



**STANDING COMMITTEE ON AGRICULTURE
(2003)**

THIRTEENTH LOK SABHA

**MINISTRY OF AGRICULTURE
(Department of Animal Husbandry and Dairying)**

**DEMANDS FOR GRANTS
(2003-2004)**

**{Action Taken by the Government on the Recommendations/
Observations contained in the Forty Second Report of the
Standing Committee on Agriculture (2003)}**

FORTY SEVENTH REPORT



LOK SABHA SECRETARIAT

December, 2003/Agrahyana, 1925 (Saka)

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STANDING COMMITTEE ON AGRICULTURE
(2003)
(THIRTEENTH LOK SABHA)

MINISTRY OF AGRICULTURE
(Department of Animal Husbandry and Dairying)

DEMANDS FOR GRANTS (2003-2004)

(Action taken by the Government on the Recommendations/Observations contained in the Forty Second Report of the Standing Committee On Agriculture (2003))

Presented to Lok Sabha on 23.12.2003
Laid in Rajya Sabha on 23.12.2003



LOK SABHA SECRETARIAT
NEW DELHI

December, 2003/Agrahyana, 1925 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE (2003)

Shri S.S. Palanimanickam – Chairman

MEMBERS

LOK SABHA

2. Shri Daud Ahmad
3. Prof. S.P. Singh Baghel
- *4. Shri Girdhari Lal Bhargava
5. Shri Bhan Singh Bhaura
6. Shri Ambati Brahmaniah
7. Shri Ram Tahal Chaudhari
8. Shri Shivraj Singh Chouhan
9. Shri Adhir Chowdhary
10. Shri Thawar Chand Gehlot
11. Shri Raghunath Jha
12. Shri Abul Hasnat Khan
- +13. Dr. C. Krishnan
14. Shri M. Master Mathan
15. Shri Tarachand Shivaji Patel
16. Shri Bhaskar Rao Patil
17. Shri Jaisingrao Gaikwad Patil
18. Smt. Rama Pilot
19. Ms. Prabha Rau
20. Shri N.R.K. Reddy
21. Shri Chandra Bhushan Singh
22. Shri Lakshman Singh
23. Shri Ramjiwan Singh
24. Shri Rampal Singh
25. Shri Tejveer Singh
26. Shri Punjaji Sadaji Thakor
27. Shri Tarlochan Singh Tur
28. Shri Chintaman Wanaga
29. Shri Bhal Chandra Yadav
30. Shri Mahboob Zahedi

RAJYA SABHA

31. Dr. A.R. Kidwai
32. Shri Oscar Fernandes
33. Smt. Jamana Devi Barupal
34. Prof. R.B. S. Varma
35. Dr. A.K. Patel
36. Shri Sudarshan Akarapu
37. Dr. Swami Sakshi Ji Maharaj
38. Shri R. Kamaraj
39. Prof. M. Sankaralingam

40. Shri Gandhi Azad
41. Shri Datta Meghe
42. Shri R.S. Gavai
43. Shri Rao Man Singh
44. Shri Sukhbir Singh
45. Shri H.K. Javare Gowda

* Shri Girdhari Lal Bhargava nominated to the Committee w.e.f. 07.04.2003.
+ Dr. C. Krishnan nominated to the Committee w.e.f. 06.05.2003.

SECRETARIAT

- | | | | |
|----|---------------------|---|----------------------|
| 1. | Shri P.D.T. Achary | - | Additional Secretary |
| 2. | Shri S.K. Sharma | - | Joint Secretary |
| 3. | Shri Hardev Singh | - | Deputy Secretary |
| 4. | Smt. Ratna Bhagwani | - | Assistant Director |

INTRODUCTION

I, the Chairman of the Standing Committee on Agriculture (2003) having been authorised by the Committee to submit the Report on their behalf, present this Forty Seventh Report on Action Taken by Government on the recommendations/observations contained in the 42th Report of the Standing Committee on Agriculture (2003) on Demands for Grants (2003-2004) of the Ministry of Agriculture (Department of Animal Husbandry and Dairying).

2. The Forty Second Report of the Standing Committee on Agriculture (2003) on Demands for Grants (2003-2004) of the Ministry of Agriculture, (Department of Animal Husbandry and Dairying) was presented to Lok Sabha on 25.04.2003 and laid in Rajya Sabha on the same day. The Department of Animal Husbandry and Dairying was requested to furnish action taken replies of the Government to recommendations contained in the Forty Second Report. The replies of the Government to all the recommendations contained in the Report were received.

3. The Committee considered the action taken replies furnished by the Government, approved the draft comments and adopted the Forty Seventh Report at their sitting held on 19 December, 2003. Minutes of the sittings are placed in Appendix-I.

4. An analysis of the Action Taken by the Government on the recommendations/observations contained in the Forty Second Report (13th Lok Sabha) of the Committee is given in Appendix-II.

NEW DELHI
19 December, 2003
28 Agrahayana, 1925(Saka)

S.S PALANIMANICKAM
Chairman
Standing Committee on Agriculture.

CHAPTER I

REPORT

This Report of the Committee on Agriculture deals with the action taken by the Government on recommendations contained in the Forty-Second Report (Thirteenth Lok Sabha) of the Standing Committee on Agriculture (2003) on Demands for Grants (2003-2004) of the Ministry of Agriculture (Department of Animal Husbandry and Dairying) which was presented to the Lok Sabha on 25 April 2003 and laid in the Rajya Sabha on 25 April 2003.

1.2 Action taken replies have been received from the Government in respect of all the 18 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, 3, 4, 5, 7,10,12,13,16,17 and 18 (Total-12)

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

Recommendation Sl. No. 9 (Total -1)

- (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. No. 14 (Total - 1)

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

Recommendation Sl. Nos. 6, 8, 11 and 15 (Total - 4)

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

TARDY IMPLEMENTATION OF VARIOUS SCHEMES OF THE DEPARTMENT DURING TENTH PLAN

Recommendation Sl. No. 2

1.4 The Committee noted that the Department had proposed to implement 18 schemes during the Tenth Plan period. Out of these, 7 Schemes relate to Animal Husbandry, 5 to Dairy Development, 5 to fisheries sector and 1 to Secretariat and Economic Services. Out of the 18 Schemes, four are new: (i) Creation of Disease free zones (now renamed as Foot and Mouth Disease Control Programme(New)); (ii) Poultry and dairy venture capital fund; (iii) Strengthening of infrastructure for quality and clean milk production, and (iv) Strengthening of database and information networking. The Department also proposed to adopt macro-management approach in respect of Centrally Sponsored Schemes. Three schemes, namely, the Modernization of Slaughter Houses/Carcass utilization Centres, Department of Animal Health and DMS have been approved conditionally by the Planning Commission. Some of the old Schemes in operation during the Ninth Plan have been merged with new schemes or discontinued.

The Committee noted that some of the new Schemes proposed by the Department have yet to get “in principle” approval from the Planning Commission or EFC. Even after two years of commencement of the Tenth Plan, many Schemes are yet to be modified/finalized or get the clearance of the appraisal agencies. The Committee were highly perturbed to note that precious time of two years has already been lost and much remains to be done towards proper formulation and implementation of the new schemes in the 10th Plan period. They, therefore, desired that each Scheme of the Department should have an inbuilt system of monitoring and evaluation, so that the money allocated to each of the Schemes/programmes is properly spent and does not remain unutilized.

Further, the Committee were disappointed to note that out of total 10th Plan outlay of Rs. 2500 crore, the Planning Commission and the Ministry of Finance had agreed to allocate Plan allocations of Rs. 300.00 crore only for the year 2003-04 which is only 12% of the total outlay, whereas it should had been at least 20%. The Committee, therefore, recommended that the Planning Commission and the Ministry of Finance should enhance the allocation for 2003-04 to Rs. 504.45 crore as projected by the Department in order to enable them to achieve the ambitious targets set for the 10th Plan. The Department on its part should also ensure that the funds allocated are spent properly and timely.

1.5 The Government in their action taken reply have stated that the Department is taking various active steps to operationalize the new schemes for the 10th Plan expeditiously. The Department has already secured in principle approval for most of these schemes. It is expected that most of these schemes will not only be operational in the current year but Department will be able to fully utilize the Plan allocation. Further, the Department, as recommended by the Standing Committee has already taken a decision to keep an in-built provisions of monitoring mechanism under all the new /modified schemes. The Department also share the concern of the Committee about the meager allocation of Rs.300.00 crore for each of the first two years of the 10th Plan. The recommendations of the Standing Committee for further enhancement of Plan allocation for 2003-04 has been communicated to Planning Commission for consideration.

Comments of the Committee

1.6 The Committee would like to be apprised of the response received by the Department from the Planning Commission for enhancement of funds for the year 2003-2004.

