic upgradation of bovines, this Department has included this activity/component in the Phase-II of National Project for Cattle and Buffalo Breeding (NPCBB) and allocation of Rs 12.20 crore has been made under the component. Progeny Testing Programme has a long gestation period and about 7 years are required to obtain complete results under this programme. For effective implementation of the programme Department has formulated Minimum Standard Protocol (MSP) in consultation with the experts in this field. MSP has been recently notified and circulated among all the States participating under the project. States have been asked to follow the guidelines under MSP</p>

		<p>while undertaking the programme so that the best results can be achieved. So far, States with assistance of NPCBB, have taken up Progeny Testing Programme of the size of size of 200 bulls per batch, out of which 15 bulls are proven annually.</p>
4.	<p>In areas not covered by AI network, provision for induction of bulls of superior quality for providing natural service exist. As against the target requirement of 76000 bulls for natural service, only about 12-13 thousand bulls have been inducted resulting in slow progress of quick up-gradation of low yielding indigenous cattle and buffaloes. A concerted effort is to be made for identifying and procuring of superior quality bulls by different State Governments from different institutions as well as breeding tracts of potential breeds of cattle and buffaloes for induction.</p>	<p>In order to meet shortage of quality breeding bulls for natural service a separate component bull production programme has been initiated under Phase-II of NPCBB. Central assistance to the tune of Rs 24.10 crore has already been released to participating States for identifying bull mothers for producing 8458 bulls, annually. Funds have also been released to the States for strengthening bull mother farms including replacement of genetic stock available at these farms. In addition to this Department has strengthened existing CCBF during 2009-10 in order to meet demand of some of the States participating under NPCBB.</p>
5.	<p>Considerable investment has been made since the commencement of the scheme towards strengthening of sperm stations/semen banks.</p>	<p>For regular evaluation of semen stations including bulls available for semen production Department has constituted Central Monitoring Unit</p>

<p>However, the facilities and performance of some of the semen stations have been below the required standards. Presently, out of 49 functional semen stations in the country, 12 have been graded as 'A', 14 as 'B' and 7 as 'C'. 14 semen stations have not been graded and 2 have not been evaluated till date. 32 semen stations have obtained ISO certifications and, in addition, stations located at Mattupatti in Kerala, Haringhatta, Salboni and Beldanga in West Bengal have also acquired HACCP certification. Maintaining the quality of semen production is a critical component for success of the AI programme and periodic evaluation of the semen stations through technically competent agencies is required for ensuring that bulls maintained at the stations are free from diseases and minimum standard protocol as prescribed are being followed.</p>	<p>(CMU). Expert members of this unit evaluate semen stations once in two year. During 2007-08, 2 semen stations located in Maharashtra have not been evaluated as renovation work was going on at these stations. All the semen stations in the country will be evaluated during current year (2010-11).</p> <p>In order to improve quality of semen production, Department has formulated Minimum Standard Protocol for Semen Production (MSP). It has been made mandatory for all the semen stations to implement MSP in semen production. Semen stations are evaluated on the basis of MSP.</p> <p>The Department has prepared a schedule for the disease testing of bulls for all sexually transmitted diseases (STDs). Central Disease Diagnostic Laboratory (CDDL) and Regional Disease Diagnostic Laboratories (RDDLs) have been given mandate to test all the breeding bulls and bull mothers of the semen stations in the central farms, State/ cooperative/Embryo Transfer Technology Laboratory and</p>
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		private farms. The RDDDs have been undertaking testing of the bulls and bull mothers in most of the States and infected bulls and bull mothers have been segregated immediately. The States have been requested to take up ring vaccination against FMD in a radius of 10 km around frozen semen bull stations, farms and ET labs under the scheme 'Assistance to States for control of Animal Diseases' (ASCAD).
6.	In order to avoid establishment of new bull mother farms and semen station in States which do not have any or establish additional stations in other States, the possibility of creating a central agency / central facility on regional basis for semen production to cater to needs of different States in the region could be explored. This would not only facilitate in maintaining minimum quality, uniform standards and a common protocol for semen production but also help in reduction of investment on infrastructural development.	Department has a central semen processing facility at Hessarghata in order to meet demand of the small States mainly north eastern States for quality semen straws. This facility has been strengthened and number of AI bulls has been increased to meet the demand of the States, which do not have semen processing facility. The facility will be further strengthened with increase in demand of frozen semen from States.
7.	Several models like 'Pranibandhus' in West Bengal, 'Gopal Mitras' in Andhra Pradesh, outsourcing to NGOs in Rajasthan and Jharkhand,	National Project for Cattle and Buffalo Breeding envisages that by the end of Phase 34000 private AI workers will be established on self

