

COMMITTEE ON AGRICULTURE (2009-2010)

FIFTEENTH LOK SABHA

MINISTRY OF AGRICULTURE

(DEPARTMENT OF AGRICULTURAL RESEARCH AND EDUCATION)

DEMANDS FOR GRANTS (2010-11)

EIGHTH REPORT



LOK SABHA SECRETARIAT <u>NEW DELHI</u>

APRIL, 2010 / VAISAKHA, 1932 (Saka)

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Presented to Lok Sabha on03.05.2010Laid on the Table of Rajya Sabha on03.05.2010



LOK SABHA SECRETARIAT <u>NEW DELHI</u>

APRIL, 2010 / VAISAKHA, 1932 (Saka)

COA No. 231

Price : Rs.

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Thirteenth Edition) and Printed by

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(i)

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 on his retirement from Rajya Sabha on 2 April, 2010.

(iii)

SECRETARIAT

- 1. Shri S. Bal Shekar Joint Secretary
- 2. Shri P. C. Koul Additional Director

(iv)

INTRODUCTION

I, the Chairman, Committee on Agriculture, having been authorized by the Committee to submit the Report on their behalf, present this Eighth Report on the Demands for Grants (2010-2011) of the Ministry of Agriculture (Department of Agricultural Research & Education).

2. The Committee considered the Demands for Grants (2010-11) of the Department of Agricultural Research & Education which were laid in Lok Sabha on 11 March, 2010. The Committee took evidence of the representatives of the Department of Agricultural Research & Education and Planning Commission at their Sitting held on 22 March, 2010. The Committee wish to express their thanks to the officers of the Department of Agricultural Research & Education/ICAR and others for appearing before the Committee and for furnishing the information 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 30 April, 2010.

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

NEW DELHI;	BASUDEB ACHARIA		
<u>30 April, 2010</u>	Chairman,		
10 Vaisakha, 1932 (Saka)	Committee	on	

Agriculture

(v)

ABBREVIATIONS

AU	Agriculture University				
AES	Agricultural Education Scheme				
BE	Budget Estimate				
B&CM	Budget & Cash Management				
CCEA	Cabinet Committee on Economic Affairs				
CGIAR	Consultative Group on International Agricultural Research				
DARE	Department of Agricultural Research and Education				
DPR	Detailed Project Report				
EFC	Expenditure Finance Committee				
GDP	Gross Domestic Product				
ICAR	Indian Council of Agricultural Research				
IRC	Institute Research Council				
IVRI	Indian Veterinary Research Institute				
KVK	Krishi Vigyan Kendra				
MPKV	Mahatma Phule Krishi Vidyapeeth				
NAAS	National Academy of Agricultural Sciences				
NARS	National Agricultural Research System				
NDC	National Development Council				
NDRI	National Dairy Research Institute				
NIAB	National Institute of Agriculture Biotechnology				

NIASM	National Institute of Abiotic Stress Management		
NIBSM	National Institute of Biotic Stress Management		
QRT	Quinquennial Review Team		
Q-4	Quarter -4		
RAC	Research Advisory Committee		
RE	Revised Estimate		
SAU	State Agriculture University		
SFC	Standing Finance Committee		
ZBB	Zero Based Budgeting		
	(vii)		

CHAPTER – I

ANALYSIS OF DEMANDS

(i) INTRODUCTORY

The Indian Council of Agricultural Research (ICAR) is an apex scientific organization with a strong agricultural research system for planning, promotion, execution and coordination of agricultural research and education to meet emerging challenges in the Country. ICAR has a wide network of Institutes spread throughout the Country. It also has wellestablished institutional linkages with the State Agricultural Universities and other departments of the Central and State Governments.

1.2 ICAR's vast network of Institutes spread all over the Country, includes of 45 Research Institutes, 4 Deemed Universities, 6 National Bureaux, 17 National Research Centres, 25 Directorates/ Project Directorates, 61 All India Coordinated Research Projects and 17 Network Projects. Besides, there are 45 State Agricultural Universities (including one with Deemed University status) and one Central Agricultural University for Agricultural Research & Education and 570 Krishi Vigyan Kendras (KVKs) in the rural districts of the Country for assessment, refinement and demonstration of technology/ products.

1.3 The Department of Agricultural Research and Education (DARE) of the Ministry of Agriculture provide the necessary governmental linkages for the Indian Council of Agricultural Research (ICAR).

MANDATE

- 1.4 ICAR is mandated with following responsibilities :
- To plan, undertake, aid, promote and coordinate education, research and its application in agriculture, animal science, fisheries, agroforestry, home science and allied sciences.
- To act as a clearing-house for research and general information relating to agriculture, animal husbandry, fishery, agro-forestry, home science and allied sciences through its publications and information system and instituting and promoting transfer of technology programmes.
- To provide, undertake and promote consultancy services in the field of research, education, training and dissemination of information in agriculture, animal science, fisheries, agro-forestry, home science and other allied sciences.
- To look into the problems relating to broader areas of rural development concerning agriculture, including post-harvest technology by developing co-operative programmes with other organizations such as the Indian Council of Social Science Research, Council of Scientific and Industrial Research, Bhabha Atomic Research Centre, Universities, etc.

1.5 The major functions of DARE, which provides the necessary governmental linkages for the Indian Council of Agricultural Research are:

- * To look after all aspects of agricultural research and education (including horticulture, natural resource management, agricultural engineering, agricultural extension, animal science, economics statistics and marketing and fisheries) involving coordination between the central and state agencies.
- * To attend all matters relating to the Indian Council of Agricultural Research.

- * To attend to all matters concerning the development of new technology in agriculture, horticulture, natural resource management, engineering, extension, animal husbandry, economics statistics and marketing and fisheries including such functions as plant and animal introduction and exploration of soil and land use survey and planning.
- * International co-operation in the field of agricultural research and education including relations with foreign and international agricultural research, educational institutions and organizations, including participation in international conferences, associations and other bodies dealing with agricultural research and education and follow-up decisions at such international conferences etc.
- * Fundamental, applied and operational research and higher education including co-ordination of such research and higher education in agriculture including agroforestry, animal husbandry, dairying, fisheries, agricultural statistics, economics and marketing.