ANIMAL HEALTH

(Recommendation Sl. No. 3)

1.7 The Committee in their 11th Report on Demands for Grants (1997-98) had recommended that sufficient allocation should be made to achieve the target of health of all animals by 2010 AD. The Committee found that the trend of expenditure on Animal Health Service had been on an average Rs. 21.00 crore per annum and they found that the allocations made for 2002-03 BE and RE and 2003-04 BE were Rs. 64 crore, Rs. 46.98 crore and Rs. 80.00 crore BE, respectively. In view of the declining expenditure made by the Department in the past, the Committee apprehended that there could be heavy shortfalls in these two years and the Department might not be able to absorb fully the allocated funds.

The Committee were extremely unhappy over this poor performance of the Department of Animal Husbandry and Dairying. They took a very serious view of this continued under utilisation of funds and recommended that immediate steps should be initiated by the Department to utilise the allocated funds fully to ensure the health cover for the mute animals.

1.8 The Government in their action taken reply have stated that against BE of Rs. 64.00 crore and RE of Rs. 46.98 crore during 2002-03, the actual expenditure was Rs. 37.67 crore under Animal Health Services. The shortfalls in expenditure was due to non

utilisation of funds under the scheme Creation of Disease Free Zone, which was approved at the fag end of the 2002-2003 to be implemented as Foot and Mouth Disease Control Programme (FMD-CP) in specified areas during 10th plan. BE for this component of the scheme was Rs. 30.00 crore which could not be utilised and diverted to other schemes of the Department for use. This money was not surrendered. In other Animal Health schemes like Directorate of Animal Health and Disease control the expenditure was more than 100 percent during 2002-03.

Comments of the Committee

1.9 The Committee are distressed to note that the Department could not utilise the funds to the tune of Rs. 30 crores under the scheme which were diverted to other schemes. In view of heavy dependence of the poor people on animals for their livelihood, the health of animals is of prime importance. The Government should, therefore, accord top priority to animal health and provide adequate funds for the purpose and ensure that the same are properly and judiciously spent and not diverted to other schemes in future.

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 100% Centrally Sponsored Scheme. The Committee during Demands for Grants 2002-2003, were informed that the Planning Commission, vide their letter dated 24.8.1999 had approved the proposal and advised formulation of a scheme for complete eradication of Foot and Mouth Disease on

the lines of National Project on Rinderpest Eradication, between Centre, State and beneficiary. In spite of the assurance given by the Department time and again that it would make all efforts to make the scheme 100% Centrally Sponsored, the Committee found that the scheme is still running on the same pattern i.e. the cost of the vaccine is being still being shared in the ratio of 25:25: 50 between the Centre, State and beneficiary. The Committee felt that the health of livestock is very important and were pained to note that our nation is suffering losses due to the death of animals due to this disease. In India, the majority of the livestock is owned by the landless labourers and small and marginal farmers for whom it is difficult to contribute 50% cost of the vaccine.

The Committee, therefore, strongly recommended that the Department should initiate concrete steps to get the scheme converted into 100% Central Funded this year positively, as assured by the Department during their oral evidence of Demands for Grants 2003-2004. The Committee also desired that once the scheme is cleared, the targets should also be enhanced by suitably increasing the allocations for this scheme.

1.11 The Government in their actin taken reply have stated that the Department had proposed 100% central funding in the 10th Plan EFC Memorandum on “Livestock Health and Disease Control”, of which Assistance to States for Control of Animal Diseases (ASCAD) is a component and where vaccination against economically important animal diseases including FMD is one of the major activities. The scheme has been approved by the EFC / CCEA on 75: 25 sharing basis between Central and States for its implementation during 10th Plan, however, 100% grants-in-aid will be provided to States for training the veterinarians and para-vets for up-gradation of their technical skill. Monitorable targets have also been fixed.

Comments of the Committee

1.12 The Committee are happy to note that the Department have achieved success in getting the scheme cleared by the appraisal agencies on 75:25 sharing basis between Centre and States. The poor small and marginal farmers would now be burden free and will not have to bear the 50% cost of vaccine for vaccinating their animals. The Committee are also aware that the Foot & Mouth Disease (FMD) outbreak has struck many parts of the country killing the cattle in many areas. They, therefore, desire that the Department of Animal Husbandry and Dairying should take full responsibility for eradication of this disease and make the country free from this viral disease.

The Committee also desire that the budget allocation for this scheme should be enhanced at revised estimates stage and in the remaining years of the 10th Plan so that this disease is effectively controlled and there is no more loss of animal life.

PROCUREMENT OF BULLS AND BULL MOTHERS BY CENTRAL CATTLE BREEDING FARMS

(Recommendation Sl. No 5)

1.13 The Central Cattle Breeding Farm located in different agro climatic regions of the country, are producing high pedigree bull calves of indigenous and exotic breeds of cattle and buffaloes for distribution to the States for use in the cattle and buffalo development programme. The Committee noted that the Department have enhanced the allocations during 2001-02 and 2002-03 for procurement of bulls and bull mothers for the farms to produce high pedigree bulls and also to produce semen of high pedigree bulls for improving genetic merit.

When the Committee desired to know about the target fixed for procurement of bulls and bull mothers and whether it had been achieved the Department could not furnish the information. The Committee found that the BE for the year 2001-02 was Rs. 6.35 crores, which was enhanced to Rs. 6.85 crores at the RE stage, also the allocation for this scheme was Rs. 7.00 crores during 2002-03. It was surprising to note that during both these years the actual expenditure was much below allocated amount i.e. Rs. 5.25 crore and Rs. 4.65 crore respectively. Thus, in the opinion of the Committee the funds enhanced for the purpose could not be utilised fully by the Department. The Committee, therefore, strongly deplored the faulty planning of the Department and desired that proper careful and scientific assessment should be made of the requirement for the scheme, so that the money allocated for the scheme could be fully utilised.

1.14 The Government in their Action Taken Reply have stated that the investment planning and monitoring of expenditure at the Central Cattle Breeding Farms are being improved with greater involvement of the farm Directors in the planning and monitoring

process which is further being reviewed by the Management Committee and Advisory Committee which have been constituted for the purpose.

Comments of the Committee

1.15 The Committee are unhappy at the vague reply given by the Department. The reasons for poor utilisation of the funds have not been given. The Committee would like to know the exact roles of the Farm Directors, Managing Committee and the Advisory Committee and how it would lead to effective planning and monitoring of expenditure of the CCBFs.

NATIONAL/VETERINARY BIOLOGICAL PRODUCTS QUALITY CONTROL CENTRE

(Recommendation Sl. No. 7)

1.16 The National Veterinary Biological Products Quality Control Centre scheme was approved during the Sixth Five Year Plan for regulating manufacture and sale of biological products for use in the country.

In this connection, the Committee were constrained to note that despite a lapse of so many years, the Centre had not yet been established. Initially, the Planning Commission had agreed for continuation of the scheme for six months only. However, the Committee recommended again that the Department should impress upon the Planning Commission for continuation of this very important scheme for the entire 10th Plan. The Committee during Demands for Grants 2003-04, were informed that the Planning Commission, vide their letter dated 16th August, 2002 had agreed for the continuation of whole scheme under "Directorate of Animal Health" of which the National Veterinary Biological Center is one of the component, for the entire 10th Plan Scheme. The Department have informed that land measuring 33.29 acres in Baghpat

District in Uttar Pradesh had now been chosen for establishing the Centre. The construction work of the laboratory is likely to be completed by 2005-06 and testing of biologicals/vaccines will start by 2006-07. The Committee, therefore, recommended that sincere steps should be taken by the Department to get the Centre established at the earliest by providing sufficient funds during the 10th Plan.

1.17 The Government in their Action Taken Reply have stated that under the scheme National Veterinary Biological Products Quality Control Centre, it has been decided to establish National Institute of Veterinary Health at Baghpat, Uttar Pradesh and the civil works are in progress. Provision of sufficient funds have been made for the scheme during the 10th Plan period and a sum of Rs. 6.4 crores have been provided for this component during 2003-04.

Comments of the Committee

1.18 The Committee would like to be apprised of the total amount of funds provided for the scheme during the Tenth Plan as also the expenditure incurred on this so far on the civil works.

SETTING UP OF INDIAN COUNCIL OF VETERINARY RESEARCH

(Recommendation Sl. No 8)

1.19. It was seen that various important Animal Science Sectors are within the purview of the Department of Agricultural Research and Education. The Committee in the past had been recommending for setting up of an autonomous body by the name “ Indian Council of Veterinary Research” on the lines of Indian Council of Agricultural Research. However, the Committee found that due weightage had not been given by the Department to this recommendation of the Committee. They were of the opinion that if real research

work was to be done in the Animal Husbandry sector, the Institute should be set up urgently.

