

THIRTY-SEVENTH REPORT

MINISTRY OF AGRICULTURE

(Department of Animal Husbandry and Dairying)

DEMANDS FOR GRANTS

**[Action Taken by the Government on the Recommendations/Observations
contained in the Thirty Second Report]**

(2002-2003)

CHAPTER I

REPORT

This Report of the Committee on Agriculture deals with the action taken by the Government on recommendations contained in the Thirty-Second Report (Thirteenth Lok Sabha) of the Standing Committee on Agriculture (2002) on Demands for Grants (2002-2003) of the Ministry of Agriculture (Department of Animal Husbandry and Dairying) which was presented to the Lok Sabha on 23 April 2002 and laid in the Rajya Sabha on 24 April 2002.

1.2 Action taken replies have been received from the Government in respect of all the 13 recommendations contained in the Report. These have been categorized as follows:-

- (i) Recommendations/Observations that have been accepted by the Government (Chapter - II of the Report)

Recommendation Sl. Nos. 1, 2, 7, 8 and 12 (Total - 5)

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies (Chapter - III of the Report)

NIL (Total - Nil)

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee (Chapter - IV of the Report to be commented upon in Chapter - I of the Report)

Recommendation Sl. Nos. 3 and 5 (Total - 2)

- (iv) Recommendations/Observations in respect of which final replies of the Government are still awaited (Chapter - V of the Report)

Recommendation Sl. Nos. 4, 6, 9, 10, 11 and 13 (Total - 6)

1.3 The Committee will now deal with the action taken by the Government on some of their recommendations:

Performance during Eighth, Ninth and Tenth Plans – An evaluation

Recommendation (Sl. No.2)

1.4 The Committee were informed that the Government had during the Ninth Plan, stepped up the allocation of the Department from Rs. 1,677.88 crore to Rs. 2,345.64 crore under the Special Action Plan. In accordance with the mandate of the Special Action Plan, the Department reviewed priorities and identified 17 schemes as core plan for

achieving an accelerated growth of production of livestock products. The performance of the Department could not come up to the expectations and the Budgetary provisions had to be brought down to Rs. 1,682.95 crore out of which Rs. 1,040.63 crore was spent.

The Committee noted that the Eighth Plan expenditure of the Department was Rs. 1987.61 crore and that of the Ninth Plan was Rs. 1040.63 crore which worked out to approx. 50% of the Eighth Plan expenditure. The utilization of money gave a clear picture of why the targets were minimized. States did not ask for funds for fear of having to give matching contributions and utilization certificates, animal health scheme suffered, co-operatives had gone sick, laboratories had not been set up, fishing vessels had not been purchased, etc. during the Ninth Plan.

The Committee also noted that the National Agriculture Policy announced by the Government envisaged a higher growth rate of 6-8% in the Animal Husbandry Sector. The Department had taken some new initiatives in the Tenth Plan by changing the funding pattern, releasing the money directly to the State Implementing Agency and a macro management approach. It was hoped that it would improve the utilization of funds by the Department. In this connection, the Committee were constrained to note that the same amount of funds (Rs. 300 crores) were allocated to the Department during the years 2000-01, 2001-2002 and 2002-03. Seemingly no structural changes had been made in the schemes of the Department .

The Committee, therefore, directed the Department to overhaul, reconstruct and plan their schemes to the benefit of the Animal Husbandry and Dairying alongwith fisheries sector so that the Tenth Plan Targets and the National Agricultural Policy targets were achieved.

1.5 The Government, in their action taken reply, have stated that keeping in view the growth rate envisaged in the National Agriculture Policy, the focus of the Government for the Tenth Plan will be on rapid genetic upgradation of cattle and buffaloes, provision of health cover including creation of disease-free zone, provision of nutritious feed and fodder, integrated approach to marine and inland fisheries, development of deep sea fishing, etc. In order to address the weaknesses and drawbacks observed in the implementation of the schemes during Ninth Plan, the Department has carried out an exercise of Zero-Based Budgeting/Convergence. As a result, number of schemes have been identified for weeding out/discontinuation or modification. Further, in order to provide flexibility to the States in the implementation of the schemes, the Department is adopting macro-management approach in respect of Centrally Sponsored Schemes. Although the achievement of the targets of production of livestock products and fisheries products depends largely upon the overall economic scenario and State programmes, the efforts of the Department of Animal Husbandry and Dairying will be on achieving these targets through synchronization of Central Government programmes with State Governments.

Comments of the Committee

1.6 The Committee hope that the macro-management approach of the Department in respect of the Centrally-sponsored schemes will provide the necessary flexibility to the States in the implementation of the schemes. The Committee also expect the Department to make genuine efforts achieving the targets

fixed under the 10th Plan through synchronization of Central Government programmes with the State Governments.

Supply of Bulls by Central Cattle Breeding Farms

Recommendation (Sl. No.3)

1.7 The Committee had noted that bulls were supplied by Central Cattle Breeding Farm to various States as per their demand and rest of the bulls were auctioned. During 1999-2000 the production of bulls was 323 but against the target of supply of 280 bulls, the department could supply only 63 bulls. During 2000-01 the production of bulls was 362 but against the target of supply of 280 bulls the Department could supply 162 bulls. The Committee also noted that despite a low demand from States financial outlays had been enhanced at RE stage of 2001-02 from Rs. 6.35 crore to 6.85 crore. The budgetary provisions for 2002-03 was Rs. 7.00 crores. When the Committee desired to know the figures of demand placed by various states/agencies, the Department could not furnish the information. Further there were variation in figures of the production and supply of bulls.

The Committee were surprised at the way the Department was functioning. It was evident that bulls would be surplus when they are produced without an actual demand. The Committee felt that a high allocation gave rise to higher production and a higher sale through auctions which might attract unhealthy practices.

The Committee in their 20th Report on Demands for Grant 2001-02 had recommended for setting up a committee which can actually study the aspects of revenue generation, and also had recommended for percentage cut of plan budget so that the funds could be spent on other needy schemes.

The Committee wished to be informed about the salient features of recommendations made by the Committee constituted for the purpose and action taken thereon by the Department. They also desired that an enquiry should be conducted in case some malpractices are suspected in the auction of surplus bulls.

1.8 The Govt. in their action taken reply have stated that the target of production of bull calves is fixed every year as per the availability of breedable females in the farm whereas the target of supply of the bulls depends on the demand from the States. Although sufficient number of bulls are normally available for supply, the demand from the States is less. Further, no State Government makes any firm demand to tailor-make the production of bulls calves/bulls. The demand received from the States is met by the farms. Therefore, the number of bulls demanded by the State and number of bulls supplied to them are the same. Keeping in view the less demand from the States the target of production and target of supply need to be revised. The variation in figure of the production and supply of bulls in the material furnished to the Standing Committee was due to typographical error and has since been corrected.

As regards the financial outlay, it may be stated that the outlay was enhanced to 6.85 crores in RE (2001-02) from Rs. 6.35 crores BE (2001-02) to meet the additional requirement for import of exotic bulls and heifers for 2 CCBFs. The import is necessary for replacement of poor stock by high yielding stock from abroad. The budgetary provision for the year 2002-03 has been enhanced to make available more funds for developmental activities in the farm and to meet the escalation of price of materials,

supply for maintenance of the animals and also to meet the increase in salary and wages etc.

The Department is considering to supply bulls from the Central Cattle Breeding Farms to the States availing Central grant under the National Project for Cattle and Buffalo Breeding. The sale of surplus bulls through auction does not attract any unhealthy practice since a duly constituted "Culling and Auction Committee" supervise the whole process of culling and auction. Culling and auction of surplus, old, infirm and unproductive animals are normal procedure of farm management. A Culling and Auction Committee is constituted by the Director/Officer In-Charge of the Farm. The Committee comprises a Central representative as nominated by the Department. Approval for culling and auction to the list of animals is given by the Department. Therefore, there is no chance of adoption of any malpractice in the auction of surplus bulls. Thus, there may not be any need to conduct an inquiry in the matter.