(ii) OVERVIEW OF DEMANDS

1.6 Demand No.2 pertaining to the Department of Agricultural Research and Education for the year 2010-11 was presented to the Lok Sabha on 11 March, 2010. The details of allocations proposed in Demand No. 2 are as under :-

			(Rs. in crore)
	Plan	Non Plan	Total
Revenue (Voted)	2307.50	1518.05	3825.55
Revenue (Charged)	00	00	00
Capital (Voted)	00	00	00
Capital (Charged)	00	00	00
	3825.55		

DEMAND NO. 2

It may be seen that a sum of Rs.3825.55 crore has been allocated to the Department for 2010-11. Out of this Rs. 2307.50 crore is on the Plan side in the Revenue Section and the balance Rs.1518.05 crore is on Non-Plan side under the Revenue Section.

1.7 The details of Revised Estimates for the year 2009-10 and Budget Estimates for 2010-11 are given in the table below :-

				(Rs. In crore)
	RE 200			-11
	Plan	Non-Plan	Plan	Non-Plan
Revenue	1821.32	1501.36	2307.50	1518.05
Capital	00	00	00	00

It may be seen that there is a hike of 26% in the BE of Rs.2307.50 crore on the Plan side as compared to RE of 2009-10. However, on the Non-Plan side in BE 2010-11 there is a negligible hike of 1% over RE 2009-10 with Rs.1518.05 crore being allocated this year against last year RE of Rs.1501.36 crore.

PLANNING PROCESS

(iii) FUNDS UTILISATION DURING ELEVENTH PLAN

1.8 On the question of how much money has actually been released in the first three years of the Plan out of Rs. 12023.00 crore earmarked for the Eleventh Plan of DARE/ICAR and what has been the actual expenditure against the funds thus released, the Department submitted the following information to the Committee:-

				(Rs. in crore)
Years	Proposed	BE	RE	Expenditure
2007-08	1945.50	1620.00	1434.00	1317.19
2008-09	2646.78	1760.00	1760.00	1652.58
2009-10	4000.00	1760.00	1760.00	1432.63*
2010-11	4000.00	2300.00		

* till February, 2010

(iv) ALLOCATION FOR 2010-11

1.9 It was noted that during the year 2010-11, the Department had proposed an amount of Rs. 4000.00 crore to the Planning Commission against which originally an amount of Rs.2100.00 crore was communicated. However, after efforts of the Department, subsequently the Planning Commission had increased the allocation to an amount of Rs. 2300.00 crore.

1.10 To a query, as to what extent will the various schemes of DARE/ICAR be affected because of this drastic reduction in the funds sought for the forthcoming Financial Year and since there has been back loading of the Eleventh Plan would not this less allocation in the fourth Year of the Plan lead to a substantial amount of allocated funds being left for the final year of the Plan causing a cascading effect on the implementation of various schemes of DARE/ICAR, the Department replied that due to reduced outlay for 2010-11 from Rs.4000.00 crores to Rs.2300.00 crores, it will not be possible to undertake a substantial part of the work and

procurement of equipments envisaged during 2010-11, which will hamper the research activities. This would also affect the Twelfth Plan programmes. The major activities that would be affected is the establishment of two new institutes for addressing biotic stress and biotechnology research, development of varieties / breeds, which can withstand biotic and abiotic stresses, transgenic research in animals and crops, genomic research, preparedness to address the impact of impending climate change, establishment of new KVKs, strengthening of agricultural research and education in agricultural universities and human resource development. However, the Department will allocate the schemewise plan funds after re-prioritizing the requirement to ensure that the schemes of priority are less affected due to inadequate availability of plan funds.

1.11 As it has been stated that due to reduction in allocation for 2010-11 from Rs. 4000 crore to Rs. 2300 crore even Twelfth Plan Programmes will be affected the Department were asked to furnish a detailed note in the matter. In response, the Department stated that due to reduction in allocation during the remaining period of XIth Plan, the envisaged procurement of equipment and substantial part of the approved work items will get affected adversely. This will have spill over effects during the XIIth Plan period also, as the initial period of the next Plan is likely to be utilized for approval of the ongoing schemes of XIth Plan. Presently the XIIth Plan programmes are still in conceptual stage. However, as they are basically built on the activities of the XIth Plan, the reduction in allocation will have a

cascading affect on the activities of XIIth Plan. The Specific activities that are likely to be affected are detailed in **Annexure**.

(v) <u>MID-TERM APPRAISAL</u>

1.12 When asked to furnish a copy of the proceedings of the meeting on Mid-Term Appraisal held in Planning Commission in the context of DARE/ICAR for the Eleventh Plan, the Department informed the Committee that the draft Mid Term Appraisal document was circulated by the Planning Commission on 26 February, 2010 and comments have been called for. Once final report is received from the Planning Commission, the Committee will be duly apprised.

