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STANDING COMMITTEE ON AGRICULTURE
(2004-2005)

FOURTEENTH LOK SABHA

MINISTRY OF AGRICULTURE

(DEPARTMENT OF AGRICULTURAL RESEARCH AND EDUCATION)

DEMANDS FOR GRANTS

(2005-2006)

TENTH REPORT



LOK SABHA SECRETARIAT
NEW DELHI

April, 2005/Chaitra, 1927 (Saka)

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DEMANDS FOR GRANTS
(2005-2006)

Presented to Lok Sabha on

Laid in Rajya Sabha on



LOK SABHA SECRETARIAT
NEW DELHI

April, 2005/Chaitra, 1927 (Saka)

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Composition of the Standing Committee on Agriculture (2004-2005)

Prof. Ram Gopal Yadav – Chairman

MEMBERS

LOK SABHA

2. Shri Hiten Barman
3. Shri Manoranjan Bhakta
4. Shri G.L. Bhargava
5. Shri Kuldeep Bishnoi
6. Shri Nihal Chand Chauhan
7. Shri Shivraj Singh Chouhan
8. Shri Lalchand Kol
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13. Smt. Rupatai D. Patil Nilangekar
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20. Shri Mahboob Zahedi
21. # Smt. Anuradha Choudhary

RAJYA SABHA

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26. Shri Sk. Khabir Uddin Ahmed
27. Shri Bhagwati Singh
28. Shri Datta Meghe
29. Shri Bashistha Narain Singh
30. Shri Sharad Anantrao Joshi
31. *Dr. M.S.Gill

Chaudhary Munawwar Hassan ceased to be the Member of this Committee owing to his nomination to the Standing Committee on Labour w.e.f.16.8.04 vide L.S. Bt.Pt.-II dt.16.8.04

Smt. Anuradha Choudhary has been nominated to this Committee w.e.f. 30.8.2004 vide L.S. Bt.Pt-II, dt. 30.8.2004

Shri Raashid Alvi ceased to be the Member of this Committee owing to his nomination to the Committee on Personnel, Public Grievances, Law & Justice w.e.f 31.8.2004 vide R.S. Bt Pt-II dt. 31.8.2004

*Dr. M.S. Gill has been nominated to this Committee w.e.f 31.8.2004 vide R. S. Bt Pt-II dt. 31.8.2004

SECRETARIAT

- | | | | |
|----|---------------------|---|----------------------------|
| 1. | Shri P.D.T. Acharya | - | Secretary |
| 2. | Shri N.K. Sapra | - | Joint Secretary |
| 3. | Shri Devender Singh | - | Director |
| 4. | Shri K.D. Muley | - | Under Secretary |
| 5. | Shri Anil Kumar | - | Senior Executive Assistant |

INTRODUCTION

I, the Chairman, Standing Committee on Agriculture, having been authorised by the Committee to submit the Report on their behalf, present this Tenth Report on Demands for Grants of the Ministry of Agriculture (Department of Agricultural Research and Education) for the year 2005-2006.

2. The Standing Committee on Agriculture 2004-2005 was constituted on 5 August 2004. One of the functions of the Standing Committee, as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, is to consider the Demands for Grants of the concerned Ministries/Departments and make a report on the same to the Houses. The report shall not suggest anything of the nature of cut motions.

3. The Committee took evidence of the representatives of the Ministry of Agriculture (Department of Agricultural Research and Education), on 21 March 2005. The Committee wish to express their thanks to officers of the Ministry of Agriculture (Department of Agricultural Research and Education) for placing before them the materials and information which they desired in connection with the examination of Demands for Grants of the Department for the year 2005-2006 and for giving evidence before the Committee.

4. The Committee considered and adopted the Report at their sitting held on 9 April, 2005.

5. The Committee would also like to place on record their sense of deep appreciation for the invaluable assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee, who have prepared excellent Draft Report for the consideration and adoption by the Committee.

NEW DELHI;
09 April, 2005
19 Chaitra, 1927 (Saka)

PROF. RAM GOPAL YADAV
Chairman,
Standing Committee on Agriculture

PART – I

CHAPTER – I

Introduction

1.1 The Department of Agricultural Research and Education (DARE) comes under the umbrella of the Ministry of Agriculture. Before the existence of the Department of Agricultural Research & Education, Indian Council of Agricultural Research (ICAR) was functioning as a registered society under the administrative control of the Ministry of Food and Agriculture. The financial assistance to State Research Institute and other Research Institutions was granted in the form of block grant by the Ministry of Food & Agriculture. There were three National Institutes - Indian Agricultural Research Institute (IARI), Indian Veterinary Research Institute (IVRI) and National Dairy Research Institute (NDRI)

In the year 1972, replying to a debate in the Parliament triggered by an unfortunate incident of suicide by a Scientist, the then Minister of Food and Agriculture announced the formation of a high-powered Committee headed by Shri P.V. Gajendragadkar to examine the functioning of ICAR.