A Committee of Experts set up by the Department, have reviewed the functioning of the Central Farms and Frozen Semen Institute. The Committee *inter alia* has recommended various measures to improve the administrative and financial efficiency of the Farms, to reduce the expenditure and to increase the revenue of the Farms. The salient features of the recommendations of the Expert Committee are indicated at ANNEXURE-I. The observations and recommendations of the Expert Committee are being examined by the Department.

Comments of the Committee

1.9 The Committee feel that there should be an independent "Culling and Auction Committee" for sale of surplus, old, infirm and unproductive animals so that there is no scope of malpractices and the sale are above suspicion.

Foot and Mouth Disease

Recommendation (Sl. No.4)

1.10 Since 1999-2000 the Committee had been continuously recommending that the scheme for Control of Foot and Mouth disease should be a 100% Centrally Sponsored Scheme. The Department had assured the Committee time and again that it would take all possible steps to make the scheme 100% Centrally Sponsored. In this connection, the Department also made correspondence with the Planning Commission but to no avail.

The Committee had been informed that the Plan Finance Division of the Ministry of Finance observed that any change in budgetary pattern of a scheme could not be recommended at that stage (i.e. June 2001) of the current plan period. The Committee took a very serious view of the attitude shown by the Ministry of Finance in this regard. According to the Committee, the health of the livestock was of utmost importance for Animal Husbandry in the country and again the nation had suffered due to loss of export earnings and also loss to the farming community due to the death of animals suffering from foot and mouth disease. The Committee, therefore, desired that the Department should vigorously pursue the matter with the Ministry of Finance/Planning Commission to make the scheme 100% Centrally funded.

The Committee noted that the Ninth plan period was over and they have stepped into the Xth Plan. They, therefore, desired that a whole hearted effort should be made by the Department to get the scheme 100% Centrally Sponsored. Also, the Committee

requested the Ministry of Finance not to create hurdles in the way of programmes pertaining to health of human beings as well as animals.

1.11 The Government in their action taken reply have stated that the Department has prepared a draft EFC Memorandum on Animal Disease Control where 100% Central funding has been envisaged and it has been circulated to appraisal agencies for their comments. The scheme, inter-alia has a component, “Assistance to States for Control of Animal Diseases (ASCAD)”, in which vaccination against Foot and Mouth Disease is a major component.

Comments of the Committee

1.12 The Committee are pained to note that in spite of repeated recommendations made by them in their earlier Reports for 100% Central funding of the scheme, the EFC memo for revision of the share of the Centre could not be prepared by the Department and approved by the Appraisal Agencies during whole of the 9th Plan. The Committee would like to emphasize that concrete steps should be initiated by the Department to get the scheme cleared by the appraisal agencies at the earliest. The progress made in this regard should be reported to the Committee as early as possible.

National Veterinary Biological Products Quality Control Centre

Recommendation (Sl. No.5)

1.13 The Committee felt that the dream of the Department for setting up of National Veterinary Biological Quality Control Centre is only on papers. Since 1992-93 the Department had been making allocations for this scheme but not a single rupee could be spent on the project as the Government was indecisive in choosing the suitable place for setting up the center. The Committee during the Demands for Grants 2001-02 were informed that a team under the Chairmanship of National Project Co-ordinator, National Project on Rinderpest Eradication (NPRE) visited the proposed site at Ludhiana in May 2000 and recommended this site for establishment of the Centre. For this necessary alteration/modifications were to be made after acquiring the whole site/campus of 10 acres belonging to Department of Immunology, PAU. The Committee had recommended to the Department that they should take immediate short-term and long term measures for setting up of the Centre at Ludhiana.

The Committee were constrained to note that the Centre had not been established till date. They had been informed that the Punjab Govt. did not show any interest to hand over the land and building and also to negotiate on the Memorandum of Understanding as proposed by the Department. In view of this the Department had now identified a site in Uttar Pradesh to set up the Centre.

The Committee deplored the lackadaisical approach of the Department in handling the case of setting up of the National Veterinary Biological Products Quality Control Centres. It should have been known to the Department that the Punjab Govt. was having second thoughts in the transfer of the land and property for the proposed Centre because the Department had been continuously in touch with them and negotiating the issue. This reflected the unprofessional and casual attitude of the Department in addressing this issue. The Committee felt that the selection of alternative site for the Centre could have been done much earlier. This could also have saved the Rs. 5.00 crore

parked for this Centre and helped other programmes with additional re-appropriated funds.

Thus the Committee desired that the Department should take over the land selected logistically immediately after obtaining its clear title, for an early establishment of the National Veterinary Biological Products Quality Control Centre.

1.14 The Government in their reply have stated that the Department has taken possession of land measuring 33.29 acres in Baghpat District, Uttar Pradesh for establishment of National Veterinary Biological Products Quality Control Centre. UPSIDC has been entrusted to construct the boundary wall, for which a sum of Rs.45,13,000/- (Rupees Forty Five Lakh Thirteen Thousand only) has already been released.

The Planning Commission has agreed for the continuation of this scheme as a plan scheme for six months only during 10th plan period. However, the Department has requested the Planning Commission to allow the continuation of the scheme for entire 10th Plan period so that the Centre can be setup at the earliest.

Comments of the Committee

1.15 The Committee are highly perturbed to note that the National Veterinary Biological Products Quality Control Centre is yet to be established although it was approved as a Central scheme during the 6th Five Year Plan and the Department has been continuously making budgetary provisions for the same since 1992-93.

The Committee desire that the land now acquired in Baghpat District of Uttar Pradesh should be developed on a priority basis so that the Centre is established at the earliest for the benefit of the livestock and animal husbandry sector as a whole. They also desire that the Department should impress upon the Planning Commission for continuation of this very important scheme for the entire period of the 10th Five Year Plan, instead of just for 6 months only as a plan scheme.

Central Sheep Breeding Farm, Hissar

Recommendation (Sl. No.6)

1.16 The Committee found that out of 6,477 acres of land provided to Central Sheep Breeding Farm, Hissar, the Government of Haryana had taken back 4,028 acres of land in 1997, which had made it difficult for the farm to achieve its laid down targets. In fact, against the target of supply of 1,000 rams per year the farm have scaled down the supply of rams to 750 annually. The dispute regarding lease rent which was long pending was yet to be resolved with the Government of Haryana. In view of the uncertain situation in CSBF, Hissar, the Committee during Demands for Grants 2001-02 had recommended that the Department should set up a high level committee to suggest alternate site for the Farm and furnish its findings to the Committee. The Department have now informed the Committee that the report of the High Level Committee had been received and its salient features discussed in November 2001 with the concerned States and Organisations. In the meeting, one of the action points that emerged was that the State Government of Haryana might be requested to confirm that the remaining 2,449 acres of land was made available on lease for a period of at least 25 years on the reasonable prevailing fixed lease rent. In case the Govt. of Haryana did not accept the terms and conditions for lease

rent, the farm might be closed down since the availability of alternate suitable location was a question mark. It was also decided to relocate the breeding sheep for fine wool to a temperate location preferably in the hilly regions of the country comprising the States of Jammu and Kashmir, Himachal Pradesh and Uttaranchal. The Committee would like to have a look at the Report of the aforesaid Committee to have a feel of the complexity of the problem before suggesting any long term remedial measures. In this connection, the Committee suggested that before deciding upon a site to shift the farm, the State Governments of UP, Maharashtra, Rajasthan, MP, Gujarat, etc. whenever the farm is likely to be relocated may be taken into confidence to avoid the repetition of the National Veterinary Biological Products Quality Control Centre episode.

1.17 The Government in their action taken reply have already forwarded a copy of the Report of High Level Committee for Assessing Functioning of Central Sheep Breeding Farm, Hissar (August 2001) for kind perusal of the Parliamentary Standing Committee on Agriculture.