(vi) MONTHLY EXPENDITURE PLAN 2009-10

1.13 The Demands for Grants have appended to it a proposed Monthly Expenditure Plan for the Financial Year concerned. When asked to furnish details in tabular form, of month-wise, proposed and actual expenditure during 2009-10, both in rupee and percentage terms, the Department submitted the following information :

Monthly Expenditure Plan 2009-10

								(F	Rs. lakhs)	
			Plan					Non-Plan		
Month	Plan Proposed (ICAR+DARE)	ICAR	DARE	Total	%	Non-Plan Proposed (ICAR+DAR E)	ICAR	DARE	Total	%
April, 2009	15600.00	4771.03	342.30	5113.33	32.78	21000.00	17476.03	36.88	17512.91	83.39
May, 2009	14632.00	8109.01	780.07	8889.08	60.75	10000.00	10194.35	18.97	10213.32	102.13
June,2009	14600.00	11447.01	769.77	12216.78	83.68	10000.00	10248.11	23.15	10271.26	102.71
July,2009	14660.00	15477.02	597.93	16074.95	109.65	10000.00	14404.22	17.00	14421.22	144.21
August,2009	15750.00	12892.62	336.02	13228.64	83.99	12700.00	13706.96	20.01	13726.97	108.09
September,2009	15245.00	9346.48	359.41	9705.89	63.67	12000.00	15304.21	450.44	15754.65	131.29
October,2009	15750.00	16691.17	616.52	17307.69	109.89	12274.00	34340.38	24.40	34364.78	279.98
November,2009	15400.00	17823.82	394.12	18217.94	118.30	12000.00	14011.84	16.70	14028.54	116.90
December,2009	15300.00	4450.62	402.26	4852.88	31.72	12000.00	24367.80	28.02	24395.82	203.30
Jnuary,2010	15400.00	18875.28	427.97	19303.25	125.35	12166.00	12438.79	18.88	12457.67	102.40
February,2010	15500.00	16964.13	846.06	17810.19	114.90	12000.00	12060.03	24.81	12084.84	100.71
March,2010 *	15500.00	24927.02	1597.17	26524.19	171.12	12000.00	7366.15	8.00	7374.15	61.45
TOTAL	183337.00	161775.21	7469.60	169244.81	92.31	148140.00	185918.87	687.26	186606.13	125.97

* The figures for March, 2010 are provisional as the Annual Accounts 2009-10 are yet to be finalised.

ALLOCATION OF FUNDS

1.14 The Committee are disappointed to note that inspite of their recommendation in their Fourth Report on DFG 2009-10 to the Government, to enhance the budget of DARE substantially, so as to enable them to tackle the problems of climate change growing soil infertility, declining natural resources, water scarcity, etc., which all require capital intensive solutions, DARE have not been given their due, even in Financial Year 2010-11. While a 26% hike in Plan allocation may sound impressive but seen in the context of the base of a couple of thousand crore rupees, it is insignificant. The situation becomes more galling when one sees it in the context of the overall allocations to the Department.

Out of the total allocation of Rs. 12023.00 crore for the Eleventh Plan, which the Committee consider inadequate in itself, the Department have been allocated/have spent a total of Rs. 6702.40 crore in the four years of the Plan. This leaves almost 44% funds for the last year of the Plan. The Committee doubt if the Department would be able to absorb this amount in the last year of the Plan. The Committee are one with the Department on the issue that this unimaginative drastic cut is going to affect several of their research activities which are critical to the growth and well being of agriculture in the Country.

They, therefore, recommend that the Government should enhance the allocation for the Department to at least Rs. 4000 crore in the ongoing Fiscal, so that the funds left for the terminal year are evenly matched and the Department get much needed funds for developmental activity this year.

MID-TERM APPRAISAL

1.15 The Committee note that the Mid-Term Appraisal Document of the Department was circulated by the Planning Commission on 26 February, 2010 for seeking comments. Apparently, the approved minutes will take some more time to reach the Department for implementation. The Committee feel that the Mid-Term Appraisal is an important mechanism to review the efficacy of Plan schemes and programmes and carry out necessary corrective measures accordingly. Due to the delay in conveying of the results of the MTA to the Department, this year, a valuable opportunity has been lost to carry out the requisite changes/modifications in the various Schemes of DARE/ICAR during the Annual Plan 2010-11. The Committee, therefore, recommend that with a view to maintain the immense importance of MTA in the system of assessment and evaluation, the exercise should be completed well in time so that the necessary midcourse corrections are carried out with due promptitude.

MONTHLY EXPENDITURE PLAN

1.16 The Committee have considered the proposed Monthly Expenditure Plan of the Department for 2009-10 and the Actual

Monthly Expenditure there against. They find huge disparities between the proposed expenditure and actual expenditure in almost all months, which is a matter of concern. They, therefore, desire that henceforth the Department should workout a more realistic Monthly Expenditure Plan and also adhere to it in practice.

CHAPTER II

SECTORAL PROGRAMMES

(i) <u>CROP SCIENCE</u>

Under the major head Crop Science, the Non-Plan expenditure during the first three years of the Eleventh Plan is given below :-

(Rs. in crore)

YEAR	BE	RE	ACTUAL
2007-2008	202.50	217.21	297.36
2008-2009	220.92	287.41	414.32
2009-2010	352.30	372.26	*405.44

*Upto January, 2010.

When asked about the reasons for the actual expenditure being far in excess of both the BE and RE in all the three years and how this excess expenditure had been met, the Department submitted in a written reply that as per budgetary/accounting system in vogue at present, the Government grant allocation to the Division excludes the BE /RE in respect of "Pension" and "Loans and Advances" as the requirement in these two Heads is included in the BE/RE of the Scheme "ICAR Hqrs." and it is distributed amongst the Divisions subsequently. Thus the excess expenditure is partly because the expenditure incurred on pension, loans and advances is also included in the sependiture for the Division while RE of these Heads are reflected in the budget of Scheme "ICAR Hqrs." 2.2 During the course of Oral Evidence on 22 March, 2010 when asked

about the correctness or otherwise of this procedure of accounting the

representative of the Department while initially defending it, stated:

"I think you are referring to page 10 of the questionnaire that we have sent the response of the Department to various questions raised by the Committee. It says that in the year 2007-08, BE was Rs. 202.50 crore and RE was Rs. 217.21 crore; whereas the expenditure was Rs. 297 crore which is much higher than the RE figures. In the year 2008-09, similarly, BE was Rs. 220.92 crore and RE was 287.41 crore and actual expenditure was Rs. 414.32 crore. We have explained in the reply that the budgetary and accounting system that we have in the ICAR at present, there is provision for two kinds of expenditure, one is for loans and advances and another is pension which is accounted for not in the Crop Sciences Division or Animal Sciences Division or any other Division but in the ICAR headquarters. As the financial year begins, initially we make provision in the ICAR headquarters, scheme of the ICAR and later on transfer it to the concerned Division like Crop Sciences, Animal Sciences etc. So this excess which is appearing here against Crop Sciences for the last two years and in the current year also is because of the fact that provision is there in the ICAR headquarters scheme whereas expenditure is being shown in the Crop Sciences Division. That explains partly the reason for the excess over the RE figures. That is one part of the reason for this excess over the RE figure."