The Committee, emphasizing the importance of Agriculture and the responsibility of the Government to help in the proper and adequate food production, recommended that the Government should assume direct responsibility for Agricultural Research & Education and accordingly recommended that the ICAR may be made a Department of the Union Government under Ministry of Food and Agriculture and be named as Department of Agricultural Research & Education.

The Government, while agreeing to the recommendation to create the new Department, also decided to retain the Indian Council of Agricultural Research as a Registered Society and

also accepted the recommendations of the high-powered Committee for conferring a greater degree of autonomy and flexibility in its functioning. Accordingly, the Department of Agricultural Research and Education (DARE) was created in December 1973 to deal with the policy matters and provide the Indian Council of Agricultural Research (ICAR) with the requisite linkages with the Government of India, the State Governments, foreign governments and international agencies.

The Organisational set up of DARE

1.2 DARE is headed by a Secretary to the Government of India who is also the ex-officio Director-General of the ICAR. Additional Secretary, DARE functions as Secretary, ICAR also. The Financial Advisor of the DARE is the Financial Advisor of the ICAR as well. Functional administrative support down the line is provided by officers from the organized services, CSS and, wherever necessary, from the ICAR.

Major Functions of DARE

1.3 The Department of Agricultural Research and Education (DARE) provides the necessary governmental linkages for the Indian Council of Agricultural Research (ICAR). The major functions of DARE are:

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

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

Indian Council of Agricultural Research

1.4 The Indian Council of Agricultural Research (ICAR) is an apex scientific organization at the national level. The responsibility of the ICAR is for promoting and augmenting science and technology programmes relating to agricultural research, education and demonstration of new technologies as first line extension activities. The mandate of the ICAR is:

- * To plan, undertake, aid, promote and coordinate education, research and its application in agriculture, animal science, fisheries, agro-forestry, home science and allied sciences.

- * To act as a clearing-house for research and general information relating to agriculture, animal husbandry, fishery, agro-forestry, home science and allied sciences through its publications and information system and instituting and promoting transfer of technology programmes.
- * To provide, undertake and promote consultancy services in the field of research, education, training and dissemination of information in agriculture, animal science, fisheries, agro-forestry, home science and other allied sciences.
- * To look into the problems relating to broader areas of rural development concerning agriculture, including post-harvest technology by developing co-operative programmes with other organizations.

1.5 There are six types of research outfits in the ICAR System. These are: (i) National Institutes or Deemed Universities, (ii) Central Institutes, (iii) Project Directorates, (iv) National Research Centres, (v) All India Coordinated Research Projects (AICRPs), and (vi) National Bureaux.

The National Institutes/Deemed Universities are the well-developed institutes with large infrastructure and facilities. These institutes perform not only research functions but also carry out teaching and extension education activities. They also offer programmes leading to Master and Doctoral Degrees. Thus, they have scientists for research as well as for teaching and extension. They carry out these activities through various divisions in their campuses. These institutes are quite broad-based in terms of networks and they have research stations spread over various parts of the country.

The Central Institutes are generally smaller than the national institutes in size. They do not carry out teaching activities as they generally concentrate on research and wherever possible

undertake some extension activities as well. Their main activity is research and a number of them have research stations in other parts of the country also. The scientists of these institutes carry out research pertaining to the commodity or discipline for which these Central Institutes have been set up.

The Project Directorates are highly specialized outfits. They are devoted to a particular commodity or a group of commodities depending upon the importance of the subject. Some of them are also devoted to particular discipline. For example, there are project directorates for maize, rice, wheat, cattle, poultry, water management, cropping systems, etc.

The National Research Centres are specialized research outfits for basic and strategic research and scientific pursuit of knowledge with respect to commodity or discipline; capable of undertaking a swift response to challenges of economic importance or crisis of investigative nature in the commodity, species, discipline to which they are dedicated. They neither have divisions nor research stations. They are mandated to promote the activities for which they have been established.

The National Bureaux are set up with a view to collecting and conserving genetic as well natural resources. These bureaux are repositories of various natural resources such as land, plant, animals, fish and microbes of our country.

All India Coordinated Research Projects are unique type of network of research. They are spread over various parts of the country and design their research activities for trial of newly developed varieties for yield performance and input use. The data thus generated gives enormous information about the adaptability of a variety or a control measure.