Comments of the Committee

1.18 The Committee note that the High Level Committee (HLC) constituted by the Department for assessing functioning of the Central Sheep Breeding Farm (CSBF), Hissar, had, inter-alia, recommended in their Report that: (a) the activities of the CSBF related to the production of exotic and crossbred rams may be given to 3 States in the temperate region, viz. Jammu & Kashmir, Himachal Pradesh and Uttaranchal; (b) the animals available at the CSBF, Hissar may be distributed to these States according to their need and capacity to maintain them at their existing Sheep Breeding Farms; and (c) the State Government of Haryana may be requested to confirm that the remaining 2,449 acres of land is made available on lease for a period of at least 25 years on reasonable prevailing fixed lease rent.

The Committee desire to know the action taken by the Department on the recommendations of the HLC so far. They would also like to know whether the CSBF, Hissar is now functioning properly and is able to meet the annual targets fixed.

Assistance to Co-operatives

Recommendation No.8

1.19 The Committee noted that this scheme aimed at revitalizing the sick dairy cooperative union at the district level and cooperative federations at the state level. The scheme aimed to be implemented on 50:50 sharing basis. The Ninth Plan outlay for this scheme was Rs.150.00 crore and the 10th Plan outlay was also Rs.150.00 crore. The Committee found that the total expenditure on this scheme was Rs. 30.31 crore during the Ninth Plan. The Department had stated that the expenditure would pick up once the condition that “the Government of India’s share would be released through the NDDB only when the share of the State Government had been received by the Union Federations” is met.

The Committee were of the opinion that in this era of liberalization wherein the prices are determined by market forces, small cooperatives would not be able to survive unless assisted by bigger players in the field. Co-operatives which had fallen sick in the days when cooperatives were not allowed to commercialise and the cooperatives had the

full support of the Government, cannot sustain the onslaught of bigger cooperatives turning into private sector industries. In such a situation whatever assistance was provided to sick cooperatives would not bear fruit. The Committee were of the view that now the time had come for these sick cooperatives to fight and stand on their own feet and if they really want to become functional, they should arrange the finances among themselves', i.e. as Members of the Cooperatives to make the Cooperative viable. This scheme may be reconsidered in the light of the new developments.

1.20 The Government in their action taken reply have stated that it is true that in the era of liberalization prices are determined by the market forces. However, this Department is of the view that the scheme, Assistance to Cooperatives may continue during the 10th Five Year Plan due to the following reasons:-

1. Dairy Cooperative Unions/Federation are owned/run by the farmers and Government of India has spent lot of funds to form these Cooperative Unions/Federations during the last three phases of Operation Flood Programme (1970-1996) and due to several reasons, these unions/federations have accumulative losses. These losses have imposed severe hardship on the milk producers and their daily economy resulting in among other things, delayed and irregular payments to the poor farmer members of the cooperatives.
2. The Government of India during 9th Plan period considered a scheme to provide assistance to such loss making dairy unions/federations to offset the losses and make them viable through sustainable rehabilitation plan. The scheme is on 50:50 sharing basis between Government of India and concerned State Government. Since the scheme was started late in 9th Five Year Plan, the results are not yet visible.
3. If it is left to the sick unions/federations to revive on their own or with the help of other bigger milk unions it is very unlikely that the milk unions are going to revive because with inherited losses, it would be difficult for these unions/federations to face the competition in the open market with the bigger dairies in the private and cooperative sector. Hence, it is felt that with the assistance of Government of India and concerned State Governments the milk unions may be revived so that these unions may function in normal manner after getting revived. The assistance provided to these unions/federations is one time only and once these unions are revived, no further assistance shall be provided to them.

Comments of the Committee

1.21 The Committee share the concern of the Government for revival of dairy unions/federations and would like to be apprised of the results achieved under the scheme of "Assistance to Cooperatives" with respect to the number of cooperatives which have hear nursed back to health. They also desire that a time frame should be laid down in order to bring the rest of the sick cooperatives back on rails at the earliest.

Delhi Milk Scheme

Recommendation (Sl. No.9)

1.22 The Committee were of the firm opinion that the Delhi Milk Scheme (DMS) was a clear case of inept handling and gross indecision on the part of the Department. It had led DMS to a state of complete breakdown incurring huge losses year after year. In this connection, the Committee felt that the day was not far off when DMS would crumble under on its own weight.

In this world of liberalization, computerization, automation, sanitary awareness and downsizing all odds were with the DMS. Mother Dairy, on the contrary, had the capacity to withstand the pressures, as it was constantly upgrading, modernizing and had the vision of a private entrepreneur. The Committee were of the considered opinion that it would be better to liberate the DMS from the shackles of Government control and find its own ground.

1.23 The Government in their action taken reply have stated that the Cabinet in its meeting held on 13 March 2001 approved the financial support to DMS for a further period of six months with the direction that the Department of Animal Husbandry and Dairying in consultation with the Ministry of Finance, may come up with a viable programme for eliminating the operational losses of DMS. Accordingly, a viable programme of action prepared by DMS was sent to Ministry of Finance. Ministry of Finance has requested this Department to formulate revised Action Plan based on the twin conditionalities of corporatisation of DMS and raising its own resources without any budgetary support. If this is not found possible, then the possibility of closing down of DMS should be looked into. In view of the suggestions of the Ministry of Finance a background note for corporatisation of DMS was sent to the Ministry of Finance who have suggested that DMS should be converted into a company under the Companies Act, 1956. Action is being taken accordingly.

Comments of the Committee

1.24 The Committee feel that the issue of corporatisation of DMS should be pursued vigorously with the Ministry of Finance so that the trend of mounting losses to the DMS can be arrested. They further expect a conclusive action from the Department and would like to be apprised in this regard at the earliest.

Dredging Vessel TSD Sindhuraj

Recommendation (Sl. No. 10)

1.25 The TSD Sindhuraj dredging vessel as per basic design study report prepared by Overseas Agro Fisheries Consultants Co. Ltd. has to have an average annual operation period of 250 days . The Sindhuraj could be paid for operation only if it worked for 10 to 12 hours a day and carried out dredging for minimum average quantity of 700 cubic meters per day. With these specifications, the Sindhuraj must work for at least 2,500 hours a year.

The Committee noted that for the year 1999-2000 - the first year of operation - the Sindhuraj was in sea for 1,512 hours and 45 minutes against the target of 2,500 hours. It was underutilized for 1,000 hours approximately. For the year 2000-01, it was dredging for 260 hours only. A shortfall of 2,240 hours. The loss in monetary terms were service charges of Rs. 1.80 lakhs per day, mobilization charges of Rs. 6.00 lakhs and

demobilization charges of Rs. 3.00 lakhs, which amounted to Rs. 180 lakhs as service charges for 1999-2000 and Rs. 400 lakhs in the year 2000-01. Another Rs. 39.99 lakhs for 2000-2001 and Rs. 1.00 crore for 2001-02 had been provided for maintenance. The Sindhuraj was in heavy losses right from the 1st year of operation.

The Committee, in view of the performance of the dredger, suggested that an effective plan of utilization of the dredger might be chalked out so that it did not prove to be drain to the fisheries sector through underutilization and maintenance.

1.26 The Department in their action taken reply have stated that they had procured a Trailer Suction Hopper Dredger “**TSD Sindhuraj**” under Japanese Grant-in-aid Programme for carrying out maintenance dredging in the basins/approach channels of various fishing harbours and fish landing centers constructed under a Centrally Sponsored Scheme. The management, maintenance and operation of the dredger was entrusted to the Dredging Corporation of India, Visakhapatnam after concluding an MoU with them.

The maritime State Governments, Port Trusts were requested to seek the services of the dredger TSD Sindhuraj by paying user charges. However, the State Governments/Port Trusts expressed their inability to utilize the dredger for the maintenance dredging at fishing harbours/fish landing centres situated in their States mainly due to higher service charges and paucity of funds in their budget. The issue was discussed with the maritime State Governments on 12 June 2000 and it was decided to make a request to the Dredging Corporation of India (DCI) to lower the service charges to a level which is affordable to the States, Union Territories and Port Trusts. However, DCI did not agree to lower the service charges.