The Committee, therefore, reiterated their recommendation and desired that the Department should seriously consider the setting up of the 'Indian Council of Veterinary Research and Education' at the earliest so that benefits of the research could be utilized for the benefit and protection of the livestock.

1.20 The government in their Action Taken reply have stated that the recommendation of the Committee is under consideration.

Comments of the Committee

1.21 The Committee would like to know the present status regarding establishment of the "Indian Council of Veterinary Research" and the target date by which the Council is likely to be set up.

SHEEP BREEDING FARM, HISSAR

(Recommendation Sl. No. 13)

1.22 Sheep breeding is an important source of livelihood for the tribals, nomadic people and poor men and women in rural areas. However, for this important purpose, the total provision in the budget for the Ninth Plan was Rs. 19.22 crores, but actual expenditure was only Rs. 10.06 crores. According to the Committee, this itself shows lackadaisical approach of the Department in regard to Breeding in the country. The argument of the Department that due to the prevailing drought situation in most of the States, the transfer of exotic breed sheep from Central Sheep Breeding Farm, Hissar to the States of Jammu and Kashmir, Himachal Pradesh and Uttaranchal could not materialise, was not convincing. The Department could have continued development in

their own breeding centres and sent the sheep by the time normal conditions were restored. In the opinion of the Committee, there were no justification for stopping the development work at these centres.

The Committee were pained to note the low weightage given to this programme by providing only a token grant of less than Rs. 2.00 crores per year during the first two years of the 10th Plan. The Committee wondered as to why the Department had adopted a lackadaisical attitude towards the main source of livelihood of poor nomadic tribes and the need for development of sheep breeding as an important item of agricultural economy and production of wool for the industry.

The Committee further noted that the Department was not able to achieve the targets laid down in their own farms due to shortage of land. The dispute regarding the lease rent which is long pending is yet to be decided with the Govt. of Haryana. The Committee were thoroughly dissatisfied with the state of affairs relating to SBF, Hissar and desire that urgent and concrete measures should be taken by the Department to resolve the dispute with the Government of Haryana so that the performance of the farm is not adversely affected in future.

1.23 The Government in their action taken reply have stated that on 7th May 1997, Government of Haryana took back about 4028 acres of land by taking unilateral decision. The developmental activities at the farm then became directed towards identification of other suitable site for shifting of the farm. Simultaneously the replenishment of exotic sheep by importation could not take place due to occurrence of diseases in sheep in USA where Rambouillet breed of sheep are available. It is necessary to note that Australian sheep are not permitted to be exported and culled animals can be purchased only through

auction, hence, there is a virtual ban on export by that country. Due to above two factors Rs. 10.06 crore only could be utilized during Ninth Plan.

Nevertheless the Department continued breeding activities of exotic animals as well as cross-bred animals pending transfer of exotic sheep to the States of Jammu and Kashmir, Himachal Pradesh and Uttaranchal. The transfer of exotic sheep shall not disturb the sheep breeding activities of these States hence a precautionary approach was taken. As a result of these practices 1034 rams were made available and supplied in the year 2002-2003 as against 944 supplied in 2001-2002

Pending extension of lease by Government of Haryana, a provision to meet day to day expenses was made out of the allocation made by the department for first two years of 10th Plan. However targets have been set to meet the requirements of supplying rams to the States without making major capital investment by utilizing existing resources.

The Department had been persistently in touch with the Government of Haryana for extending lease period. Recently a request for further extension of lease for a period of 10 years has been made. This will be pursued further on an urgent basis as desired by the committee.

Comments of the Committee

1.24 The Committee note that the issue of land for the Sheep Breeding Farm is pending since 1997 and is yet to be amicably resolved. The Committee desire that the request of the Department for extension of land lease may be pursued vigorously at an appropriately high level and the same resolved immediate.

SCHEMES OF ASSISTANCE TO SICK CO-OPERATIVES

(Recommendation Sl. No. 14)

1.25 The Committee noted that the scheme 'Assistance to Cooperatives' was approved by the Cabinet Committee on Economic Affairs in January, 2000 with a Ninth Plan outlay of Rs. 150 crores for providing assistance in the form of grants for rehabilitation of loss making Dairy Cooperatives/Districts Level Unions as well as the State Level Federations. The scheme envisaged the sharing of the rehabilitation assistance to the cooperative by the Government of India and the concerned State Governments on 50:50 sharing basis. The scheme was expected to assist in the rehabilitation of around 70 sick unions located in different parts of the country and will provide a fillip to milk production in the country.

The Committee had been informed that out of six proposals submitted by NDDDB for the Co-operative Milk Unions, only two proposals relating to Gwalior in Madhya Pradesh and Raipur in Chhattisgarh with a total rehabilitation cost of Rs.1440.00 lakh and Rs. 480.00 lakh respectively had been approved. Govt. of India released Rs. 3.8 crores to NDDDB for these two schemes in the financial year 1999-2000. On further enquiring about release of their balance share to these two sick cooperatives the Department informed that the balance amount has been released in the subsequent years viz. 2000-01 and 2001-02 and further releases are likely to be made in the current year. The Committee felt that the Department have given a very sketchy reply. The reply does not reveal the actual amount released by Govt. of India during 2000-01 & 2001-02. The Committee noted the declining trend of budgetary allocation year after year since 2000-01. The Committee noted that the apart for six proposals which the Department had already received 26 more

rehabilitation proposals from NDDDB have been received, out of which 21 proposals at an estimated cost of Rs. 139.62 crore have been approved.

The Committee recommended that the Department should focus their attention on this very important scheme by making higher allocations so that sick cooperatives are rehabilitated at the earliest. In this connection, the Committee should also be apprised of the progress made in regard to sick co-operatives in Gwalior and Raipur, for which the funds have already been released by Govt. of India.

1.26 The Government in their action taken reply have stated that the Department will make necessary efforts to seek higher allocation for the scheme in future.

Statement indicating funds released from inception to 2002-03 to Gwalior and Raipur Milk Unions.

S. No	Name of State /Milk Union	Share	Funds Released (Rs. In Lakhs)				Total Released
			1999-00	2000-01	2001-02	2002-03	
1.	Madhya Pradesh/Gwalior	GOI	250.00	250.00	-	150.00	650.00
		State Govt.	-	250.00	250.00	200.00	700.00
2.	Chhatisgarh /Raipur	GOI	130.00	75.00	-	20.00	225.00
		State Govt.	-	130.00	75.00	-	205.00

The year wise funds released to above mentioned Milk Union are based on repayment schedule, funds available with Department in the Budget and funds required by the milk Union.

Status of progress in respect of Gwalior and Raipur Milk Unions.

PARAMETERS	GWALIOR		RAIPUR	
	Base Yr. 98-99	Actual upto Dec 02	Base Yr. 98-99	Actual upto Dec 02
Procurement(TGKPD)	5.59	53.35	14.57	18.10
Liquid milk Sale (TLPD)	8.01	47.15	23.28	25.13

Capacity Utilisation(%)	7	27.68	23.28	25.13
Sale Realisation (Rs./Kg)	13.27	12.74	14.83	14.99
Total Fixed Cost(Rs. Lakh)&(%)	653 122%	347.50 18.44%	431.31 34.18%	302.39 29.2%
Net Profit/-Loss(Rs.lakh)	-687.09	-123	-201.40	-157.13

Comments of the Committee

1.27 The Committee are not satisfied with the vague reply of the Department. The Committee note that 26 proposals for rehabilitation were received by the Department from NDDB out of which 21 proposals were approved. However, from the reply given it is not clear as to how much assistance was actually given to each of the sick cooperatives and whether they have since been fully rehabilitated. The Department in the Further Action Taken Report on the 37th Action Taken Report on the Demands for Grants 2002-03 had stated that the project report of rehabilitation plan of each sick milk union was prepared by NDDB in consultation with the concerned State level Dairy Cooperative Federation only after the concerned State Government agreed in principle to provide its share of 50% grant towards rehabilitation.

Keeping in view the important role played by the Dairy Cooperatives in boosting the milk production in the country, the Committee reiterates their recommendation that the Government should take immediate steps for rehabilitation of the sick Cooperatives by providing matching funds both from the Centre and States and taking other necessary measures so that the milk production increases in the country. If need be the Government may consider changing the funding pattern of the scheme on 75:25 sharing basis between the Centre and States to give more impetus to the scheme. They also recommend that definite targets should also be fixed for rehabilitation of the sick cooperatives at the earliest.