Asked whether the Headquarters' figures showed a similar

decrease, he admitted:

"Absolutely, Sir. In the same questionnaire, a reverse question has been asked as to why the expenditure in ICAR headquarters is so less. There is a linkage of that kind that. When there is allocation to various Divisions, expenditure comes down in the ICAR headquarters."

However, on persistent queries, he later admitted:

"Sir, you are very right. In fact, after having given the reply to the Committee and Secretariat here, we also discussed among ourselves that if we are transferring the expenditure from ICAR Headquarters Administration head to say, Crop Sciences or Animal Science, it is required that the Budget provision is also transferred along with that. So, there is some flaw as you rightly mentioned in our accounting system, which we are going to fix it. As I said, we have thought over it. But after the reply had gone, we could not have added that part in the reply itself. But we will certainly look into it."

2.3 In addition, it was stated by the Department stated that during 2008-09, as per the instructions of the Govt. on implementation of Sixth Central Pay Commission 40% arrears on this account were required to be paid during 2008-09. This also accounts for excess expenditure over RE figures for the year 2008-09 and 2009-10. Excess expenditure over RE has been met out of accumulated internal resources of ICAR.

In so far as the Plan expenditure is concerned the performance under the major head Crop Science is as indicated in the table below :-

		()	Rs. in crore)
YEAR	BE	RE	ACTUAL
0007 0000	040.00	0.40.50	007.00
2007-2008	310.00	240.50	237.30
2008-2009	315.00	303.50	322.12
2000-2009	315.00	303.30	JZZ.1Z
2009-2010	304.00	304.00	*191.94

*Upto January, 2010

2.4 The Committee have been given to understand that several droughtresistant, water-resistant and saline-resistant varieties of rice have been developed by ICAR. When asked to what extent are these being actually used by the farmers, what has been the on farmgate acceptability of these varieties developed during the last five years and to what extent have these proved beneficial for the user farmers, the Department in a post evidence reply stated that it is estimated that drought resistant–*Vandana* and *Anjali* are covering about 50% upland rice area; Water resistant–Submergence prone varieties viz; Varshadhan and Swarna sub-1 are likely to cover about 50% of the submergence prone areas in about two years; and saline tolerant varieties viz; *Lunishree* and *Sonamani* are covering about 50% of saline lowland area in *Kharif.* Breeders' seed and certified seed of the aforesaid varieties are being continuously multiplied and supplied to the farmers through SAUs and private seed agencies. Some of these are in great demand amongst the farmers. The recently released variety *Chandan* covers about 15-20% along with other varieties for salinity area. This may cover more area in years to come.

2.5 When further enquired, as to whether the varieties developed during the last five years have reached field production stage and, if not, what are their likely timelines for the purpose, the Department stated that during last five years, seven varieties resistant to different abiotic stresses have been notified and out of these two salt tolerant varieties, viz., CSR 23 and CSR 36 are becoming popular in sodic soils of Haryana, UP and Bihar. The quality seeds to the tune of 45 quintals of these two varieties are produced and supplied by Central Soil Salinity Research Institute, Karnal. Other varieties are expected to reach farmers' fields in the next three to four years. Eight rice varieties are being released in 2010 for different agroclimatic situations and biotic stresses. Normally a variety takes 5-7 years for getting established in farmer's field. These are expected to be beneficial to the farmers in years to come.

(ii) ICAR HEADQUARTERS

2.6 The Non-Plan expenditure under the head ICAR Headquarters is tabulated below :-

			(Rs. in crore)
YEAR	BE	RE	ACTUAL
2007-2008	202.80	229.27	72.06
2008-2009	235.58	318.00	104.59
2009-2010	332.55	332.55	*424.21

*Upto January, 2010

When asked, why in case of 2007-08 and 2008-09 the BE was substantially revised at RE stage but the actual expenditure was in the vicinity of only 1/3rd of the allocations, and the cause behind the actual expenditure in the first ten months of the ongoing Fiscal being far in excess of even the upscaled revised estimates; the specific items of expenditure which remained unattended to in the first two Fiscals leading to gross underspending as also the items of expenditure on which additional funds are being spent during the ongoing Fiscal, the Department stated in a written note that the BE/RE for ICAR Hqrs. includes allocation for "Pension" and "Loans and Advances" of all the Divisions. This is subsequently distributed amongst the Divisions. At the end of financial year this excess expenditure gets reduced as expenditure under pension and loans and advances Heads also gets allocated to various Divisions.

Further, during the current financial year, the excess is also on account of payment of 60% arrears and retirement benefits in pursuance of

recommendations of Sixth Central Pay Commission which was met from accumulated internal resources of ICAR.

2.7 The expenditure under the major head ICAR Headquarters on Plan activities during the first three years of the Eleventh Plan is given below :-

			(Rs. in crore)
YEAR	BE	RE	ACTUAL
2007-2008	17.50	21.00	22.63
2008-2009	15.00	26.50	31.68
2009-2010	30.00	19.00	*1.52

*Upto January, 2010.

It is noted that in the first two Fiscals the BE was revised upwards significantly and still the actual expenditure is far in excess. However in the ongoing Fiscal the BE of Rs. 30.00 crore has been brought down to Rs. 19.00 crore on the RE stage and the actual expenditure in the first ten months upto January, 2010 has been Rs. 1.52 crore only which is not even 1/10th of the allocated funds.