Subsequently, another meeting was held on 17 October 2000 to discuss the issue in detail with the concerned maritime State Governments and Dredging Corporation of India and to explore other possibilities for effective utilization of the dredger. During the course of discussions in the meeting, the representatives of Governments of Kerala and Gujarat expressed their interest to take over the dredger for its management, maintenance and operation and accordingly they were requested to submit the proposal after detailed feasibility studies. In the meantime, the Department approached the Ministry of Shipping as well as 11 Major Ports to know whether any of the Port Trusts would be willing to take over the dredger so that the dredger could be effectively utilized. The authorities of Visakhapatnam, Calcutta, Cochin, Mormugao Port Trust, New Mangalore Port Trust and Jawaharlal Nehru Port Trusts expressed their inability to have the dredger TSD Sindhuraj for its management, maintenance and operation due to its small size to meet the requirements of the Ports.

The complete feasible proposals from the Governments of Gujarat and Kerala for taking over the dredger TSD Sindhuraj are awaited. In the mean time, the Government of West Bengal expressed their willingness to take over the dredger for its management, maintenance and operation through West Bengal Surface Transport Corporation (Government of West Bengal Undertaking). They have since submitted a proposal in this regard. The proposals received from three States would be examined comprehensively on receipt of the feasibility reports from Governments of Gujarat and Kerala and a final decision in this regard would be arrived thereafter. The Governments of Gujarat and Kerala have been requested from time to time to expedite the matter and submit complete proposals.

Since the beneficiary States have expressed their inability to fund for periodical maintenance of dredging as the revenue collected by way of user charges is meagre and is barely sufficient for running and maintenance, it is proposed during the Tenth Five Year Plan to subsidize 50% expenses of the actual cost of the dredging identified in fishing harbour/fish landing centres which have poor records of generation of internal resources towards operational costs.

Comments of the Committee

1.27 The Committee may be apprised of the conclusive action taken in the matter within 3 months of the presentation of the Report.

Aquaculture Authority Bill, 2000

Recommendation (Sl. No.13)

1.28 On the Aquaculture Authority Bill, 2000, the Committee had been informed that the Department of Legal Affairs had advised that it would be appropriate to finalise the proposal after the final order of the Supreme Court was received.

The Committee noted that in the initial stage, the Ministry of Agriculture felt that their Review Petition would be defeated so they brought a legislation to by-pass the Supreme Court. Now instead of re-introducing the Bill in the Houses, a plea had been taken that on the advice of the Ministry of Law it would not be appropriate for them to reintroduce the Bill. The Committee were not inclined to accept this explanation. The Committee, therefore, felt that the matter was one which required detailed explanation from the Ministry.

The Committee, therefore, recommended that the Bill might be reintroduced and it could still be discussed in the two Houses keeping in view the directions given by the Supreme Court.

1.29 The Government in their action taken reply have stated that the Aquaculture Authority Bill, 2000 introduced in the Rajya Sabha on 28 February 2000 was referred to the Parliamentary Standing Committee on Agriculture for their examination and reporting. The report submitted by the Standing Committee contains a few amendments to the Bill. These have been examined and it has been decided to accept the recommendations of the Standing Committee with a few changes. A Draft Cabinet Note incorporating the suggestions made by Parliamentary Standing Committee on Agriculture and National Fish Workers Forum was circulated to various Ministries/Departments for their comments. The issue of proposed amendments to the Bill was taken up with the Law Ministry and they had advised the Department to finalise the proposal after the final verdict of the Supreme Court on Review Petition. It was suggested that the Draft Cabinet note be revised incorporating the views/comments of all Ministries/Departments. The matter was again taken up with the Law Minister as a follow up to the meeting with the Parliamentary Standing Committee for advice whether the Department may go ahead with the proposed amendments without further delay in the interest of Coastal Aquaculture in the country. In this regard, the Law Minister has opined that it is up to the Administrative Ministry to take a policy decision to go ahead with the proposed amendment or to wait till the final verdict of Supreme Court on review petition comes. Accordingly, the file has been put up for seeking the approval of AM for a policy decision in this regard, after which necessary follow up action would be taken.

Comments of the Committee

1.30 The Committee note that the Law Ministry has opined that it is upto the Department to go ahead with the proposed amendments to the Aquaculture Authority Bill, 2000, or wait till the final verdict of the Supreme Court on the Review Petition.

The Committee feel that the Bill on the subject with necessary amendments, as considered appropriate, may be reintroduced in the next session of Parliament for establishment of the Aquaculture Authority in the interest of development of coastal aquaculture in the country.

CHAPTER II
RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED
BY THE GOVERNMENT

Annual Plan Allocation for Department of Animal Husbandry and Dairying
Recommendation (Sl. No. 1)

2.1 The Committee note that the Department has been allocated Rs. 300 crore (Plan) for the year 2002-2003. Incidentally, the plan budgetary provision for the years 2000-01, 2001-02 was also Rs. 300.00 crore. The actual budgetary expenditure for these years has been Rs. 207.30 crore for 1999-2000, Rs. 213.28 crore for 2000-01 and Rs. 240.00 crore for the year 2001-02. The expenditure has risen gradually but was nowhere near the budgetary provisions. In spite of this low utilization, the Department has approached the Planning Commission for funds to the tune of Rs. 469.50 crore for the year 2002-2003.

The reasons for low utilization of funds during 9th Plan were stated to be delay in approval of the plan due to which adequate proposal for Central assistance were not timely received from State Governments, ban on new schemes in 1997-98, Lok Sabha elections and lack of enthusiasm among State Governments in case of Centrally Sponsored Schemes etc. The Committee are not convinced by the reasons put forth by the Department for low utilization of funds because the time between dissolution of eleventh Lok Sabha and the constitution of 12th Lok Sabha is around 3 months and also because there are other Departments who have gone through the same circumstances in the earlier years but have shown near full utilization. Further, the Planning Commission has once again reiterated before the Committee that good and sound proposals are never denied funds. The Ministry of Food Processing Industries was sailing in the same boat some years back, but the Committee is proud of the fact that good proposals, persuasion by the Committee has borne fruit and the Ministry has been given a 3 fold increase in Xth Plan allocations. In the opinion of the Committee, the proposals/schemes which are not properly formulated and have many loose ends are denied funds. In this scenario, the Committee can only come to one conclusion that the Department is not performing well.

The Committee, therefore, impress upon the Department to formulate their proposals carefully and critically evaluate, them, before going to the Planning Commission for higher allocations.

Reply of the Government

2.2 The Department has noted the concern of the Committee regarding the slow pace of expenditure under different schemes during Ninth Plan. The Department has also identified the major reasons for the low utilization of fund under various Centrally Sponsored Schemes. Accordingly, the Department is taking due care and various corrective measures to achieve full utilization during the Tenth Plan. As a result of these measures, the Department has fully utilized the RE allocation during 2001-02. In order to enhance the participation of States in the implementation of schemes, a number of schemes are being reformulated either on 100% Central share basis or on 80:20 Centre and State share basis. Efforts are also being made for the timely clearance of the new schemes.

Performance during Eighth, Ninth and Tenth Plans – An evaluation

Recommendation (Sl. No.2)

2.3 The Committee were informed that the Government had during the Ninth Plan, stepped up the allocation of the Department from Rs. 1,677.88 crore to Rs. 2,345.64 crore under the Special Action Plan. In accordance with the mandate of the Special Action Plan, the Department reviewed priorities and identified 17 schemes as core plan for achieving an accelerated growth of production of livestock products. The performance of the Department could not come up to the expectations and the Budgetary provisions had to be brought down to Rs. 1,682.95 crore out of which Rs. 1,040.63 crore was spent.