The kind of job to be performed, magnitude of the job, need of the research/education/extension, resources available, etc. are the critical factors in determining the establishment of different kind of institutions and systems for effective functioning.

Different types of research outfits devoted to a particular crop/commodity/discipline are being monitored by the respective Subject Matter Divisions in the headquarters of ICAR, which ensures that there is no duplication of work done by these outfits. Research Advisory Committees addresses the concerns of each Institute, NRC, Directorate and Bureaux. The Director of NRC and Project Director of Directorates is also the coordinator of respective crop/commodity/discipline oriented coordinated Programme. Also, Annual Workshops are regularly organised for programme review and further programme formulation. This ensures efficient function of the system.

Inter-Organisational Relationship/linkages between DARE and ICAR

1.6 The inter-organizational relationship/linkages with ICAR including details of procedural and practical aspects of relationship between DARE and ICAR are as follows:-

- (i) DARE deals with only Governmental policy matters and provides the ICAR with requisite linkages with Central/State Government agencies and international agencies without, in any way, duplicating the work already being done in the ICAR.
- (ii) Whatever can be done in the ICAR without any serious impediment on account of it not being a Government department, is done in the ICAR and only the unavoidable minimum tasks, which are required to be performed in the name of the Government or which otherwise required governmental authority, is done by DARE.

- (iii) The ICAR by itself is competent to enter into correspondence with the State Governments. However, important issues, involving policy matters or problems which are required to be sorted out at Government levels, are referred to DARE.

The DARE discharges the responsibilities which were the responsibilities of the Department of Agriculture in relation to ICAR. The DARE obtains Government of India's clearance for the deputation of the Council's officers, wherever necessary.

The finalization of Agreements, Protocols and Cultural Exchange Programmes with foreign governments is done by DARE. Fellowships and training facilities offered by foreign governments are dealt with by DARE. International conferences, seminars, symposia, etc. held at Government level are also dealt with by DARE.

National Research Projects being implemented with assistance from foreign governments are processed by the ICAR through DARE.

The correspondence with UN agencies such as UNDP, UNICEF, UNIDO, FAO, WHO, IBRD, etc. is through DARE. Assignment of Indian Experts to UN agencies and processing of cases of fellowships/training facilities offered by UN agencies is processed by DARE.

There is complete integration of the administrative and technical wings of ICAR and DARE. By and large a single file system operates between DARE and ICAR.

1.7 As per the Annual Report (2004-05) of the Department, the research set up of ICAR includes 47 Central Institutes, 5 National Bureaux, 12 Project Directorates, 31 National Research Centres and 91 All-India Coordinated Research Projects. Besides, some Externally Aided Projects (EAPs) are also in operation. The ICAR also promotes research, education and extension education in 38 State Agricultural Universities (SAUs), 5 deemed Universities and 1 Central Agricultural University by giving financial assistance in different forms.

1.8 Details of the Programmes under various Sectors are indicated below:-

Sector	Programmes
1	2
(i) Crop Science	<ol style="list-style-type: none"> 1. Plant Genetic Resources 2. Food Crops 3. Forage Crops 4. Commercial Crops 5. Oilseeds 6. Plant Protection 7. Biotechnology 8. Seed Technology 9. National Seed Project
(ii) Horticulture	<ol style="list-style-type: none"> 10. Fruits 11. Vegetables 12. Potato & Tuber Crops 13. Plantation Crops 14. Spices 15. Floriculture, Medicinal & Aromatic Plants 16. Post-Harvest Management of Horticultural Crops
(iii) Natural Resource Management	<ol style="list-style-type: none"> 17. Soil Resource Inventory 18. Cropping Systems Research 19. Water Management 20. Nutrient Management 21. Agroforestry Research
(iv) Agricultural Engineering	<ol style="list-style-type: none"> 22. Farm Implements and Machinery 23. Post-Harvest Engineering & Technology 24. Energy Management in Agriculture 25. Irrigation Drainage Engineering
(v) Animal Science	<ol style="list-style-type: none"> 26. Animal Genetic Resources Conservation 27. Livestock Improvement 28. Livestock Products Technology 29. Animal Health
(vi) Fisheries	<ol style="list-style-type: none"> 30. Capture Fisheries 31. Culture Fisheries 32. Fish Genetic Resources 33. Harvest & Post Harvest Technology 34. Fisheries Education
(vii) Agricultural Economics & Statistics	<ol style="list-style-type: none"> 35. Agricultural Economics & Policy Research 36. Agricultural Statistics & Computer Application
(viii) Agricultural Extension	<ol style="list-style-type: none"> 37. <ol style="list-style-type: none"> a. Krishi Vigyan Kendras and Trainers' Training Centres. b. Technology Assessment and Refinement through Institute Village Linkage Programme.

