

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:1200
ANSWERED ON:13.08.2013
LOSSES TO NAFED
Anuragi Shri Ghansyam

Will the Minister of AGRICULTURE be pleased to state:

- (a) the objective behind setting up of the National Agriculture Cooperative Marketing Federation of India (NAFED);
- (b) whether the Government is aware that NAFED has been incurring losses due to the inefficiency and negligence of the officials;
- (c) if so, the details of losses suffered by NAFED during each of the last three years;
- (d) the corrective steps taken by the Government in this regard;
- (e) whether the Government intends to re-structure the NAFED; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FOOD PROCESSING INDUSTRIES (SHRI TARIQ ANWAR)

(a): The main objectives for setting up of NAFED was to organize, promote and develop marketing, processing and storage of agricultural, horticultural and forest produce, distribution of agricultural machinery, implements and other inputs, undertake inter-state import & export trade etc.

(b) & (c): Yes, Madam. The details of losses suffered by NAFED during the last 3 years, are as under:-

Year	loss (Rs. in crores)
2010-11	108.52
2011-12	188.42
2012-13	149.91

(d): A Committee under the Chairmanship of Shri G.C. Pati, Additional Secretary, Department of Agriculture & Cooperation was constituted for structural and systematic improvements in workings of NAFED. The Committee made various recommendations like deletion of business in non-agricultural commodities in the bye-laws of NAFED, compliance of the recommendations of Comptroller & Auditor General of India in Price Support Operations, greater transparency in purchase and sale of commodities, strengthening of audit process etc.

(e) & (f): On the request of NAFED, the Govt. has prepared a financial restructuring proposal for settlement of outstanding dues of NAFED of Rs. 1832 crores (as on 31.3.2012). The proposal seeks financial assistance for (i) interest-free advance of Rs.590 crores (including share capital contribution of Rs.45 crores) and (ii) Government guarantee of Rs. 450 crore, against loan