The Committee noted that the Eighth Plan expenditure of the Department was Rs. 1987.61 crore and that of the Ninth Plan was Rs. 1040.63 crore which worked out to approx. 50% of the Eighth Plan expenditure. The utilization of money gave a clear picture of why the targets were minimized. States did not ask for funds for fear of having to give matching contributions and utilization certificates, animal health scheme suffered, co-operatives had gone sick, laboratories had not been set up, fishing vessels had not been purchased, etc. during the Ninth Plan.

The Committee also noted that the National Agriculture Policy announced by the Government envisaged a higher growth rate of 6-8% in the Animal Husbandry Sector. The Department had taken some new initiatives in the Tenth Plan by changing the funding pattern, releasing the money directly to the State Implementing Agency and a macro management approach. It was hoped that it would improve the utilization of funds by the Department. In this connection, the Committee were constrained to note that the same amount of funds (Rs. 300 crores) were allocated to the Department during the years 2000-01, 2001-2002 and 2002-03. Seemingly no structural changes had been made in the schemes of the Department .

The Committee, therefore, directed the Department to overhaul, reconstruct and plan their schemes to the benefit of the Animal Husbandry and Dairying alongwith fisheries sector so that the Tenth Plan Targets and the National Agricultural Policy targets were achieved.

Reply of the Government

2.4 Keeping in view the growth rate envisaged in the National Agriculture Policy, the focus of the Government for the Tenth Plan will be on rapid genetic upgradation of cattle and buffaloes, provision of health cover including creation of disease-free zone, provision of nutritious feed and fodder, integrated approach to marine and inland fisheries, development of deep sea fishing, etc. In order to address the weaknesses and drawbacks observed in the implementation of the schemes during Ninth Plan, the Department has carried out an exercise of Zero-Bases Budgeting/Convergence. As a result, number of schemes have been identified for weeding out/discontinuation or modification. Further, in order to provide flexibility to the States in the implementation of the schemes, the Department is adopting macro-management approach in respect of Centrally Sponsored Schemes. Although the achievement of the targets of production of livestock products and fisheries products depends largely upon the overall economic scenario and State programmes, the efforts of the Department of Animal Husbandry and Dairying will be on achieving these targets through synchronization of Central Government programmes with State Governments.

Comments of the Committee

2.5 For Comments of the Committee please refer to Para No. 1.6 of Chapter I of this report.

Integrated Sample Survey for the estimation of Production of major livestock Products

Recommendation (Sl.No.7)

2.6 The Committee are informed that in order to build up a data base and information system for the major livestock products like milk, eggs, wool and meat and to evaluate and monitor the livestock statistics, the Department of Animal Husbandry and Dairying will conduct regular surveys in all States/UTs and the results of such surveys will be published in an annual publication named 'Basic Animal Husbandry Statistics.' The first publication 'Basic Animal Husbandry Statistics'-2001 will be published shortly.

The Committee are happy that such a compilation of Statistics is being published. The data will be very useful to the nation. The Committee wish that copies of the publication are sent regularly to the Committee for use by Members.

Reply of the Government

2.7 The Government will ensure that sufficient number of copies of the publication 'Basic Animal Husbandry Statistics' are sent to the Parliamentary Standing Committee for information of the Members.

Assistance to Co-operatives

Recommendation (Sl. No. 8)

2.8. The Committee note that this scheme aims at revitalizing the sick dairy cooperative union at the district level and cooperative federations at the state level. The scheme aims to be implemented on 50:50 sharing basis. The Ninth Plan outlay for this scheme was Rs.150.00 crore and the 10th Plan outlay is also Rs.150.00 crore. The Committee find that the total expenditure on this scheme was Rs. 30.31 crore during the Ninth Plan. The Department have stated that the expenditure will pick up once the condition that the Government of India's share would be released through the NDDB only when the share of the State Government has been received by the Union Federations is met.

The Committee are of the opinion that in this era of liberalization wherein the prices are determined by market forces, small cooperatives will not be able to survive unless assisted by bigger players in the field. Co-operatives which have fallen sick in the days when cooperatives were not allowed to commercialise and the cooperatives had the full support of the Government, cannot sustain the onslaught of bigger cooperatives turning into private sector industries. In such a situation whatever assistance will be provided to sick cooperatives will not bear fruit. The Committee are of the view that now the time has come for these sick cooperatives to fight and stand on their own feet and if they really want to become functional, they should arrange the finances among themselves i.e. as Members of the Cooperatives to make the Cooperative viable. This scheme may be reconsidered in the light of the new developments.

Reply of the Government

2.9 It is true that in the era of liberalization prices are determined by the market forces. However, this Department is of the view that the scheme, Assistance to Cooperatives may continue during the 10th Five Year Plan due to the following reasons:-

1. Dairy Cooperative Unions/Federation are owned/run by the farmers and Government of India has spent lot of funds to form these Cooperative Unions/Federations during the last three phases of Operation Flood Programme (1970-1996) and due to several reasons, these unions/federations have accumulative losses. These losses have imposed severe hardship on the milk producers and their daily economy resulting in among other things, delayed and irregular payments to the poor farmer members of the cooperatives.
2. The Government of India during 9th Plan period considered a scheme to provide assistance to such loss making dairy unions/federations to offset the losses and make them viable through sustainable rehabilitation plan. The scheme is on 50:50 sharing basis between Government of India and concerned State Government. Since the scheme was started late in 9th Five Year Plan, the results are not yet visible.
3. If it is left to the sick unions/federations to revive on their own or with the help of other bigger milk unions it is very unlikely that the milk unions are going to revive because with inherited losses, it would be difficult for these unions/federations to face the competition in the open market with the bigger dairies in the private and cooperative sector. Hence, it is felt that with the assistance of Government of India and concerned State Governments the milk unions may be revived so that these unions may function in normal manner after getting revived. The assistance provided to these unions/federations is one time only and once these unions are revived, no further assistance shall be provided to them.

Comments of the Committee

2.10 For Comments of the Committee please refer to para No. 1.21 of Chapter I of this report.

Welfare of Fishermen

Recommendation (Sl. No. 12)

2.11 The Committee note that there is a scheme 'Saving-cum-relief scheme' whose objective is to provide financial assistance to fishermen during lean fishing season. The scheme has been revised from 2000-01, by changing the pattern of assistance and also including the inland fishermen in the scheme. The monthly contribution of marine fishermen is Rs. 75/- for eight months, while that of inland fishermen is Rs. 50/- for nine months. A matching amount is provided with equal contribution from Central and State Governments. The payment made to marine fishermen will be Rs. 300/- per month for four months while inland fishermen will get Rs. 300/- per month for three months. The Committee wish that a protection scheme for fishermen be evolved in case of a fish famine in any part of the country as in the case of drought and flood in the country. The Department may consider and formulate a scheme on these lines to help the affected fishermen.

Reply of the Government

2.12 The National Disaster Management Programme of the Department of Agriculture and Co-operation take care of natural calamities and extends financial assistance to the affected population through the Calamities Relief Fund (CRF) and National Calamity Contingency Fund (NCCF). The financial assistance under these funds is extended to the fishermen for repair/replacement of boats, nets and damaged or lost (Boat, Budout-Canoe, Catamaran, Nets) and input subsidy for fish seed farm. Under the Welfare Programme of this Department, Group Insurance Scheme provides relief against accident, injury or death and disability both partial and total while in action and saving-cum-Relief component comprising of contribution from the intended and eligible fishermen engaged either marine or inland fishing activities during the fishing season and contribution from Central and State Govt. to assist them during the lean period are in place. In addition to that, fishermen can also avail benefit of employment oriented and social assistance programmes implemented by the Ministry of Rural Government and other Departments/Agencies to cope with the situation like fish famine. However, the issue concerning formulation of a scheme exclusively to deal with fishermen affected by fish famine is being examined in consultation with the State Governments to know the possibility of occurring such a situation, magnitude of fishermen likely to be affected, type of protection required, implications involved thereof etc.