AQUACULTURE AUTHORITY BILL, 2000

Recommendation Sl. No. 15

1.28 Aquaculture Authority Bill, 2000 was introduced in the Rajya Sabha on 28th February, 2000 and referred to the Parliamentary Standing Committee on Agriculture (PSCA) on 6th March, 2000. The Committee presented a report to Parliament on 4th December, 2000 suggesting some amendments in the provisions of the Bill. The Department had not been able to re-introduce the Bill in Parliament for consideration and passing even after a lapse of more than two years.

The Committee in their 32nd Report on Demands for Grants 2002-2003 had recommended the reintroduction of the bill in the House. However, the Committee were informed that the Bill was still lying with the Law Ministry. During oral evidence on Demands for Grants 2003-04 the Secretary of the Department had informed that after redrafting the amendments, they would place the bill before Parliament during the current Budget Session.

The Committee hoped that the commitment given by the Department would be honoured and Bill introduced in the current session of Parliament positively so that the Aquaculture Authority is established at the earliest and intended benefits to the people associated with the development of Aquaculture in the country are provided.

1.29 The Government in their reply have stated that the aquaculture Authority Bill, 2000, which was introduced in the Rajya Sabha on 28.02.2000, was referred to the Parliamentary Standing Committee on Agriculture (PSCA) on 06.03.2000. The Committee presented a report to the parliament on 04.12.2000, suggesting some amendments in the Bill. During oral evidence on Demands for Grants 2003-04, it was

informed that after redrafting the amendments, the Bill will be placed before the parliament during the current Budget Session. However the Bill could not be placed before the parliament during Budget Session due to its non-approval.

Legislative Department of Ministry of Law, Justice & Company affairs is of the view that it may be necessary to introduce a revised Bill as the changes proposed are very substantive and comprehensive. It was suggested that a Cabinet Note might first be sent to the Department of Legal Affairs who in turn would refer the matter to the Legislative Department for drafting the revised Bill if considered necessary. Hence, a revised draft cabinet Note after approval of Secretary (AH&D) was referred to the Department of Legal Affairs for their advice and has been agreed to in principle. Now Legislative Department of the Ministry of Law is preparing draft legislation. In the light of its outcome, introduction of revised Bill in the Parliament or otherwise will be considered.

Comments of the Committee

1.30 The Committee desire that the Department may vigorously pursue the matter with the Ministry of Law so that the draft legislation on the subject is introduced in Parliament at the earliest.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

POOR UTILISATION OF BUDGETARY ALLOCATIONS

Recommendation Sl. No. 1

2.1 The Committee find that in the last four years the percentage of actual utilisation of plan funds allocated to the Department ranged from 54.3% to 80%.

A look at the expenditure incurred by the Department revealed that it was able to absorb funds to the tune of around Rs. 225.14 crores only, on an average per annum. In view of this the Committee are unable to understand as to how the Department sought a higher allocation of Rs. 504.45 crore on the Plan side from the Planning Commission for the year 2003-04. However, the allocation of the Department for the year 2003-2004 was later fixed at Rs. 300.00 crore which was the same as that of the BE 2002-03. The RE allocation for the Department for the year 2002-03 was fixed at Rs. 240 crore, which was same as that of RE 2001-02. The Ministry of Finance had conveyed to the Department that they had allocated the funds on the basis of the pattern of utilisation of the funds utilised by the Department in the first half of the financial year. During the entire Ninth Plan period also, the Department could spend only Rs. 1039.61 crore, out of total allocation amounting to Rs. 2345.64 crores, i.e. only about 45%.

The Committee note the poor performance of the Department in utilisation of funds allocated to them year after year. Their poor track record in the matter would not in any way help them in their claim for higher allocations, whenever they approach the Planning Commission and the Ministry of Finance for the same. The Committee are aware that the Department have proposed to adopt macro-management approach in the

10th Plan which will give flexibility to the States in implementing the schemes. The Committee, therefore, desire that focused attention should be given to proper utilisation of the funds by gearing up their implementation machinery in order to achieve the targets set forth for the 10th Five Year Plan. The activities and Schemes of the Department are basically meant for the benefit of poor people engaged in animal husbandry, dairying and fisheries sectors etc. In case the money available under the schemes is not spent fully, the desired results cannot be achieved. The Committee, therefore, expect 100% utilisation of funds in the current year as well as the remaining years of the 10th Plan for benefit of the activities in this sector. In case the State Governments cannot bear the expenditure on account of release of matching grants as their share in Centrally Sponsored Schemes, the Department may consider altering the pattern of such Schemes so that the burden on the State Governments is reduced and the money allocated is fully utilised.

Reply of the Government

2.2 The Department of Animal Husbandry and Dairying has noted the concern of the Parliamentary Standing Committee on Agriculture about the low utilization of Plan Fund specially during the entire 9th Plan. The Department has already gone into the reasons and causes responsible for low utilization of funds and steps have been initiated to utilise the funds fully. The Department in the recent past has taken various other measures to enhance the quantum as well as pace of Plan expenditure during the financial year. In order to achieve better absorption of fund in the States, the Department has restructured and introduced macro-management schemes for the 10th Plan.

Special emphasis has also been laid on improving coordination with the State Government in the implementation of the schemes. The Department for this purpose has

organized Secretary/Minister's level Conferences at Delhi and regional conference of five regions at various places to closely monitor the progress of the schemes and to improve interaction with the State Government Officials for speedy implementation of Centrally sponsored and Central sector schemes. The Department has achieved near 100% utilization of RE allocation for the year 2001-02 and 2002-03 respectively. Steps are also being taken to utilise the Plan allocation in the current year.

***TARDY IMPLEMENTATION OF VARIOUS SCHEMES OF THE DEPARTMENT
DURING TENTH PLAN***

Recommendation Sl. No. 2

2.3 The Committee note that the Department has proposed to implement 18 schemes during the Tenth Plan period. Out of these, 7 Schemes relate to Animal Husbandry, 5 to Dairy Development, 5 to fisheries sector and 1 to Secretariat and Economic Services. Out of the 18 Schemes, four are new: (i) Creation of Disease free zones (now renamed as Foot and Mouth Disease Control Programme(New)); (ii) Poultry and dairy venture capital fund; (iii) Strengthening of infrastructure for quality and clean milk production, and (iv) Strengthening of database and information networking. The Department also proposed to adopt macro-management approach in respect of Centrally Sponsored Schemes. Three schemes, namely, the Modernization of Slaughter Houses/Carcass utilization Centres, Department of Animal Health and DMS have been approved conditionally by the Planning Commission. Some of the old Schemes in operation during the Ninth Plan have been merged with new schemes or discontinued.

The Committee note that some of the new Schemes proposed by the Department have yet to get “in principle” approval from the Planning Commission or EFC. Even after two years of commencement of the Tenth Plan, many Schemes are yet to be modified/finalized or get the clearance of the appraisal agencies. The Committee are highly perturbed to note that precious time of two years has already been lost and much remains to be done towards proper formulation and implementation of the new schemes in the 10th Plan period. They, therefore, desire that each Scheme of the Department should have an inbuilt system of monitoring and evaluation, so that the money allocated to each of the Schemes/programmes is properly spent and does not remain unutilized. Further, the Committee are disappointed to note that out of total 10th Plan outlay of Rs. 2500 crore, the Planning Commission and the Ministry of Finance have agreed to allocate Plan allocations of Rs. 300.00 crore only for the year 2003-04 which is only 12% of the total outlay, whereas it should have been at least 20%. The Committee, therefore, recommend that the Planning Commission and the Ministry of Finance should enhance the allocation for 2003-04 to Rs. 504.45 crore as projected by the Department in order to enable them to achieve the ambitious targets set for the 10th Plan. The Department on its part should also ensure that the funds allocated are spent properly and timely.

Reply of the Government

2.4 The Department is taking various active steps to operationalize the new schemes for the 10th Plan expeditiously. The Department has already secured in principle approval for most of these schemes. It is expected that most of these schemes will not only be operational in the current year but Department will be able to fully utilize the Plan allocation. Further, the Department, as recommended by the Standing Committee

has already taken a decision to keep an in-built provisions of monitoring mechanism under all the new /modified schemes. The Department also share the concern of the Committee about the meager allocation of Rs.300.00 crore for each of the first two years of the 10th Plan. The recommendations of the Standing Committee for further enhancement of Plan allocation for 2003-04 has been communicated to Planning Commission for consideration.

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

ANIMAL HEALTH

Recommendation Sl. No. 3

2.6 The Committee in their 11th Report on Demands for Grants (1997-98) had recommended that sufficient allocation should be made to achieve the target of health of all animals by 2010 AD. The Committee find that the trend of expenditure on Animal Health Service had been on an average Rs. 21.00 crore per annum and they found that the allocations made for 2002-03 BE and RE and 2003-04 BE are Rs. 64 crore, Rs. 46.98 crore and Rs. 80.00 crore BE, respectively. In view of the declining expenditure made by the Department in the past, the Committee apprehend that there could be heavy shortfalls in these two years and the Department may not be able to absorb fully the allocated funds. The Committee are extremely unhappy over this poor performance of the Department of Animal Husbandry and Dairying. They take a very serious view of this continued under utilisation of funds and recommend that immediate steps should be initiated by the Department to utilise the allocated funds fully to ensure the health cover for the mute animals.