	<p>etc. have been developed across the country for delivering AI services at the farmer's door step with varying degree of success. What has come out clearly is that for ensuring effective coverage at individual level, the AH Department machinery at the State level does not have either the required manpower or the mechanism. For having a wider and effective reach, it would be advisable that the whole activity of AI input services be outsourced to private agencies/ Paravet workers and doctors at veterinary dispensaries taking other higher responsibilities like health coverage, disease control, etc. What is to be ensured is that AI service providers have adequate and quality training and are placed under the overall supervision of local veterinary officer.</p>	<p>sustainable basis in the country to deliver quality AI services at the farmer's doorstep. In order to improve skills of the private AI workers, funds have been released under the project for strengthening training centres and training and retraining of private AI workers.</p>
<p>8.</p>	<p>Further, for providing meaningful employment, income generation and self sustaining models, it is desirable that the scope of private AI service providers like 'Pranibandhus' and 'Gopal Mitras' should not only be restricted only to provide AI services. The scope may be expanded and service providers may be allowed to take up minor</p>	<p>As per the guidelines of the scheme, private AI workers are not restricted to provide AI services but are also allowed to undertake other activities like veterinary first aid, vaccination programme, castration of scrub bull, supply of cattle feed, identification of elite animals and milk recording.</p>

	<p>veterinary services and also help in vaccination programmes. The model could be developed on similar lines as is being done in the human health sectors and the private AI service providers could act as 'Ashas' in Animal Husbandry sector.</p>	
9.	<p>It was observed that under the scheme, funding support to state agencies is largely oriented towards infrastructural development and mechanism for AI input delivery. However, the desired focus on technical support in terms of progeny testing, quality control of semen production and evaluation, embryo transfer technology, etc. has been lacking and need to be strengthened.</p>	<p>More emphasis has been given to implementation of progeny testing programme, establishment of ONBS farms with Multi Ovulation Embryo Transfer Technology (MOET) and strengthening of semen stations under Phase-II of NPCBB. An allocation of Rs 87.20 crore has been made under the scheme for these activities. Funds have already been released to the States to initiate these activities.</p>
Intensive Dairy Development Programme		
10	<p>A critical impact evaluation study of the scheme needs to be conducted. Further as and when the National Dairy Plan is approved and implemented, continuation of the scheme on "Intensive Dairy Development Programme" has to be assessed from the view point of duplication of efforts and investment. In the meantime, it is suggested that the scheme may be extended to OF areas also. However, critical assessment of the</p>	<ul style="list-style-type: none"> • The Intensive Dairy Development Scheme has been modified based on the Impact and Evaluation Study during the 10th Five year Plan and accordingly pre-project benchmark survey has been made compulsory for submission of new project on 2005-06 onward. • From 2005-06 onward new project proposals with bench

	<p>potential in the area is essential for development of dairy sector before the projects are approved.</p>	<p>mark survey report only has been considered under the scheme in order to assure the effective implementation.</p> <ul style="list-style-type: none"> • Moreover provision of concurrent evaluation was also incorporated in the newly approved projects <p>Presently a comprehensive Impact and Evaluation study of the Scheme IDDP is being carried out with the help of an external agency. The extension of scheme to Operation Flood will be considered after the completion of evaluation study based on major observations.</p>
<p>Assistance to Cooperatives</p>		
<p>11</p>	<p>It is recommended that the scheme may be discontinued since it appears to have covered most of those cooperatives that were eligible to receive such assistance under the scheme.</p>	<p>Under the scheme Assistance to Cooperatives there are 13 ongoing projects in five states with a total project cost of Rs.95.52 crores with Government of India share of Rs.47.95 crores an amount of Rs.21.03 crores has already been released to the ongoing projects as on 31.3.2010. An amount of 22.42 crore is the committed liabilities for the ongoing projects. Further NDDB has informed that they will be submitting rehabilitation proposal for 10 new rehabilitation proposals</p>