CHAPTER III

**RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO
NOT DESIRE TO PURSUE IN VIEW OF THE
GOVERNMENT'S REPLIES**

-NIL-

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Supply of Bulls by Central Cattle Breeding Farms

Recommendation (Sl. No. 3)

4.1 The Committee note that bulls are supplied by Central Cattle Breeding Farm to various States as per their demand and rest of the bulls are auctioned. During 1999-2000 the production of bulls was 323 but against the target of supply of 280 bulls, the department could supply only 63 bulls. During 2000-01 the production of bulls was 362 but against the target of supply of 280 bulls the Department could supply 162 bulls. The Committee also note that despite a low demand from States financial outlays had been enhanced at RE stage of 2001-02 from Rs. 6.35 crore to 6.85 crore. The budgetary provisions for 2002-03 is Rs. 7.00 crores. When the Committee desired to know the figures of demand placed by various states/agencies, the Department could not furnish the information. Further there are variation in figures of the production and supply of bulls.

The Committee are surprised at the way the Department is functioning. It is evident that bulls will be surplus when they are produced without an actual demand. The Committee feel that a high allocation gives rise to higher production and a higher sale through auctions which may attract unhealthy practices.

The Committee in their 20th Report on Demands for Grant 2001-02 had recommended for setting up a committee which can actually study the aspects of revenue generation, and also had recommended for percentage cut of plan budget so that the funds can be spent on other needy schemes.

The Committee wished to be informed about the salient features of recommendations made by the Committee constituted for the purpose and action taken thereon by the Department. They also desire that an enquiry should be conducted in case some malpractices are suspected in the auction of surplus bulls.

Reply of the Government

4.2 The target of production of bull calves is fixed every year as per the availability of breedable females in the farm whereas the target of supply of the bulls depends on the demand from the States. Although sufficient number of bulls are normally available for supply, the demand from the States is less. Further, no State Government makes any firm demand to tailor-make the production of bulls calves/bulls. The demand received from the States is met by the farms. Therefore, the number of bulls demanded by the State and number of bulls supplied to them are the same. Keeping in view the less demand from the States the target of production and target of supply need to be revised. The variation in figure of the production and supply of bulls in the material furnished to the Standing Committee was due to typographical error and has since been corrected.

As regards the financial outlay, it may be stated that the outlay was enhanced to 6.85 crores in RE (2001-02) from Rs. 6.35 crores BE (2001-02) to meet the additional requirement for import of exotic bulls and heifers for 2 CCBFs. The import is necessary

for replacement of poor stock by high yielding stock from abroad. The budgetary provision for the year 2002-03 has been enhanced to make available more funds for developmental activities in the farm and to meet the escalation of price of materials, supply for maintenance of the animals and also to meet the increase in salary and wages etc.

The Department is considering to supply bulls from the Central Cattle Breeding Farms to the States availing Central grant under the National Project for Cattle and Buffalo Breeding. The sale of surplus bulls through auction does not attract any unhealthy practice since a duly constituted "Culling and Auction Committee" supervise the whole process of culling and auction. Culling and auction of surplus, old, infirm and unproductive animals are normal procedure of farm management. A Culling and Auction Committee is constituted by the Director/Officer In-Charge of the Farm. The Committee comprises a Central representative as nominated by the Department. Approval for culling and auction to the list of animals is given by the Department. Therefore, there is no chance of adoption of any malpractice in the auction of surplus bulls. Thus, there may not be any need to conduct an inquiry in the matter.

A Committee of Experts set up by the Department, have reviewed the functioning of the Central Farms and Frozen Semen Institute. The Committee inter alia has recommended various measures to improve the administrative and financial efficiency of the Farms, to reduce the expenditure and to increase the revenue of the Farms. The salient features of the recommendations of the Expert Committee are indicated at ANNEXURE-I. The observations and recommendations of the Expert Committee are being examined by the Department.

National Veterinary Biological Products Quality Control Centre **Recommendation (Sl. No. 5)**

4.3 The Committee felt that the dream of the Department for setting up of National Veterinary Biological Quality Control Centre is only on papers. Since 1992-93 the Department had been making allocations for this scheme but not a single rupee could be spent on the project as the Government was indecisive in choosing the suitable place for setting up the center. The Committee during the Demands for Grants 2001-02 were informed that a team under the Chairmanship of National Project Co-ordinator, National Project on Rinderpest Eradication (NPRE) visited the proposed site at Ludhiana in May 2000 and recommended this site for establishment of the Centre. For this necessary alteration/modifications were to be made after acquiring the whole site/campus of 10 acres belonging to Department of Immunology, PAU. The Committee had recommended to the Department that they should take immediate short-term and long term measures for setting up of the Centre at Ludhiana.

The Committee were constrained to note that the Centre had not been established till date. They had been informed that the Punjab Govt. did not show any interest to hand over the land and building and also to negotiate on the Memorandum of Understanding as proposed by the Department. In view of this the Department had now identified a site in Uttar Pradesh to set up the Centre.

The Committee deplored the lackadaisical approach of the Department in handling the case of setting up of the National Veterinary Biological Products Quality Control Centres. It should have been known to the Department that the Punjab Govt. was having second thoughts in the transfer of the land and property for the proposed Centre because the Department had been continuously in touch with them and negotiating the issue. This reflected the unprofessional and casual attitude of the Department in addressing this issue. The Committee felt that the selection of alternative site for the Centre could have been done much earlier. This could also have saved the Rs. 5.00 crore parked for this Centre and helped other programmes with additional re-appropriated funds.

Thus the Committee desired that the Department should take over the land selected logistically immediately after obtaining its clear title, for an early establishment of the National Veterinary Biological Products Quality Control Centre.

Reply of the Government

4.4 The Department has taken possession of land measuring 33.29 acres in Baghpat District, Uttar Pradesh for establishment of National Veterinary Biological Products Quality Control Centre. UPSIDC has been entrusted to construct the boundary wall, for which a sum of Rs.45,13,000/- (Rupees Forty Five Lakh Thirteen Thousand only) has already been released.

The Planning Commission has agreed for the continuation of this scheme as a plan scheme for six months only during 10th plan period. However, the Department has requested the Planning Commission to allow the continuation of the scheme for entire 10th Plan period so that the Centre can be setup at the earliest.

CHAPTER V
RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL
REPLIES OF THE GOVERNMENT ARE STILL AWAITED

Foot and Mouth Disease

Recommendation (Sl. No. 4)

5.1 Since 1999-2000 the Committee has been continuously recommending that the scheme for Control of Foot and Mouth disease should be a 100% Centrally Sponsored Scheme. The Department had assured the Committee time and again that it would take all possible steps to make the scheme 100% Centrally Sponsored. In this connection, the Department also made correspondence with the Planning Commission but to no avail.

The Committee have now been informed that the Plan Finance Division of the Ministry of Finance observed that any change in budgetary pattern of a scheme could not be recommended at that stage (i.e. June 2001) of the current plan period. The Committee take a very serious view of the attitude shown by the Ministry of Finance in this regard. According to the Committee, the health of the livestock is of utmost importance for Animal Husbandry in the country and again the nation has suffered due to loss of export earnings and also loss to the farming community due to the death of animals suffering from foot and mouth disease. The Committee, therefore, desire that the Department should vigorously pursue the matter with the Ministry of Finance/Planning Commission to make the scheme 100% Centrally funded.

Now that the Ninth plan period is over and we have stepped into the Xth Plan the Committee desire that a whole hearted effort should be made by the Department to get the scheme 100% Centrally Sponsored. Also, the Committee request the Ministry of Finance not to create hurdles in the way of programmes pertaining to health of human beings as well as animals.

Reply of the Government

5.2 The Department has prepared a draft EFC Memorandum on Animal Disease Control where 100% Central funding has been envisaged and it has been circulated to appraisal agencies for their comments. The scheme, *inter-alia* has a component, "Assistance to States for Control of Animal Diseases (ASCAD)", in which vaccination against Foot and Mouth Disease is a major component.