Reply of the Government

2.7 Against BE of Rs. 64.00 crore and RE of Rs. 46.98 crore during 2002-2003, the actual expenditure was Rs. 37.67 crore under Animal Health Services. The shortfalls in expenditure was due to non utilization of funds under the scheme Creation of Disease Free Zone, which was approved at the fag end of the 2002-2003 to be implemented as Foot and Mouth Disease Control Programme (FMD-CP) in specified areas during 10th plan. BE for this component of the scheme was Rs. 30.00 crore which could not be utilised and diverted to other schemes of the Department for use. This money was not surrendered. In other Animal Health schemes like Directorate of Animal Heath and Disease control the expenditure was more than 100 percent during 2002-03.

2.8 For comments of the Committee please refer to Para No.1.9 of Chapter I of the report.

FOOT AND MOUTH DISEASE

Recommendation Sl. No. 4

2.9 Since 1999-2000 the Committee have been continuously recommending that the scheme for control of Foot and Mouth Disease should be 100% Centrally Sponsored Scheme. The Committee during Demands for Grants 2002-2003, were informed that the Planning Commission, vide their letter dated 24.8.1999 had approved the proposal and advised formulation of a scheme for complete eradication of Foot and Mouth Disease on the lines of National Project on Rinderpest Eradication, between Centre, State and beneficiary. In spite of the assurance given by the Department time and again that it

would make all efforts to make the scheme 100% Centrally Sponsored, the Committee find that the scheme is still running on the same pattern i.e. the cost of the vaccine is being still being shared in the ratio of 25:25: 50 between the Centre, State and beneficiary. The Committee feel that the health of livestock is very important and are pained to note that our nation is suffering losses due to the death of animals due to this disease. In India, the majority of the livestock is owned by the landless labourers and small and marginal farmers for whom it is difficult to contribute 50% cost of the vaccine.

The Committee, therefore, strongly recommend that the Department should initiate concrete steps to get the scheme converted into 100% Central Funded this year positively, as assured by the Department during their oral evidence of Demands for Grants 2003-2004. The Committee also desire that once the scheme is cleared, the targets should also be enhanced by suitably increasing the allocations for this scheme.

Reply of the Government

2.10 The Department had proposed 100% central funding in the 10th Plan EFC Memorandum on “Livestock Health and Disease Control”, of which Assistance to States for Control of Animal Diseases (ASCAD) is a component and where vaccination against economically important animal diseases including FMD is one of the major activities. The scheme has been approved by the EFC / CCEA on 75: 25 sharing basis between Central and States for its implementation during 10th Plan, however, 100% grants-in-aid will be provided to States for training the veterinarians and para-vets for up-gradation of their technical skill. Monitorable targets have also been fixed.

2.11 For comments of the Committee please refer to Para No.1.12 of Chapter I of the report.

PROCUREMENT OF BULLS AND BULL MOTHERS BY CENTRAL CATTLE BREEDING FARMS

Recommendation Sl. No 5

2.12 The Central Cattle Breeding Farm located in different agro climatic regions of the country, are producing high pedigree bull calves of indigenous and exotic breeds of cattle and buffaloes for distribution to the States for use in the cattle and buffalo development programme. The Committee note that the Department have enhanced the allocations during 2001-02 and 2002-03 for procurement of bulls and bull mothers for the farms to produce high pedigree bulls and also to produce semen of high pedigree bulls for improving genetic merit.

When the Committee desired to know about the target fixed for procurement of bulls and bull mothers and whether it has been achieved the Department could not furnish the information. The Committee find that the BE for the year 2001-02 was Rs. 6.35 crores, which was enhanced to Rs. 6.85 crores at the RE stage, also the allocation for this scheme was Rs. 7.00 crores during 2002-03. It is surprising to note that during both these years the actual expenditure was much below allocated amount i.e. Rs. 5.25 crore and Rs. 4.65 crore respectively. Thus, in the opinion of the Committee the funds enhanced for the purpose could not be utilised fully by the Department. The Committee, therefore, strongly deplore the faulty planning of the Department and desire that proper careful and scientific assessment should be made of the requirement for the scheme, so that the money allocated for the scheme could be fully utilised.

Reply of the Government

2.13 Investment planning and monitoring of expenditure at the Central Cattle Breeding Farms are being improved with greater involvement of the Farm Directors in the planning and monitoring process which is further being reviewed by the Management Committee and Advisory Committee which have been constituted for the purpose.

2.14 For comments of the Committee please refer to Para No.1.15 of Chapter I of the report.

NATIONAL/VETERINARY BIOLOGICAL PRODUCTS QUALITY CONTROL CENTRE.

Recommendation Sl. No. 7

2.15 The National Veterinary Biological Products Quality Control Centre scheme was approved during the Sixth Five Year Plan for regulating manufacture and sale of biological products for use in the country.

In this connection, the Committee are constrained to note that despite a lapse of so many years, the Centre has not yet been established. Initially, the Planning Commission had agreed for continuation of the scheme for six months only. However, the Committee recommended again that the Department should impress upon the Planning Commission for continuation of this very important scheme for the entire 10th Plan. The Committee during Demands for Grants 2003-04, were informed that the Planning Commission, vide their letter dated 16th August, 2002 has agreed for the continuation of whole scheme under “Directorate of Animal Health” of which the National Veterinary Biological Center is one of the component, for the entire 10th Plan Scheme. The Department have informed

that land measuring 33.29 acres in Baghpat District in Uttar Pradesh has now been chosen for establishing the Centre. The construction work of the laboratory is likely to be completed by 2005-06 and testing of biologicals/vaccines will start by 2006-07. The Committee, therefore, recommend that sincere steps should be taken by the Department to get the Centre established at the earliest by providing sufficient funds during the 10th Plan.

Reply of the Government

2.16 Under the scheme National Veterinary Biological Products Quality Control Centre, it has been decided to establish National Institute of Veterinary Health at Baghpat, Uttar Pradesh and the civil works are in progress. Provision of sufficient funds have been made for the scheme during the 10th plan period and a sum of Rs. 6.4 crores have been provided for this component during 2003-2004.

2.17 For comments of the Committee please refer to Para No.1.18 of Chapter I of the report.

ASSISTANCE TO STATE POULTRY/DUCK FARMING

Recommendation Sl. No. 10

2.18 The Committee note that the Centrally Sponsored Scheme Assistance to State Poultry Farms is engaged in promoting backyard poultry including other species like ducks, turkey, quails, guinea fowl, etc., is implemented in all the States and UTs. It is being implemented on 100% funding in the North East and in other States in the ratio of 80:20 between Centre and States, respectively. The Committee are of the opinion that the poultry is something which the poorest of poor can develop and thus earn livelihood from this activity. It is the best and the cheapest way of self employment in the rural areas. The

Committee were informed that this scheme was started in the 9th Plan. 37 farms have been assisted by the States in the Ninth Plan and during this year(2002-03), they have assisted 5 farms.

The Committee are constrained to find that the funds earmarked for current as well as the previous years are too meagre (Rs. 5 crore only in 2002-03 and 2003-04) for such an important sector. The Committee, therefore, desire that higher allocation should be made for the implementation of this scheme at RE stage of 2003-04 as well as BE of the coming years of the 10th Plan. It should also be ensured that the entire allocated amount is fully utilised for the welfare of poor farmers, specially women folk. The Committee also desire that the Department should furnish the physical targets and achievement made there against and funds released to the States for assisting the farms in budgetary documents and annual reports of the Department.

Reply of the Government

2.19 Against a B.E. of Rs. 5.00 crores in 2002-03, the Department had sanctioned Rs. 10.66 crores for strengthening 15 farms in 14 States viz. Assam, Chattisgarh, Himachal Pradesh, Jharkhand, Kerala, Madhya Pradesh, Meghalaya, Mizoram, Orissa, Rajasthan, Tripura, Uttar Pradesh, Uttaranchal and West Bengal. This Department has already fixed targets for assisting 40 farms during X Plan and will make all efforts to utilize the entire amount allocated for the purpose.