		<p>namely, Sangarur, Badaun, Naskik, Nilguries, Salem, Madurai, Tirunelveli, Vellor, Virudhnagar and Dindigul milk unions. Despite provision of rehabilitation assistance some of the milk unions are not in position to achieve positive networth/net profit under the scheme which is due to the following reasons:</p> <ul style="list-style-type: none"> • Frequent change of Chief Executive Officers and lack of professional and competent manpower. • Low operational level and high overheads. • Time overrun cost. • Competition with private sector. <p>In view of the position stated above it is recommended that the scheme Assistance to Cooperatives should be continued.</p>
	Dairy Venture Capital Fund	
12	Scheme should be expanded and the restriction of its implementation only to non-OF areas should be removed. The cost norms for different components need to be revised.	The scheme Dairy Venture Capital Fund has been evaluated by an independent evaluating agency Central for Management Development. Due to price escalation of various components/items higher limit of

		<p>assistance for the existing component of dairy sector has been recommended by evaluation agency for components like small dairy farm, purchase of milking machines/milkotester, bulk milk cooling units (up 2000 litre capacity), purchase of dairy processing equipment for manufacturing indigenous milk products, establish dairy product transportation facilities including cold chain, cold storage facility for milk and milk product and establish private veterinary clinic. One of the recommendation made by evaluation agency is inclusion of Operation Flood district for setting up of dairy farms of 10 animals for expanding the scheme which is presently being implemented in Non Operation Flood areas. The major recommendation/suggestion evolved out of evaluation study for modification/revision are being posed by the Department for modification of EFC of Dairy Venture Capital Fund scheme.</p>
	National Dairy Plan	
13	<p>Many of the stakeholder and professionals are still not aware of components of the proposed scheme and the mechanism for its implementation. It would be</p>	<p>Two meetings have already being convened under the Chairmanship of Hon'ble AM with representative of States, State Milk Federations / Unions on 31.6.2007, and 5.7.2007</p>

	beneficial to have inputs from a wider cross section of professionals and stakeholders, prior to finalization of the Scheme.	to discuss National Dairy Plan prior to its finalization. As the scheme is yet to be finalized, it may not be possible for the Department to publicise the components of the proposed scheme and the mechanism for its implementation.
Livestock Health and Disease Control		
14	The Scheme may be strengthened further to cover important emerging diseases like Brucellosis and PPR.	<p>Presently, the scheme Livestock Health and Disease Control is being implemented with components, namely: (i) Assistant to States for Control of Animal Diseases (ASCAD), (ii) National Project on Rinderpest Eradication (NPRE), (iii) Professional Efficiency Development (PED), and (iv) Foot & Mouth Disease Control Programme (FMD-CP).</p> <p>The Department has taken action and prepared an EFC memorandum to expand the existing scheme by extending the coverage of FMD Control Programme from the existing 54 districts to 221 districts and inclusion of following additional four components:</p> <ul style="list-style-type: none"> (i) National Control Programme of Peste des Petits Ruminants, (ii) National Animal Disease

		<p>Reporting System (NADRS),</p> <p>(iii) Establishment and Strengthening of existing Hospitals/Dispensaries,</p> <p>(iv) National Control Programme on Brucellosis.</p> <p>The EFC memorandum has already been circulated to the appraisal agencies. The revised scheme will be implemented from the current financial year (2010-11).</p>
15	The National Disease Reporting System should be developed in a comprehensive manner for ensuring timely reporting and monitoring of various animal diseases.	As mentioned above, the National Disease Reporting System forms part of the revised scheme of Livestock Health and Disease Control. It is proposed to have an on-line reporting system from the block level upwards.
16.	Production of vaccines in the private sector.	The production of various vaccines for livestock and poultry is being manufactured both in Government sector and the private sector. The vaccine need to be manufactured by the Government establishments, which may not be of interest to the private sector because of commercial considerations. The Department is fully supportive of creation and augmentation of vaccine manufacturing capacity by the private players, subject of course to strict compliance with regulatory protocols.