Comments of the Committee

5.3 For Comments of the Committee please refer to Para No. 1.10 of Chapter I of this report.

Central Sheep Breeding Farm, Hissar

Recommendation (Sl. No. 6)

5.4 The Committee find that out of 6477 acres of land provided to Central Sheep Breeding Farm, Hissar, the Government of Haryana had taken back 4028 acres of land in 1997, which had made it difficult for the farm to achieve its laid down targets. In fact, against the target of supply of 1000 rams per year the farm have scaled down the supply of rams to 750 annually. The dispute regarding lease rent which is long pending is yet to be resolved with the Government of Haryana. In view of the uncertain situation in CSBF, Hissar, the Committee during Demands for Grants 2001-02 had recommended

that the Department should set up a high level committee to suggest alternate site for the Farm and furnish its findings to the Committee. The Department have now informed the Committee that the report of the High Level Committee has been received and its salient features discussed in November, 2001 with the concerned States and Organisations. In the meeting, one of the action points that emerged was that the State Government of Haryana may be requested to confirm that the remaining 2449 acres of land is made available on lease for a period of at least 25 years on the reasonable prevailing fixed lease rent. In case the Govt. of Haryana do not accept the terms and conditions for lease rent, the farm may be closed down since the availability of alternate suitable location is a question mark. It was also decided to relocate the breeding sheep for fine wool to a temperate location preferably in the hilly regions of the country comprising the States of Jammu and Kashmir, Himachal Pradesh and Uttaranchal. The Committee would like to have a look at the Report of the aforesaid Committee to have a feel of the complexity of the problem before suggesting any long term remedial measures. In this connection, the Committee suggest that before deciding upon a site to shift the farm, the State Government of UP, Maharashtra, Rajasthan, MP, Gujarat etc. whenever the farm is likely to be relocated may be taken into confidence to avoid the repetition of the National Veterinary Biological Products Quality Control Centre episode.

Reply of the Government

5.5 A copy of the Report of High Level Committee for Assessing Functioning of Central Sheep Breeding Farm, Hissar (August 2001) (already sent) for kind perusal of the Parliamentary Standing Committee on Agriculture.

Comments of the Committee

5.6 For Comments of the Committee please refer to Para No. 1.18 of Chapter I of this report.

Delhi Milk Scheme

Recommendation (Sl. No. 9)

5.7 The Committee are of the firm opinion that the Delhi Milk Scheme is a clear case of inept handling and gross indecision on the part of the Department. It has led DMS to a state of complete breakdown incurring huge losses year after year. In this connection, the Committee feel that the day is not far off when DMS will crumble on its own weight.

In this world of liberalization, computerization, automation, sanitary awareness and downsizing all odds are with the DMS. Mother Dairy, on the contrary, has the capacity to withstand the pressures, as it is constantly upgrading, modernizing and has the vision of a private entrepreneur. The Committee are of the considered opinion that it would be better to liberate the DMS from the shackles of Govt. control and find its own ground.

Reply of the Government

5.8 The Cabinet in its meeting held on 13 March 2001 approved the financial support to DMS for a further period of six months with the direction that the Department of Animal Husbandry and Dairying in consultation with the Ministry of Finance, may come up with a viable programme for eliminating the operational losses of DMS. Accordingly, a viable programme of action prepared by DMS was sent to Ministry of Finance.

Ministry of Finance has requested this Department to formulate revised Action Plan based on the twin conditionalities of corporatisation of DMS and raising its own resources without any budgetary support. If this is not found possible, then the possibility of closing down of DMS should be looked into. In view of the suggestions of the Ministry of Finance a background note for corporatisation of DMS was sent to the Ministry of Finance who have suggested that DMS should be converted into a company under the Companies Act, 1956. Action is being taken accordingly.

Comments of the Committee

5.9 For Comments of the Committee please refer to Para No. 1.24 of Chapter I of this report.

Dredging Vessel TSD Sindhuraj

Recommendation (Sl. No. 10)

5.10 The TSD Sindhuraj dredging vessel as per basic design study report prepared by Overseas Agro Fisheries Consultants Co. Ltd. has to have an average annual operation period of 250 days. The Sindhuraj can be paid for operation only if it works for 10 to 12 hours a day and carries out dredging for minimum average quantity of 700 cubic meters per day. With these specification the Sindhuraj must work for at least 2500 hours a year.

The Committee note that for the year 1999-2000 the first year of operation the Sindhuraj was in sea for 1512 hours and 45 minutes against the target of 2500 hours. It was underutilized for 1000 hours approximately. For the year 2000-01 it was dredging for 260 hours only. A shortfall of 2240 hours. The loss in monetary terms are service charges of Rs. 1.80 lakhs per day, mobilization charges of Rs. 6.00 lakhs and demobilization charges of Rs. 3.00 lakhs, which amounts to Rs. 180 lakhs as service charges for 1999-2000 and Rs. 400 lakhs in the year 2000-01. Another Rs. 39.99 lakhs for 2000-2001 and Rs. 1.00 crore for 2001-02 has been provided for maintenance. The Sindhuraj is in heavy losses right from the 1st year of operation.

The Committee in view of the performance of the dredger suggest that an effective plan of utilization of the dredger may be chalked out so that it does not prove to be drain to the fisheries sector through underutilization and maintenance.

Reply of the Government

5.11 Department of Animal Husbandry and Dairying had procured a Trailer Suction Hopper Dredger “TSD Sindhuraj” under Japanese Grant-in-aid Programme for carrying out maintenance dredging in the basins/approach channels of various fishing harbours and fish landing centers constructed under a Centrally Sponsored Scheme. The management, maintenance and operation of the dredger was entrusted to the Dredging Corporation of India, Visakhapatnam after concluding an MoU with them.

The maritime State Governments, Port Trusts were requested to seek the services of the dredger TSD Sindhuraj by paying user charges. However, the State Governments/ Port Trusts expressed their inability to utilize the dredger for the maintenance dredging at fishing harbours/fish landing centres situated in their States mainly due to higher service charges and paucity of funds in their budget. The issue was discussed with the maritime State Governments on 12 June 2000 and it was decided to make a request to the Dredging Corporation of India (DCI) to lower the service charges to a level which is affordable to the States, Union Territories and Port Trusts. However, DCI did not agree to lower the service charges.

Subsequently, another meeting was held on 17 October 2000 to discuss the issue in detail with the concerned maritime State Governments and Dredging Corporation of India and to explore other possibilities for effective utilization of the dredger. During the course of discussions in the meeting, the representatives of Governments of Kerala and Gujarat expressed their interest to take over the dredger for its management, maintenance and operation and accordingly they were requested to submit the proposal after detailed feasibility studies. In the meantime, the Department approached the Ministry of Shipping as well as 11 Major Ports to know whether any of the Port Trusts would be willing to take over the dredger so that the dredger could be effectively utilized. The authorities of Visakhapatnam, Calcutta, Cochin, Mormugao Port Trust, New Mangalore Port Trust and Jawaharlal Nehru Port Trusts expressed their inability to have the dredger TSD Sindhuraj for its management, maintenance and operation due to its small size to meet the requirements of the Ports.

The complete feasible proposals from the Governments of Gujarat and Kerala for taking over the dredger TSD Sindhuraj are awaited. In the mean time, the Government of West Bengal expressed their willingness to take over the dredger for its management, maintenance and operation through West Bengal Surface Transport Corporation (Government of West Bengal Undertaking). They have since submitted a proposal in this regard. The proposals received from three States would be examined comprehensively on receipt of the feasibility reports from Governments of Gujarat and Kerala and a final decision in this regard would be arrived thereafter. The Governments of Gujarat and Kerala have been requested from time to time to expedite the matter and submit complete proposals.

Since the beneficiary States have expressed their inability to fund for periodical maintenance of dredging as the revenue collected by way of user charges is meagre and is barely sufficient for running and maintenance, it is proposed during the Tenth Five Year Plan to subsidize 50% expenses of the actual cost of the dredging identified in fishing harbour/fish landing centres which have poor records of generation of internal resources towards operational costs.