CENTRAL POULTRY DEVELOPMENT ORGANISATION

Recommendation Sl. No. 12

2.20 The Committee feel that although there was considerable development in large scale production of poultry but it, however, appears that development of poultry in rural

areas was neglected during the 9th Plan period. The plan outlay in poultry was only Rs. 30 crores out of which only Rs. 22.74 crores were spent. In this connection, the Department stated that, “in view of the report submitted by the High Power Committee constituted by the Department to review the mandate of Central Poultry Development Organisations, the proposal of re-organisation of these Units was under consideration and has now been approved during 10th Five Year Plan. Hence, the proposal could not be taken up during 9th Plan.” The Committee are not convinced with the reasons put forth by the Department and feel that the poor development of poultry was due to inaction on the part of the Government during the 9th Plan. Consequentially, the result was that hatcheries were closed down and farmers were forced to buy one-day-old chick at Rs. 18-20 per piece thus making it impossible for the rural poultry to grow. In the opinion of the Committee, the wisdom of the policy to delay the proposed re-organisation requires to be explained.

The Committee, therefore, recommend that immediate steps should be taken to set up hatcheries and centres for poultry development in rural areas to fulfil the objectives of poverty eradication and removal of unemployment.

Reply of the Government

2.21 In order to provide single window system to the rural poultry farmers, all the Central Poultry Organisations have been re-organised. Now there are four Central Poultry Development Organisations in the X five year plan with the changed mandate of taking up the work of producing low-input birds which are suitable for rural poultry and can survive at the farmers' door. This was done to synchronize with the Centrally Sponsored Scheme “Assistance to State Poultry Farms” which is a scheme for strengthening rural

poultry at the state level. The Central Poultry Development Organizations will give back-up to the scheme by way of making available quality chicks suitable for backyard/ rural rearing. The target groups of the scheme are directed towards marginal farmers, landless labourers, women groups and other socially backward sectors of the society.

This Department is also coordinating in the rural poultry production programs with other ministries and organizations like, Ministry of Rural Development, Department of Women & Child Development, Department of North Eastern Region, Ministry of Tribal Affairs and NCDC by recommending to them that they encourage only low-input technology birds which boost the rural poultry production in their programs. This will help in dovetailing the various poultry programs being implemented in the country to act synergistically to benefit the rural poultry production.

SHEEP BREEDING FARM, HISSAR

Recommendation Sl. No. 13

2.22 Sheep breeding is an important source of livelihood for the tribals, nomadic people and poor men and women in rural areas. However, for this important purpose, the total provision in the budget for the Ninth Plan was Rs. 19.22 crores, but actual expenditure was only Rs. 10.06 crores. According to the Committee, this itself shows lackadaisical approach of the Department in regard to Breeding in the country. The argument of the Department that due to the prevailing drought situation in most of the States, the transfer of exotic breed sheep from Central Sheep Breeding Farm, Hissar to the States of Jammu and Kashmir, Himachal Pradesh and Uttaranchal could not materialise, is not convincing. The Department could have continued development in their own breeding centres and sent the sheep by the time normal conditions were

restored. In the opinion of the Committee, there was no justification for stopping the development work at these centres.

The Committee are pained to note the low weightage given to this programme by providing only a token grant of less than Rs. 2.00 crores per year during the first two years of the 10th Plan. The Committee wonder as to why the Department has adopted a lackadaisical attitude towards the main source of livelihood of poor nomadic tribes and the need for development of sheep breeding as an important item of agricultural economy and production of wool for the industry.

The Committee further note that the Department is not able to achieve the targets laid down in their own farms due to shortage of land. The dispute regarding the lease rent which is long pending is yet to be decided with the Govt. of Haryana. The Committee are thoroughly dissatisfied with the state of affairs relating to SBF, Hissar and desire that urgent and concrete measures should be taken by the Department to resolve the dispute with the Government of Haryana so that the performance of the farm is not adversely affected in future.

Reply of the Government

2.23 On 7th May 1997, Government of Haryana took back about 4028 acres of land by taking unilateral decision. The developmental activities at the farm then became directed towards identification of other suitable site for shifting of the farm. Simultaneously the replenishment of exotic sheep by importation could not take place due to occurrence of diseases in sheep in USA where Rambouillet breed of sheep are available. It is necessary to note that Australian sheep are not permitted to be exported and culled animals can be

purchased only through auction, hence, there is a virtual ban on export by that country. Due to above two factors Rs. 10.06 crore only could be utilized during Ninth Plan.

Nevertheless the Department continued breeding activities of exotic animals as well as cross-bred animals pending transfer of exotic sheep to the States of Jammu and Kashmir, Himachal Pradesh and Uttaranchal. The transfer of exotic sheep shall not disturb the sheep breeding activities of these States hence a precautionary approach was taken. As a result of these practices 1034 rams were made available and supplied in the year 2002-2003 as against 944 supplied in 2001-2002

Pending extension of lease by Government of Haryana, a provision to meet day to day expenses was made out of the allocation made by the department for first two years of 10th Plan. However targets have been set to meet the requirements of supplying rams to the States without making major capital investment by utilizing existing resources.

The Department had been persistently in touch with the Government of Haryana for extending lease period. Recently a request for further extension of lease for a period of 10 years has been made. This will be pursued further on an urgent basis as desired by the committee.

2.24 For comments of the Committee please refer to Para No.1.24 of Chapter I of the report.

FUNCTIONING OF THE CENTRAL CATTLE BREEDING FARMS (CCBFS)

Recommendation No. 16

2.25 The seven Central Cattle Breeding Farms (CCBFs) located in various regions of the country are entrusted with maintaining herds of important cattle and buffalo breeds

which include indigenous cattle breeds. The Farms produce high pedigreed bull calves and supply the same to various Government, Semi-Government, Cooperative and Non-Government Organisations engaged in production of frozen semen or management of breeding farms. The farm at Alamadhi (Tamil Nadu) which rears the Murrah breed of buffaloes, is also collaborating with Central Institute for Research on Buffalo (Hissar) in an Associated Herd Progeny Testing Programme for Murrah buffaloes.

On the recommendations of the Committee (2001-02), the Department had constituted an Expert Committee to review the functioning of the CCBFs and Central Frozen Semen Production and Training Institute. The Expert Committee pointed out several shortcomings in the functioning of the CCBFs. In the case of farm at Alamadhi, several problems, like, shortage of water and its high rate, lack of adequate housing facilities and poor health of the animals in the Farm, non-achievement of the targets, etc., led the Expert Committee to conclude that the Farm was in “an advanced stage of degeneration and it was not worthwhile to make any efforts to improve it.”

The Committee are distressed to note that most of the CCBFs are not functioning properly and are not able to utilise the funds earmarked for them. Since majority of the poor people depend on livestock for their livelihood, the CCBFs should play a major role in improving the breed and health of cattle and buffaloes which in turn would enhance the production of milk also. The Committee, therefore, recommend that immediate steps should be taken to improve the working of the CCBFs. All infrastructural facilities like, proper housing sheds, water for the animals housed in the Farms, etc. should be provided and posts for maintenance and upkeep of the Farms lying vacant should also be filled up immediately.

Reply of the Government

2.26 The recently constituted Management Committee and Advisory Committee are likely to contribute substantially towards formulation of appropriate technical programmes, better investment planning and higher utilisation of funds. Requirement of each farm is being chalked out in consultation with farm authorities who are represented both in Management Committee and Advisory Committee. Some of the posts vacant for long time stand abolished because of decision of the Ministry of Finance. Filling up the remaining vacancies is being reviewed regularly at the level of Secretary of the Department. There is another National Project to assist the States in their endeavour to upgrade the genetic make up of cattle and buffaloes under which substantial assistance has been given to 19 participating States. The role of the CCBFs is to supplement the efforts of State Governments and other agencies towards production of quality breeding material. The farms will be mandated to play this role effectively.

SETTING UP OF FISHERY DEVELOPMENT BOARD

Recommendation No. 17

2.27 The Committee note that Fisheries were brought under the Department of Animal Husbandry & Dairying in the hope that such an important sector of activity will receive due attention commensurate with its vast potential. The Committee also note that the Department had made very nominal allocations to the Institute for Coastal Engineering for the last 4 years. This Institute is entrusted with the job of identifying sites for the development of fishery harbours and shrimp culture farms and there is drastic reduction (Rs. 10 lakhs in 2003-2004) allocated to the Institute.

The Committee are aware that India is now the fourth largest producer of fish in the world, and second largest producer of fresh water fish in the world. During the year 2001-2002, the total fish production was 59.56 lakh tonnes comprising 31.26 lakh tonnes of marine fish and 28.30 lakh tonnes of inland fish. Also the export earnings of marine products have increased from Rs. 2.5 crores in the early fifties to Rs. 6300 crores in 2000-2001. This can easily be doubled within the next 5 to 10 years if India's inland and marine resources are fully tapped. The fisheries sector deserves much greater investment for its further growth and sustenance. This is the best export item for India and 75% of its export basket is taken by Japan (41%), USA (18.6%) and European Union (15.3%). This is so even when the fishing methods are mainly primitive. At present, harvesting of such highly potential resources is being done mostly by non-motorised traditional crafts and there are comparatively small number of mechanized boats. Even after 50 years of independence, India has not been able to develop modern fishing technology to utilize its huge potential fishery resources by using adequate number of mechanized boats, modern communication system and fishing gears, nets and other necessary equipment. In spite of these handicaps, Indian fishermen are doing their jobs risking their lives. A lot of work remains to be done in this regard.