Fodder Development Scheme		
17.	The scheme has to be accorded priority as it aims to address the key component of feed and fodder shortage. However, the scheme needs to be completely redrafted with technically sound component so as to have the desired impact at the field level.	This Department has formulated a new EFC memorandum – Centrally Sponsored Fodder and Feed Development Scheme for implementation during 2010-11 and 2011-12, which includes modification of 3 ongoing components and addition of 6 new components. The scheme has been approved by the Ministry of Finance on 31.03.2010.
Central Fodder Development Organization		
18.	A reorientation of focus and strategies are essential to make this scheme complementary and supplementary to the Centrally Sponsored Scheme of Fodder Development. Otherwise, investments would continue to be made without much benefit.	The recommendation is noted for compliance. However, under the component 'Central Minikit Testing Programme on Fodder Crops', the Department has taken the following action to streamline the programme: <ul style="list-style-type: none"> i. Timely supply of fodder minikit to the States/farmers. ii. The combination of legumes and non legumes has been introduced to improve the quality of the fodder. iii. The quality of seeds has been increased in the minikit, suitable for 0.1 hectare area for getting optimum fodder yield. iv. From 2010-11, Milk Federations of the states have been provided 50 % of

		the minikit allotted to that state.
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Results Framework Document- 2010-2011

Col.1 Objective	Col.2 Weight	Col.3 Actions	Col.4		Col.5 Weight	Col.6 Target/Criteria Value				
			Success Indicator	Unit		Ex (100%)	VG (90%)	Good (80%)	Fair (70%)	Poor (60%)
1. Prevention and Control of animal diseases	20%	Immunization against important diseases	No. of vaccinations done	No. in million	15%	255	225	205	185	170
		Improvement in the efficiency of Veterinary professionals	No. of Vets trained	No.	3%	500	470	440	410	380
		Collection of samples for surveillance against notifiable AI	No. of samples collected	No. in lakhs	2%	1.85	1.65	1.45	1.35	1.0
2. Development of Fodder & feed	15%	Prodn of high yielding fodder varieties	Fodder seed Production in Qtls(C+S)	No.	7%	10800	10000	9000	8000	7000
		Conduct training programmes	No of programs conducted	No	3%	120	100	90	80	70
		Development of grassland & grass reserves	Area of grassland developed (in ha)	No In ha	5%	1200	1050	900	800	700
3. Increase fish production & provide assistance to fishermen	20%	Construction of new ponds renovation of existing ponds	New ponds Constructed	No. in ha	5%	8200	7380	6560	5740	4920
			Ponds renovated	No. in ha	5%	18500	16650	14800	12950	11100
		Development of Marine fisheries	No. of crafts motorized	No.	2%	1100	990	880	770	660
		Welfare measures & input subsidy	Supply safety kits to fishermen	No.	2%	90	81	72	63	54
			Extn of insurance scheme	No. in lakhs	2%	34	31	27	24	20
			Construction of houses	No.	2%	7500	6750	6000	5250	4500
			Impart training	No.	2%	5000	4500	4000	3500	3000
4. Increase milk production and provide	20%	Establish chilling (bulk milk cooling) units	Creation of chilling capacity (576)	No. TLPD	5%	2548	2200	1900	1600	1300

APPENDICES

Appendix-I

COMMITTEE ON AGRICULTURE (2009-10)

MINUTES OF THE TWENTY FOURTH SITTING OF THE COMMITTEE

The Committee sat on Tuesday, the 30th March, 2010 from 1115 hours to 1635 hours in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia – Chairman