Comments of the Committee

5.12 For comments of the Committee please refer para No. 1.27 of Chapter I of this report.

Fishery Survey of India

Recommendation (Sl. No. 11)

5.13 The Department of Animal Husbandry and Dairying had submitted a white paper in response to Recommendation No. 14 in 8th Report on Demands for Grants (2000-01) the Committee recommended for purchase of three survey vessels at the approximate cost of Rs. 73.60 crores. The Department had given a time frame of five stages for procurement of survey vessels. The last and fifth stage was fixed from May to June, 2002 for acceptance tests and trials, delivery and commissioning of vessels. The Committee regret that the Department in these 2 years have just got approval of purchase of two vessels instead of three. The process of Global tendering is yet to start.

The Committee are further informed that at least eight vessels require immediate decommissioning as they are more than 16 to 18 years old. Moreover, the vessels already in possession of the Institute are not fully equipped to carry out the survey properly in the

Indian Exclusive Economic Zone (EEZ). A need has been felt that few more fishing survey vessels with modern technologies to carry out the survey work extensively in the Indian EEZ be procured/purchased immediately. There is also a need to reorganize the activities of the Institute for strengthening data collection with modern Information Technology dissemination, monitoring of marine fishery resources, etc.

The Committee would like to draw attention to its 17th recommendation in the Ninth Report on Demands for Grants for the year 1998-99 wherein seeing to the frequent breakdown of Survey vessels with FSI it had recommended that it would be prudent to make a purchase of all the vessels at one time with one block grant as this would help to eliminate the recurring expenditure of Rs.3 crore on the repair of vessels year after year. However, the Department gave satisfying reasons against the purchase of vessels and the Committee was compelled to recommend in its 20th Report on Demands for Grants 1999-2000 stating that the Government should satisfy itself that Survey work does not suffer because of vessels, be it by acquiring four vessels of IFP and utilizing its entire fleet of 12 vessels or by acquiring entirely a new fleet of vessels as suggested earlier by the Committee. The Committee leave it to the Government to take a decision. But, the Committee is unified in their views that the Government will not be excused for spending heavily on extensive repairs, docking of old vessels for many number of days, inability to achieve targets, under utilization of allocations etc.

The Committee, therefore, recommend that the Department would be wiser by purchasing all new survey vessels in one go rather than going in for piece meal purchases.

Reply of the Government

5.14 Fishery Survey of India forwarded a proposal to the Ministry of April, 2000 for acquisition of three vessels viz. A purse seiner and two Monofilament Long Liners at an estimated Fisheries Project (IFP) and decided to transfer two Japanese built freezer trawlers from IFP to FSI. Consequent to this decision of the Ministry, the EFC recommended in December, 2001 for the acquisition of only two vessels (Monofilament long liners). Global tender for purchase of two Monofilament Long Liners has been issued in the leading newspapers on 26.3.2002 and in the Indian Trade Journal on 27.3.2002.

Considering the time required for taking a decision on the tenders, completing other legal formalities and the time required for construction, it is expected that 5th and final stage payment for the two vessels will be made during March, 2004.

It is true that out of the existing fleet of 12 vessels with FSI (excluding the vessels transferred from IFP) ten vessels are between 20 and 23 years old. Further, as considerable survey of demersal resources upto 100m depth has been carried out by the Institute, FSI proposes to strengthen the survey for pelagic resources upto 100m and beyond upto EEZ. Further the Institute proposes to carry out survey of demersal resources in deeper waters and survey of oceanic pelagic resources. Hence, FSI requires vessels which can carryout Mid water trawling (an aimed fishing method), Purse seining and Tuna Long Lining etc. FSI, therefore, proposes to procure eight vessels (apart from the two Monofilament Long Liners already approved for purchase) in the Tenth and Eleventh Plan periods.

It is to reiterate that dry-docking the fishing vessels every year is a statutory requirement as per the Merchant Shipping Act. However, an executive order issued by

the DG Shipping, in the fishing vessels permits dry docking once in two years for hull and machinery inspection by the MMD.

It may be noted that the tariff rate for repairs by the Public Sector Shipyards have increased manifold over the years in view of the hike in the salary of the staff in the public sector yards and also due to increase in the cost of consumable and non-consumable materials. Hence, even the cost of statutory dry docking of nedw vessels which also involves compulsory inspection of hull stern gears by dismantling properller shaft, sea valves, etc. gauging the thickness of plates is on the rise and cannot be avoided for new vessels also.

Further, Public Sector Shipyards do not have dedicated slipway or dry dock for fishing vessels. The fishing vessels are dry docked along with other big ships. Priority is not given to the fishing vessels and the fishing vessels are not undocked till the repairs on the ships are completed when docked along with the big ship. Further, even when the fishing vessels are undocked and berthed along side the shipyard jetty for carrying our above water repairs, very often the staff of the shipyard working on the fishing vessels are withdrawn to carry out the repairs jobs to the ships as a priority. This further ads to the delay in completion of the repairs to the fishing vessels. They delay in completion of the repairs both in the dock and out the dock also increase the cost, as the shipyard have standard tariff rate for berthing of the vessels in the jetty as well as in the dock for every day of stay.

The Department agrees with the recommendation of the Parliamentary Standing Committee that it would be prudent to purchase all the new survey vessels at one go. However, considering the inadequacy of funds provided by the Planning Commission in every plan period, the proposed purchase of survey vessels has been phased over to the Tenth and Eleventh Plan periods.

Aquaculture Authority Bill, 2000

Recommendation (Sl. No. 13)

5.15 On the Aquaculture Authority Bill, 2000 the Committee has been informed that the Department of legal affairs has advised that it would be appropriate to finalise the proposal after the final order of the Supreme Court is received.

The Committee note that in the initial stage, the Ministry of Agriculture felt that their Review Petition will be defeated so they brought a legislation to by-pass the Supreme Court. Now instead of re-introducing the Bill in the Houses a plea has been taken that on the advise on the Ministry of Law it will not be appropriate for them to reintroduce the Bill. The Committee are not inclined to accept this explanation. The Committee, therefore, feel that the matter is one which requires detailed explanation from the Ministry.

The Committee, therefore, recommend that the Bill may be reintroduced and it can still be discussed in the two Houses keeping in view the directions given by the Supreme Court.

Reply of the Committee

5.16 The Aquaculture Authority Bill, 2000 introduced in the Rajya Sabha on 28 February 2000 was referred to the Parliamentary Standing Committee on Agriculture for their examination and reporting. The report submitted by the Standing Committee contains a few amendments to the Bill. These have been examined and it has been decided to accept the recommendations of the Standing Committee with a few changes. A Draft Cabinet Note incorporating the suggestions made by Parliamentary Standing Committee on Agriculture and National Fish Workers Forum was circulated to various Ministries/Departments for their comments. The issue of proposed amendments to the Bill was taken up with the Law Ministry and they had advised the Department to finalise the proposal after the final verdict of the Supreme Court on Review Petition. It was suggested that the Draft Cabinet note be revised incorporating the views/comments of all Ministries/Departments. The matter was again taken up with the Law Minister as a follow up to the meeting with the Parliamentary Standing Committee for advice whether the Department may go ahead with the proposed amendments without further delay in the interest of Coastal Aquaculture in the country. In this regard, the Law Minister has opined that it is up to the Administrative Ministry to take a policy decision to go ahead with the proposed amendment or to wait till the final verdict of Supreme Court on review petition comes. Accordingly, the file has been put up for seeking the approval of AM for a policy decision in this regard, after which necessary follow up action would be taken.

Comments of the Committee

5.17 For comments of the Committee please refer to Para No. 1.30 of Chapter I of this report.

NEW DELHI
11 December, 2002
20 Agrahayana, 1924 (Saka)

S.S. PALANIMANICKAM,
Chairman,
Standing Committee on Agriculture.