The Committee feel that Sunderban has immense potential for coastline fisheries but hardly one-third of this potential has been properly exploited so far as invertebrate fisheries are concerned. Sunderban with a vast coastline, extensive estuaries, scores of islands, mudflats, mangrove swamps and over 1300 bheries, offer immense scope and ample opportunities for production of fish and other aquatic organisms such as prawns and crabs.

Keeping in view the above disappointing scenario and for the utilization of the full potential of fish production, the Committee strongly recommend that there should be an apex Fishery Development Board with separate Divisions for inland and marine fisheries. The Board should be autonomous in functioning and modeled on the basis of Dairy Development Board. This is the only way to develop fisheries in India as a major export oriented activity.

Reply of the Government

2.28 Department of Animal Husbandry & Dairying being the nodal Department for fishing and fisheries under the Ministry of Agriculture, is acting as a catalyst in the development of aquaculture and fisheries by assisting the States/UTs through several Central and Centrally Sponsored plan schemes. Among the institutes working under the Administrative control of the Department such as Central Institute of Coastal Engineering for Fisheries (CICEF), Bangalore is entrusted with the work of carrying out techno-economic feasibility studies for development of harbours, fish landing centres in the country. All its expenses are met from non-plan budgetary resources except a few lakh provided from the plan Budget mainly for the construction activities of the Institute. Due to decline in construction activities over the period, funds requirement has also come down from plan side and as a result Rs. 10 lakh has been earmarked in the Budget 2003-04 as compared to Rs 30 lakh in the plan Budget for 2002-03.

In order to exploit the potential and overall development of the fishery sector both incase of inland and marine fisheries, Central Government extends financial assistance under various programmes to States/UTs to supplement their efforts. With the objective of technological up-gradation of traditional fishery sector, a scheme titled “Motorization

of traditional craft extending financial assistance for Out Board Motor (OBM) and In Board Motors (IBM) is in operation since 7th Plan. About 37,950 traditional crafts have been sanctioned financial assistance for motorization, since inception of the scheme till 2001-02. It has been decided to continue the schemes as a component of the programme for development of marine fisheries under macro management approach in the X Plan.

The Government is aware of the potential of coastline fishery, particularly in certain areas like Lakshadweep and Andaman & Nicobar Islands, Sunderban etc. Concerted efforts are being made to exploit the potential in these areas in a phased manner. For instance, Island Development Authority (IDA) has been set up for development of islands of A&N. The Standing Committees of Secretaries (SCOS) has been set up for formulating policies for development of A& N and Lakshadweep islands under the chairman ship of Cabinet Secretary. Under this Committee, the Group on fisheries is headed by the Secretary (AH&D). Further, Ministry of Food Processing Industries has also set up the Inter-Ministerial Group (IMG) to take a composite view and assist in formulation of appropriate policies, programmes, and plan of action towards promotion of export led fish processing industry. Government of India has already established/constituted the Boards & Committees for monitoring the development of fishery sector in the country. This includes Central Board of Fisheries (CBF) chaired by agriculture Minister and having Ministers in-charge of fisheries of all States and senior officials and non-official members representing fishing industry, Committee of Officers of fisheries chaired by Secretary (AH&D), Government of India and having Secretaries in-charge of fisheries of all States/UTs its as members, Committee to Monitor Implementation of Code of Conduct for Responsible Fisheries and Committee for

formulating deep sea fishing policy. In order to have effective implementation of the programmes, strengthen the delivery mechanism and monitoring systems, concerted efforts are being made by having periodical interaction with States/UTs through organizing regional conferences of States Secretaries in charge of Fisheries. Fishery is a State Subject and the State Governments are primarily responsible for its overall development. Central Government can only supplement their efforts. In view of the organizational and other arrangements already in place for development of fisheries in the country, perhaps setting up of apex Fishery Development board (FDB) on the pattern of National Dairy Development Board (NDDB) in the dairy sector may not be required in the fishery sector.

DEVELOPMENT OF GOATERY

Recommendation No. 18

2.29 India has the second largest goat population in the world with great biodiversity. Goatery constitutes an important source of livelihood for destitute women and poor people who cannot afford cow's milk. If goat breeding is imaginatively developed, this project can also be a very valuable export item. The Committee fails to appreciate the decision of the Government to drop the programme of development of goatery from the 10th Plan. The Committee is seriously concerned with this kind of attitude of the Government in dealing with the problems of rural masses and neglecting an important natural resource of the country. The Committee would like to know the reasons for such a decision of the Government in dropping the programme of development of goatery from the 10th Plan.

Reply of the Government

2.30 The Department had implemented a Centrally Sponsored Scheme on National Ram/ Buck Programme –& Programme for Rabbit Development” with funding pattern on 50:50 sharing basis with the States. The scheme was discontinued at the end of 9th Five Year Plan on the recommendation of Planning Commission and National Development Council. Department of Animal Husbandry and Dairying suggested for transfer of the schemes to the States but the same was not agreed by the Planning Commission. Moreover, the response from the States for seeking assistance under the scheme was poor. During 9th Five Year Plan States were released Rs. 8.59 crores on their demand against the budget outlay of Rs. 21.05 crores. Some states have still not utilized the funds released during the 9th Five Year Plan and utilisation certificates of Rs. 2.02 crores are still awaited.

CHAPTER III

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

SETTING UP OF A SEPARATE MINISTRY OF ANIMAL HUSBANDRY AND DAIRYING

Recommendation Sl. No. 9

3.1 The Committee in the Demands for Grants 2003-04 felt that there had been a declining trend over the years in utilizing the budgetary allocation and lot of funds have been surrendered by the Department. The Committee feel that the Animal Husbandry and Dairying Sector is a very vital sector of our economy generating substantial revenue which can vastly improve the economic status by providing gainful employment to small and marginal farmers including thousands of poor women. The Committee feel that due importance is not being given to this sector by the Government.

The Committee have been repeatedly recommending in their earlier reports for the creation of an independent Ministry of Animal Husbandry and Dairying both at the Centre and States. The Committee were, however, informed by the Department in their 3rd Action Taken Report on Demands for Grants 1999-2000 that recommendation of the Committee for separate Ministry had been considered by the Government but the recommendation was not accepted. The Committee of the House is a Parliament in miniature. And it is this body which had strongly and unanimously opined that their recommendations should be given due importance. The Committee, therefore, once again emphatically recommend that the Department should make special efforts in the matter and impress upon the Government to create a separate Ministry of Animal Husbandry

Dairying and Fisheries for development of this extremely important sector of our economy.

Reply of the Government

3.2 The Parliamentary Standing Committee on Agriculture in its earlier report while considering the Demand for Grants 1998-99 of the Department of Animal Husbandry & Dairying, has recommended for the upgradation of the Department of Animal Husbandry & Dairying to a full-fledged Ministry with an exclusive Cabinet Minister incharge of the Ministry. The recommendation of the Standing Committee was brought to the notice of the Cabinet Secretariat for bringing the same to the knowledge of the then Agriculture Minister/Prime Minister. The recommendation of the Standing Committee was not accepted. However, in view of the recommendation of the Standing committee on demands for grants (2003-2004), the Department has again considered this proposal but has not found it appropriate to move this proposal again at this stage.

CHAPTER IV

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

SCHEME OF ASSISTANCE TO SICK CO-OPERATIVES

Recommendation Sl. No. 14

4.1 The Committee note that the scheme 'Assistance to Cooperatives' was approved by the Cabinet Committee on Economic Affairs in January, 2000 with a Ninth Plan outlay of Rs. 150 crores for providing assistance in the form of grants for rehabilitation of loss making Dairy Cooperatives/Districts Level Unions as well as the State Level Federations. The scheme envisages the sharing of the rehabilitation assistance to the cooperative by the Government of India and the concerned State Governments on 50:50 sharing basis. The scheme is expected to assist in the rehabilitation of around 70 sick unions located in different parts of the country and will provide a fillip to milk production in the country.