When asked to furnish detailed reasons for the over and under utilization of funds indicated above, the Department furnished that in the year 2009-10, expenditure is likely to be Rs.17 crore. The remaining Rs.2 crore have been reallocated within the ICAR, where the requirement was felt to be more urgent.

(iii) AGRICULTURAL EXTENSION

2.8 The performance of DARE/ICAR under the head Agricultural Extension during the first three years of the Eleventh Plan is given hereunder :-

			(Rs. in crore)
YEAR	BE	RE	ACTUAL
2007-2008	281.00	320.50	255.60
2008-2009	301.00	315.00	272.06
2009-2010	307.00	328.00	*211.49

*Upto January, 2010.

In all the three years there is a trend of Budget Estimates being revised upwards at the RE stage, however, in all the three years the actual expenditure has fallen far short of the funds allocated.

Asked to explain the reasons behind the under utilization of the allocated funds and also the effects of this underutilization of funds on the Agricultural Extension activities in the Country, the Department clarified that because of non-receipt of work estimates and work completion certificate and non filling of vacant posts, the entire allocated amount could not spent. However, during the current financial year (2009-10) the allocated (RE) budget will be fully utilized.

2.9 The performance of DARE/ICAR in the context of Non-Plan activities under the head Agricultural Extension is tabulated below :-

			(Rs.in crore)
YEAR	BE	RE	ACTUAL
2007-2008	0.85	1.00	1.25
2008-2009	1.10	1.20	1.98
2009-2010	1.43	1.43	*2.54

*Upto January, 2010.

As compared to the Plan activities in all the three years there is substantial over-spending on the Non-Plan side. The reason being the expenditure incurred on 'pension', 'loans and advances' is also included in the expenditure for the Division while RE of these Heads are reflected in the budget of Scheme "ICAR Hqrs." Besides, due to the implementation of Sixth Central Pay Commission, 40% arrears on this account were required to be paid during 2008-09. This also accounts for excess expenditure over RE figures for the year 2008-09 and 2009-10. Excess expenditure over RE has been met out of accumulated internal resources of ICAR.

(iv) INDO-US KNOWLEDGE INITIATIVE

2.10 The expenditure under this major Head, for which matching grant is to be received from US side, is as follows :-

			(Rs. in crore)
YEAR	BE	RE	ACTUAL
2007-2008	5.00	5.90	4.49
2008-2009	6.00	6.00	4.49
2009-2010	5.00	4.00	*3.21

*Upto January, 2010.

In their Fourth Report the Committee had recommended that since the low spending is due to non-availability of matching grant from US side, the Department should take up the matter with the US side through appropriate channels to ensure matching grants in requisite proportions are contributed by them from the current Fiscal (2009-10) itself, lest the Initiative is frittered away.

The Committee, however, note that a sum of Rs. 80.00 lakh only has been allocated for the Initiative for the year 2010-11.

When asked the reasons for such drastic curtailing of BE for this Project and the action taken by the Department in pursuance of the abovecited recommendation of the Committee, the Department furnished that as recommended by the in the Fourth Report, non-availability of funds from the US side was taken up with the USA, but due to the lack of an adequate response for funding, the Indo-US Knowledge Initiative in Agriculture is going to end on 31 March, 2010. It may be mentioned that the outcome of the expenditure incurred by the Indian side were not and will not be shared with the USA.

Rs.80 lakh will be used for other activities in international cooperation, during the course of 2010-11 of ICAR.

CROP SCIENCE

2.11 During the course of the examination of the Demands for Grants (2010-11) of DARE/ICAR, the Committee noted that the expenditure of the several Divisions of ICAR on the Non-Plan side was in excess of both the BE and RE allocations. On being queried, the Department informed the Committee that as per the budgetary/accounting system in vogue, the allocations to Divisions excluded the BE/RE in respect of 'Pension' and 'Loan and Advances' as the funds requirement in these two Heads is included in the BE/RE of ICAR Headquarters and it is distributed amongst the Divisions subsequently. Thus, while the expenditure incurred on these two Heads is included in the expenditure of Divisions, the RE of these Heads is reflected in the Budget of ICAR Headquarters Scheme. Finding this odd and an erroneous accounting procedure, the Committee pursued the matter further during the Oral Evidence of the Department. Though initially, the representatives of the Department defended the strange procedure being followed, but on persistent queries agreed that it was a mistake. The Committee find it inexplicable as to how a professional government organization has been perpetuating a patently wrong accounting procedure in allocation of funds and their reflection in accounts. While recommending immediate discontinuation of this method of accounting amongst the various Divisions of ICAR and ICAR Headquarters, the Committee would also like to be furnished with a detailed note stating how this method of accounting gained currency in the first instance and at whose behest.

Coming to the physical achievements of the Scheme Crop Science, the Committee note with appreciation that during the last 5 years, ICAR have come up with seven rice varieties which are resistant to various abiotic stresses. Eight rice varieties are being released in 2010 for different agro-climatic situations and abiotic stresses. Apart from these, the drought resistant varieties like Vandana and Anjali, the water resistant submergence prone varieties *viz.* Varsahadhan and Swarna sub-1, the saline tolerant ones *viz.* Lunishree, Sonamani and Chandan have gained acceptance over large parts of areas affected with abiotic stresses. While these achievements are noteworthy, the Committee expect ICAR not to rest on its laurels and strive to develop more and more improved biotic and abiotic stress resistant varieties of various crops to cope up with the situation arising out of climate change, global warming, soil fertility depletion, water scarcity, etc.