MEMBERS

LOK SABHA

2. Shri Narayan Singh Amlabe
3. Smt. Ashwamedh Devi
4. Smt. Paramjit Kaur Gulshan
5. Shri Naranbhai Kachhadia
6. Shri Surendra Singh Nagar
7. Shri Premdas
8. Shri Nripendra Nath Roy
9. Shri Hukmdeo Narayan Yadav

RAJYA SABHA

10. Shri Narendra Budania
11. Shri Sharad Anantrao Joshi
12. Shri Vinay Katiyar
13. Shri Mohd. Ali Khan
13. Shri M. Rajasekara Murthy
18. Prof. M.S. Swaminathan

SECRETARIAT

1. Shri S. Bal Shekar - Joint Secretary
2. 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 A.S. Lamba - Addl. Secretary & Financial Adviser
3. Dr. Lal Krishna - Animal Husbandry Commissioner
4. Shri Dilip Rath - Joint Secretary (A&DD)
5. Shri Arvind Kaushal - Joint Secretary (LH)
6. Ms. S. Rawla - Joint Secretary (P&F)
7. Shri Tarun Shridhar - Joint Secretary (Fy.)

Department of Agricultural Research and Education (ICAR)

1. Dr. C.S. Prasad -Asstt. Director General, ICAR

Planning Commission

1. Dr. V.V Sadamate -Adviser (Agriculture)
2. Dr. C.S. Sahukar -Dy. Adviser (Animal Husbandry)

Field Organisations

1. Dr. P. Krishnaih -Chief Executive Officer
2. Dr. K.A. Singh - Director, IGFR
3. Dr. T. Srinivasa Mohan - Assistant General Manager, NABARD
4. Shri Ravishankar -Senior General Manager, National Dairy Development Board

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

2. The Committee then took the oral evidence of the representatives of the Department and other witnesses for and in connection with examination of Demands for Grants (2010-11) of the Department. The Secretary briefly highlighted the activities/achievements made by the Department during the ongoing Financial year and the Plans of the Department for Annual Plan 2010-11.

[The Committee adjourned for Lunch around 1300 hours.

The Sitting resumed at 1400 hours]

3. The Chairman and Members of the Committee raised queries on several issues concerning the Demands for Grants. The witnesses replied thereto.

4. 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 at the earliest information on points on which information could not be provided by them during the Sitting to the Committee Secretariat by 5 April, 2010.

A verbatim record of the proceedings has been kept separately.

The Committee then adjourned.

**COMMITTEE ON AGRICULTURE
(2009-10)**

MINUTES OF THE TWENTY EIGHTH SITTING OF THE COMMITTEE

The Committee sat on Tuesday, the 27th April, 2010 from 1500 hours to 1600 hours in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia - *Chairman*

MEMBERS

Lok Sabha

2. Shri Narayan Singh Amlabe
3. Shri K.C. Singh 'Baba'
4. Shri Thangso Baite
5. Smt. Ashwamedh Devi
6. Smt. Paramjit Kaur Gulshan
7. Shri Sk. Nurul Islam
8. Shri Naranbhai Kachhadia
9. Shri Prabodh Panda
10. Shri Premdas
11. Shri Vitthalbhai Hansrajbhai Radadiya
12. Shri Nripendra Nath Roy
13. Shri Uday Singh
14. Shri Jagdish Thakor
15. Shri Hukmdeo Narayan Yadav

Rajya Sabha

16. Shri Narendra Budania
17. Shri Mohd. Ali Khan
18. Shri Bharatsinh Prabhatsinh Parmar

SECRETARIAT

Shri P.C. Koul - Additional Director

2. At the outset the Hon'ble Chairman welcomed the members to the Sitting of the Committee. Thereafter, the Committee took up the Draft Report on Demands for Grants (2010-2011) relating to the Ministry of Agriculture (Department of Animal Husbandry, Dairying and Fisheries). After some discussion, the Committee adopted the Draft Report.

3. The Committee, then, authorized the Chairman to finalise the Draft Report after getting it factually verified from the concerned Department and present the same to the Parliament.

The Committee then adjourned.