The Committee have been informed that out of six proposals submitted by NDDB for the Co-operative Milk Unions, only two proposals relating to Gwalior in Madhya Pradesh and Raipur in Chhattisgarh with a total rehabilitation cost of Rs.1440.00 lakh and Rs. 480.00 lakh respectively had been approved. Govt. of India released Rs. 3.8 crores to NDDB for these two schemes in the financial year 1999-2000. On further enquiring about release of their balance share to these two sick cooperatives the Department informed that the balance amount has been released in the subsequent years viz. 2000-01 and 2001-02 and further releases are likely to be made in the current year. The Committee feel that the Department have given a very sketchy reply. The reply does not reveal the actual amount

released by Govt. of India during 2000-01 & 2001-02. The Committee note the declining trend of budgetary allocation year after year since 2000-01. The Committee note that the apart fro six proposals which the Department have already received 26 more rehabilitation proposals from NDDDB have been received, out of which 21 proposals at an estimated cost of Rs. 139.62 crore have been approved.

The Committee recommend that the Department should focus their attention on this very important scheme by making higher allocations so that sick cooperatives are rehabilitated at the earliest. In this connection, the Committee should also be apprised of the progress made in regard to sick co-operatives in Gwalior and Raipur, for which the funds have already been released by Govt. of India.

Reply of the Government

4.2 The Department will make necessary efforts to seek higher allocation for the scheme in future.

Statement indicating funds released from inception to 2002-03 to Gwalior and Raipur Milk Unions.

S. No.	Name of State /Milk Union	Share	Funds Released (Rs. In Lakhs)				Total Released
			1999-00	2000-01	2001-02	2002-03	
1.	Madhya Pradesh/Gwalior	GOI	250.00	250.00	-	150.00	650.00
		State Govt.	-	250.00	250.00	200.00	700.00
2.	Chhatishgarh/Raipur	GOI	130.00	75.00	-	20.00	225.00
		State Govt.	-	130.00	75.00	-	205.00

The year wise funds released to above mentioned Milk Union are based on repayment schedule, funds available with Department in the Budget and funds required by the milk Union.

Status of progress in respect of Gwalior and Raipur Milk Unions.

PARAMETERS	GWALIOR		RAIPUR	
	Base Yr. 98-99	Actual upto Dec 02	Base Yr. 98-99	Actual upto Dec 02
Procurement(TGKPD)	5.59	53.35	14.57	18.10
Liquid milk Sale (TLPD)	8.01	47.15	23.28	25.13
Capacity Utilisation(%)	7	27.68	23.28	25.13
Sale Realisation (Rs./Kg)	13.27	12.74	14.83	14.99
Total Fixed Cost(Rs. Lakh)&(%)	653 122%	347.50 18.44%	431.31 34.18%	302.39 29.2%
Net Profit/-Loss(Rs.lakh)	-687.09	-123	-201.40	-157.13

CHAPTER V

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

PIGGERY DEVELOPMENT

Recommendation Sl. No. 6

5.1 The Committee note that pig rearing has special significance for the North Eastern States where pig meat is the staple food and almost every household rears pig for their daily requirements. The Committee have been informed that the scheme has finally been discontinued by the Planning Commission in the 10th Plan. The programme was successfully implemented during 1997-98 and 2001-02, where the allocated amount was almost fully utilised. However, during the remaining years of the Ninth Plan there was huge unspent balances. The Planning Commission, therefore, recommended discontinuance of the Scheme. In view of the importance of this scheme, the Department proposed to revive the scheme for establishment/strengthening of 12 pig breeding farms and 4 modern pig slaughter houses in North East regions/States and Sikkim.

According to the Committee, it appears that the Government and the Planning Commission have failed to realise the significance of the development of piggery in the rest of the country. Neither have they utilised the 9th Plan outlay nor have they kept any provision in the 10th Plan for such an important sector. The Committee would like to point out that the poorest of the poor people, depend on piggery as an important source of their livelihood. Piggery also constitutes an important export item for the country because of the high value of the meat and skin.

The Committee, therefore, recommend that the Department should make all out efforts to persuade the Planning Commission/Ministry of Finance to continue this very important scheme during the Tenth Plan for promotion and development of piggery in the country.

Reply of the Government

5.2 Realizing the importance of the scheme for NE Region the Department has proposed to revive the scheme for establishment/strengthening of pig breeding farms and modern pig slaughterhouses in the North-Eastern States and Sikkim.

The Planning Commission vide their letter dated 30th April 2003 has already agreed to initiate the scheme for pig development in the North-Eastern states. In view of the recommendation of the Standing Committee, Department is in the process of revising the SFC Memorandum to include other States also.

SETTING UP OF INDIAN COUNCIL OF VETERINARY RESEARCH

Recommendation Sl. No 8

5.3 It is seen that various important Animal Science Sectors are within the purview of the Department of Agricultural Research and Education. The Committee in the past had been recommending for setting up of an autonomous body by the name "Indian Council of Veterinary Research" on the lines of Indian Council of Agricultural Research. However, the Committee find that due weightage has not been given by the Department to this recommendation of the Committee. They are of the opinion that if real research work is to be done in the Animal Husbandry sector, the Institute should be set up urgently.

The Committee, therefore, reiterate their recommendation and desire that the Department should seriously consider the setting up of the 'Indian Council of Veterinary Research and Education' at the earliest so that benefits of the research can be utilized for the benefit and protection of the livestock.

Reply of the Government

5.4 The recommendation of the Committee is under consideration.

5.5 For comments of the Committee please refer to Para No.1.21 of Chapter I of the report.

POULTRY MARKETING FEDERATIONS

Recommendation Sl. No. 11

5.6 The Committee note that the poultry sector which is mainly operated by small and marginal farmers which is totally devoid of any marketing facilities. The Committee had recommended in the earlier report (2000-01) that poultry marketing federations should be set up so that poor farmers have an assured marketability of their produce and were kept busy in their small trade. The Committee now observe that the Department have initiated steps under the Centrally Sponsored Scheme 'Assistance to State Poultry Farms' where the provision has been made for marketing for each farm to be assisted under the scheme.

The Committee feel that until and unless there is a strong marketing facility in place, the poor farmers engaged in this activity will not be able to get remunerative price for their produce. It is, therefore, imperative that an institutional arrangement is establishment for the purpose.

The Committee, therefore, recommend that more and more Poultry Marketing Federations should be established and the existing ones further strengthened so that the poultry sector as a whole prosperous.

Reply of the Government

5.7 Keeping in view the importance of a strong marketing facility required for ensuring remunerative price to the farmers for their rural poultry produce, the Department requested the States to furnish the status of their respective Poultry Marketing Federations and suggest methods for smooth operation of marketing channels to benefit the rural poultry producer.

AQUACULTURE AUTHORITY BILL, 2000

Recommendation Sl. No. 15

5.8 Aquaculture Authority Bill, 2000 was introduced in the Rajya Sabha on 28th February, 2000 and referred to the Parliamentary Standing Committee on Agriculture (PSCA) on 6th March, 2000. The Committee presented a report to Parliament on 4th December, 2000 suggesting some amendments in the provisions of the Bill. The Department has not been able to re-introduce the Bill in Parliament for consideration and passing even after a lapse of more than two years.

The Committee in their 32nd Report on Demands for Grants 2002-2003 had recommended the reintroduction of the bill in the House. However, the Committee were informed that the Bill was still lying with the Law Ministry. During oral evidence on Demands for Grants 2003-04 the Secretary of the Department had informed that after

redrafting the amendments, they would place the bill before Parliament during the current Budget Session.

The Committee hope that the commitment given by the Department will be honoured and Bill introduced in the current session of Parliament positively so that the Aquaculture Authority is established at the earliest and intended benefits to the people associated with the development of Aquaculture in the country are provided.

Reply of the Government

5.9 The aquaculture Authority Bill, 2000, which was introduced in the Rajya Sabha on 28.02.2000, was referred to the Parliamentary Standing Committee on Agriculture (PSCA) on 06.03.2000. The Committee presented a report to the parliament on 04.12.2000, suggesting some amendments in the Bill. During oral evidence on Demands for Grants 2003-04, it was informed that after redrafting the amendments, the Bill will be placed before the parliament during the current Budget Session. However the Bill could not be placed before the parliament during Budget Session due to its non-approval.

Legislative Department of Ministry of Law, Justice & Company affairs is of the view that it may be necessary to introduce a revised Bill as the changes proposed are very substantive and comprehensive. It was suggested that a Cabinet Note might first be sent to the Department of Legal Affairs who in turn would refer the matter to the Legislative Department for drafting the revised Bill if considered necessary. Hence, a revised draft cabinet Note after approval of Secretary (AH&D) was referred to the Department of Legal Affairs for their advice and has been agreed to in principle. Now Legislative Department of the Ministry of Law is preparing draft legislation. In the light of its outcome, introduction of revised Bill in the Parliament or otherwise will be considered.

5.10 For comments of the Committee please refer to Para No.1.6 of Chapter I of the report.

NEW DELHI
19 December, 2003
28 Agrahayana, 1925 (Saka)

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