ICAR HEADQUARTERS

2.12 Apart from the excessive underspending on the Non-Plan side in the ICAR Headquarters Scheme due to the previously mentioned wrong accounting procedure followed in the *inter-se* allocations between ICAR Headquarters and the Subject Division, the Committee noted that on the Plan side the BE 2009-10 of Rs. 30.00 crore was scaled down to Rs. 19.00 crore at RE stage. The Actuals upto January, 2010 were a lowly Rs. 1.52 crore. Being queried on this count, the Department have assured the Committee that the expenditure during the year 2009-10 is going to be Rs. 17.00 crore. The Committee feel that while spending Rs. 17.00 crore out of the RE figure of Rs. 19.00 crore may be a comforting factor for the Department, the fact remains that a major chunk of these funds viz. Rs. 14.48 crore, which is many times more than the Q-4 ceiling of 33% of total allocation will be spent by the Department in the last two months of the Financial Year. The Committee consider this to be a very unprofessional way of financial management, apart from being violative of the Modified Budget and Cash Management Scheme of the Ministry of Finance. The Committee expect that, as assured by the Department in some other context previously, they would have approached the Ministry of Finance for regularization of excess expenditure in Q-4/March, 2010. The Committee also exhort the Department to plan their funds utilization in a more evenly spread and proper manner so that a repeat of such excessive spending at the end of an Annual Plan is avoided.

AGRICULTURAL EXTENSION

2.13 The Committee note with satisfaction that after two consecutive years of substantial underspending, the Department will be able to spend the entire RE 2009-10 allocation of Rs. 328.00 crore earmarked for Agriculture Extension Scheme. Here again, however, the Committee have an apprehension that since a sum of Rs. 211.49 crore only had been spent by the Department on the Scheme upto January, 2010, the Q-4 and March spending ceiling of 33% and 15% respectively will be surely breached, which is not a happy state of affairs. The Committee, therefore, exhort the Department to improve upon its financial management on more professional lines so that the funds release is streamlined and in tune with the Modified Budget and Cash Management Scheme of the Ministry of Finance and Q-4/March spending ceiling breaches are avoided.

While on the aspect of Agricultural Extension, the Committee would like to state that though the non-filling of vacant positions, which are almost 36000, in the State Agricultural Extension networks has been one of the reasons for the substantial underspending in the first two years of the Eleventh Plan, the Department have not made any conscious efforts to tackle this acute shortage of manpower. Given the resource position of most of the States, the Committee feel that unless the Department take some initiative in the matter the situation will not change. The Committee, therefore, desire that the Department should work out a centrally sponsored scheme for assisting the State Agricultural Extension Services on the lines of the Fish Farmers Development Agency (FFDA) Scheme operated by the Department of Animal Husbandry, Dairying and Fisheries. Under the FFDA Scheme Department of Animal Husbandry, Dairying and Fisheries continued to fund both the Plan and Non-Plan components of the Scheme expenditure, including salary and wages, for certain number of years till the Scheme become self-sustaining. The Committee further recommend that the Department should

simultaneously ensure flow of adequate funds from the FKVY to the State Agricultural Extension Services network specifically for the purpose of augmenting personnel strength.

INDO-US KNOWLEDGE INITIATIVE

2.14 The Indo-US Knowledge Initiative Scheme envisaged that matching grants would be received for the Scheme from the US side. There has been continuous low spending in the Scheme during all three years of the Eleventh Plan. On coming to know that this was mainly due to the non-availability of matching grants from the US side, the Committee had recommended in their Fourth Report that the matter be taken up with the US side through appropriate channels so that matching grants are contributed by them from 2009-10 itself, lest the Initiative is frittered away. In pursuance of the recommendation of the Committee, the Department took up the matter with USA. Due to lack of adequate response for funding, the Indo-US Knowledge Initiative has ended on 31 March, 2010. The Department have rightly taken the decision to not share with the USA, the outcome of the expenditure incurred by the Indian side. Since the Scheme had been in existence for three years of the Eleventh Plan, the Committee desire that a review of its implementation and achievements be conducted at the earliest and the Committee be apprised of the outcome of such a review within three months of presentation of this Report to the Parliament. The Committee would also like the Department to give a thought to still reflecting the Indo-US Knowledge Initiative as a Scheme in their Demands for Grants and showing allocations there against.

CHAPTER III

<u>GENERAL</u>

(i) <u>FUNCTIONING OF KVKs</u>

The Committee have been time and again asking the Department in the past about the need for further improvement in the functioning of KVKs so as to re-orient them in order to face the new challenges emerging in the agriculture sector in the Country.

3.2 Asked what specific action has been taken by the Department with a view to ensure greater professionalization of KVKs and increasing their efficacy, the Department furnished in a written reply that in order to strengthen the activities of KVKs during the XI Plan, provision has been made for providing additional facilities including soil and water testing, plant health diagnostic, minimal agro-processing and e-linkage, besides demonstration units on rain water harvesting structure with micro-irrigation system, portable carp hatchery and integrated farming systems. For effective monitoring and coordination with technology generating institutions for technological backstopping of these KVKs, the Department have upgraded its eight Zonal Coordinating Units to the level of Zonal Project Directorates.

3.3 The Directorates of Extension of 45 agricultural universities have been provided continued financial support to take up knowledge empowerment, technological backstopping, HRD and overseeing the activities of all the KVKs under their jurisdiction. Besides, provision has also been made for establishment of Mobile Diagnostic cum Exhibition Units at these Directorates of Extension of 33 multidisciplinary Agricultural Universities to support the KVKs for creating awareness on improved technology/ products and its sources of availability, and providing on the spot advisory services to farmers. Moreover, the Government have approved for establishment of one additional KVK in 50 larger districts during XI Plan to facilitate wider coverage of KVK activities.

3.4 When asked whether any review of KVKs been done, the Secretary, Department of Agricultural Research and Education stated during the oral evidence on 22 March, 2010:

"with regard to extension, as has been said very clearly, the mechanism available with the Department is in terms of KVKs. It is very huge. It has nationwide access. But at the same time, it is just a very small fraction when compared to the actual extension requirements of the whole country. In this connection, we have had a detailed discussion with the Hon. Deputy Chairman of the Planning Commission. We have just brought up some figures like the vacancies in State Departments with regard to extension in different States. We collected a quick feed back and gave a picture that at least when the State Governments come for discussion at the Planning Commission, they can make a point with regard to these vacancies and the need for filling them".

(ii) <u>RECRUITMENT OF SCIENTISTS</u>

3.5 During the course of the Oral Evidence on 22 March, 2010 the Committee have been informed that the Department are recruiting 700 -800 new scientists in the coming six months. 3.6 When asked about the total number of vacancies of scientists as on date in various ICAR institutions and to what extent would the newly recruited scientists be able to accelerate the research activities being undertaken by ICAR, the Department stated that as on date, positions of 655 Scientists, 1010 Senior Scientists and 302 Principal Scientists including Research Management Positions are vacant. So far, the ICAR had been re-deploying the available scientific manpower in all the new initiatives that were approved without any additional manpower. The newly recruited Scientists shall be judiciously deployed in critical and identified thrust areas to further accelerate the R&D activities.

3.7 When further asked to furnish institution-wise, year-wise data for the last five years in regard to rate of attrition of scientists in the various institutions of ICAR and what steps in the form of environment, wages, emoluments, perks, incentives have been introduced by the Government with a view to curb the attrition rate of scientists from ICAR institutions, the Department stated that the factual information shall be compiled and forwarded shortly. However, the rate of attrition of Scientists is absolutely normal as in any other Government organisation i.e. approximately 2% to 3% per annum.

3.8 Though there is no abnormal attrition, with a view to attract the best talent and sustain high motivation levels the following incentives are granted at the entry level :-

- Five advance increments for Ph.D. holders.
- Two advance increments for M.Phil / M.Tech / M.Sc.(Ag.) / M.V.Sc/ M.F.Sc. Holders.

- The other in-service Scientists are provided :
- Three advance increments on acquiring Ph.D. while in service.
- One advance increment on acquiring M.Phil. in service.

Further, since 1.1.1986 the ICAR has adopted the pay-package and Career Advancement Scheme of the University Grants Commission wherein a Scientist after a certain residency period and on fulfilment of specified parameters is granted the next higher scale irrespective of occurrence of vacancy. The age of superannuation of the Scientists has also been enhanced to 62 years on the lines of UGC.

The ICAR has instituted an elaborate scheme of awards to motivate the scientific community.

(iii) INCOME OF FARMERS

3.9 There is a growing feeling that apart from the aggregate production of foodgrains, the carry home income of farmers would be a valuable index for factoring the achievements and development of agriculture sector.

When asked to furnish the considered views of the Department in the matter, the Department stated that the aggregate production of foodgrain indicates only physical quantity. It does not involve prices received by farmers and cost incurred by them in the production. In India till date we do not have any direct aggregate measure of farmers' income.

FUNCTIONING OF KVKs

3.10 In the opinion of the Committee the network of KVKs has to play a pivotal role in the extension services in agricultural sector, in spite of the fact that they may be small faction of the actual extension requirements of the Country. While the Department have been highlighting before the Committee the multitude of services being rendered by the KVKs, the grassroot common perception still is that the KVKs are not performing upto their potential. Keeping these contradictory positions in view the Committee feel that the performance of KVKs in regard to various activities including training, extension, demonstration, training by farmer trainers, distribution of minikits, regional seed productivity and quality data consolidation, block level training, etc., needs to be assessed and evaluated comprehensively and corrective action taken accordingly. The Committee, therefore, desire the Department to get a review of the KVKs done at the earliest. The Committee would like to be apprised of the results of the review.

RECRUITMENT OF SCIENTISTS

3.11 The Committee are greatly concerned to note that as on date positions of 655 Scientists, 1010 Senior Scientists and 322 Principal Scientists including Research Management Positions are vacant. The Committee are sure that so many vacancies would definitely be affecting the functioning of ICAR institutions adversely. They, therefore, wonder how the Government expects the Council to deliver without even their personnel requirements being met. The Committee note that ICAR are recruiting 700-800 scientists. They recommend that while the recruitment of these many scientists be expedited, the remaining vacancies may also be filled-up on priority, so that the research and development activities in the agriculture sector are not adversely affected. As a lasting solution to this chronic problem, the Committee desire that the Department should evolve a well planned strategy for augmentation of high level human resources and submit the same to the Committee within three months of presentation of this Report to the Parliament. While evolving this strategy, special consideration may be given to the requirements of the North Eastern and Bundelkhand regions.

The Committee also take note of the various incentives being provided by ICAR to its scientists. The Committee, however, feel that if the best available talent is to be attracted towards the ICAR institutions, further incentivisation of the positions in ICAR institutions alongwith a conducive and transparent work environment and career progression, is a must.

INCOME OF FARMERS

3.12 The Committee feel that the present system of measuring growth of agriculture merely on the basis of food grain production figures is not a realistic indicator. They feel that unless the carry home income of farmers is also not factored in, a fair assessment of the achievements and development of the agriculture sector will not be complete. Unfortunately, however, as the Department have themselves admitted till date there is no direct aggregate measure of farmers' income in the Country. Keeping in view the urgent necessity to have such indices, the Committee recommend the Department to work out some models with a view to generate some aggregate measure of farmers income so that necessary steps to initiate correctives are taken accordingly.

NEW DELHI;

BASUDEB ACHARIA

<u>30 April, 2010</u> 10 Vaisakha, 1932 (Saka) Chairman, Committee on Agriculture

<u>Annexure</u>

Specific activities that are likely to be affected by lesser allocation:

Crop Science

- Phenomics, an understanding of crop adaptation due to global climatic stress
- Biofortification for nutritional enhancement of crops
- Germplasm enhancement

Horticulture

- Search for new genes and conservation
- Pace of development of cultivar in the time frame
- Genomics work in potato and banana which has been initiated will be slowed down.
- Pace of genomic work in coconut, banana and cucurbits will be affected.
- The pace of efforts on organic farming will also slow down.
- Waste utilization through use of mushroom will continue but pace of achievement will be weakened.
- Development of transgenics in vegetables and some other crops
- Diagnostics for quick detection of viruses will be completed only in three crops.
- Target production of 100% breeder seed in potato through tissue culture may not be achieved
- Seed and planting material production system, priming etc. will get affected.
- Transgenic seed development in absence of containment facilities will be slowed down.
- Work on biocontrol
- Upgradation in skill development of human resource will be hampered.

Natural Resource Management

- Cost effective drainage technology including bio drainage for saline and waterlogged lands
- Agro-eco zone specific diversification of agriculture
- Technology development for coastal shelter belts
- Sequestration of soil carbon under different land use and cropping system of the country

• Resource characterization and land use planning at district and block levels of the country

Animal Science

- Semen sexing in cattle
- Transgenics in cattle and buffaloes
- Zoonotic diseases
- Allele Mining for abiotic stress and development of molecular markers in ruminants
- Environmental pollutants, toxicants and antibiotic residue affecting feed and product quality and safety
- Ethno-Veterinary Medicine (Network Mode)
- Nutraceuticals and functional foods
- Stem cell research for animal health and production

Fisheries

- Designing of fuel efficient and resource specific crafts and gears
- Reservoir fisheries programme
- Reservoir fisheries enhancement
- Fish health management in open water and aquaculture systems

Agricultural Engineering

- Precision farming technologies for increasing input use efficiency and higher productivity
- Prototype production and supply to different farmers and other extension agencies
- Pace of outreach programme and frontline demonstration activities in farmers fields at different location across the country will be affected.
- Transfer of Technology for the adoption of fibre reinforced plastic silos and storage structure
- Training Programmes for cotton graders, gin fitters and other mill wrights for improving fibre quality in cotton processing
- Utilization of jute mill waste and its byproducts
- Extension and FLD of scientific method of lac cultivation

Agricultural Extension

- Establishment of new approved KVKs
- Construction of Residential quarters

Agricultural Education

• Niche area of excellence is aimed at overall development in the specified area by exploiting the excellent human resources and local

potential. Creation of additional centres @ 2 per university as approved will be deferred to some extent.

• Hands-on training is a critical component of skill development. Further additions to these units have to be deferred.

National Agricultural Innovation Project (NAIP)

• All the activities under NAIP which are being carried out in project mode are a commitment to the WB and the scientists / workers who have been awarded these subprojects. Each subproject has a results framework with a timeframe. Each supervision mission of the World Bank sets a mutually agreed target framework. Any discontinuation in funding will force us to renege on commitment to the WB and the presently satisfactory grading will go down.

Intellectual Property Management and Transfer /Commercialization of Agricultural Technologies

• Procurement/licensing state of the art software for prior action and freedom to operate (FTO) searcher.

Appendix-I

COMMITTEE ON AGRICULTURE (2009-10)

MINUTES OF THE TWENTY SECOND SITTING OF THE COMMITTEE

The Committee sat on Monday, the 22nd March, 2010 from 1110 hours to 1610 hours in Committee Room `B', Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia – Chairman

MEMBERS

LOK SABHA

- 2. Shri Narayan Singh Amlabe
- 3. Shri Thangso Baite
- 4. Shri Jayant Chaudhary
- 5. Shri Naranbhai Kachhadia
- 6. Shri Prabodh Panda
- 7. Shri Premdas
- 8. Shri Nripendra Nath Roy
- 9. Shri Uday Singh
- 10. Shri Jagdish Thakor

RAJYA SABHA

- 11. Shri Narendra Budania
- 12. Shri Sharad Anantrao Joshi
- 13. Shri Vinay Katiyar
- 14. Shri Mohd. Ali Khan
- 15. Shri M. Rajasekara Murthy
- 16. Shri Bharatsinh Prabhatsinh Parmar
- 17. Prof. M.S. Swaminathan

SECRETARIAT

1.	Shri S. Bal Shekar	-	Joint Secretary
2.	Shri P.C. Koul	-	Additional Director

Ministry of Agriculture (Department of Agricultural Research and Education)

- 1. Dr. S. Ayyappan,
- 2. Shri Chaman Kumar,
- 3. Dr. H.P Singh,
- 4. Dr. A.K. Singh,
- 5. Dr. S. K. Datta,
- 6. Dr M.M. Pandey,
- 7. Dr. K.D. Kokate,
- 8. Dr. Arvind Kumar,
- 9. Dr. K.M.L. Pathak,
- 10. Dr. Bangali Baboo,

Secretary, DARE & DG, ICAR Addl Secy & FA DDG (Horticulture) Deputy Director General (NRM) Deputy Director General (CS) Deputy Director General (Engg.) Deputy Director General (Ext.) Deputy Director General (Education and Fisheries) Deputy Director General (AS) National Director (NAIP)

PLANNING COMMISSION

Shri V.V. Sadamate,

Adviser (Agriculture)

At the outset, the Chairman, welcomed the Members of the Committee and the representatives of the Department of Agricultural Research and Education and Planning Commission to the Sitting.

2. Thereafter, the Committee took the evidence of the representatives of Department of Agricultural Research and Education on Demands for Grants (2010-11) of the Department. The Secretary briefly highlighted the activities / achievements made by the Department during the year.

[At around 1300 hours the Committee adjourned for Lunch.

The Sitting resumed at 1430 hours]

3. The Chairman and Members of the Committee raised queries on several issues concerning the Demands for Grants of the ongoing fiscal.

The representatives of the Department and Planning Commission replied thereto.

4. The Chairman, thereafter thanked the witnesses for appearing before the Committee as well as for furnishing valuable information desired by them. He also directed them to furnish information on points on which the representatives of the Department and the Planning Commission could not clarify during the Sitting to the Committee Secretariat within a week.

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

The Committee then adjourned.