	38. NRC on Women in Agriculture 39. Directorate of Information & Publications of Agriculture
(ix) Agricultural Education	40. Strengthening of Agricultural Education 41. National Academy of Agricultural Research Management
(x) Management and Information Services	42. ICAR Headquarters including DARE, Support to National Academy of Agricultural Science (NAAS) & Professional Societies, etc.
(xi) World Bank and other Foreign Aided Projects	43. World Bank Aided – National Agricultural Technology Project, Other Foreign Aided Project. 44. Indo French proposal on Seabass Breeding and Culture.

CHAPTER – II**Demands for Grants of the Department of Agricultural Research and Education
for the year 2005-06**

2.1 The Demands for Grants of the Department of Agricultural Research and Education (DARE) for the year 2005-06 are included as Demand No. 2 under the Ministry of Agriculture. Besides Secretariat's expenditure of the Department, the Demand includes contribution to international bodies, payment of grants-in-aid to the Indian Council of Agricultural Research to enable it to meet the expenditure on various research institutes controlled by it and for its several research projects, schemes and activities. The provision also includes payment of net proceeds of cess under the Agricultural Produce Cess Act, 1940.

2.2 For the year 2005-06, the Department has been allocated a total amount of Rs. 1,942.00 crore (Rs. 1150 crore for Plan and Rs. 792.00 crore for Non-Plan expenditure) on Revenue Account. Allocations made in 2004-05 and 2005-06 are indicated below:

(in crore Rs.)

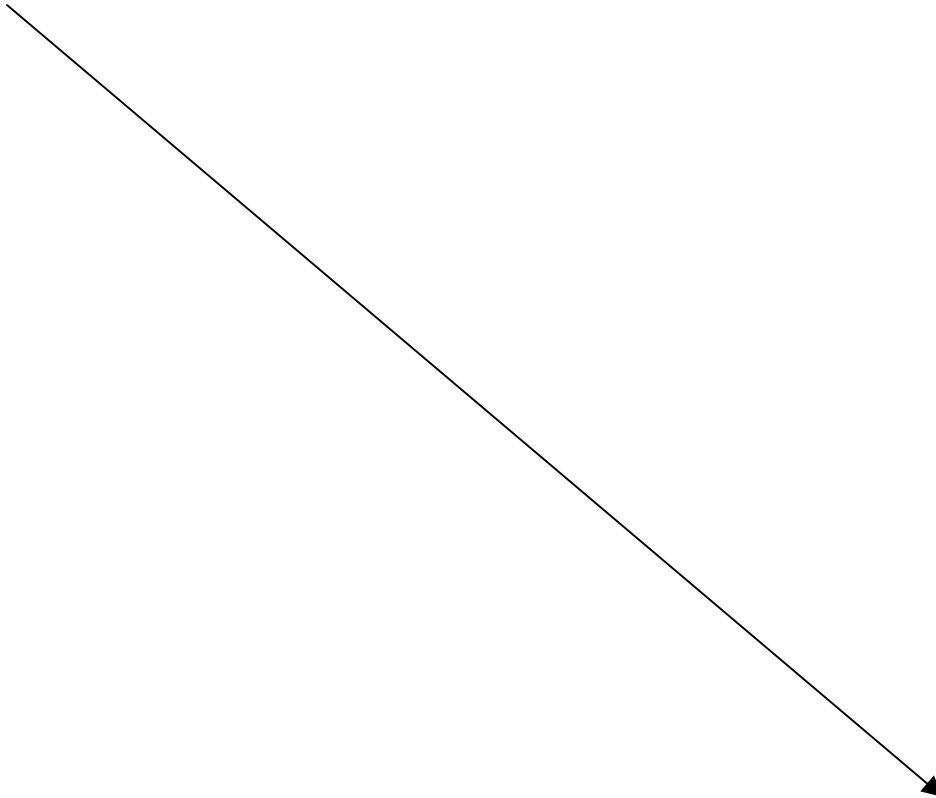
Major Head	Budget 2004-05			Revised 2004-05			Budget 2005-06		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
3451-Secretariat Economic Services (Salaries, Travel, Office Expenses, etc.)	-	1.25	1.25	-	1.25	1.25	-	1.45	1.45
2415-Crop Husbandry, Soil & Water Conservation, Animal Husbandry, Dairy Development, Fisheries, Forestry, Contributions to International Organizations, Assistance to CAU, Payment of net proceeds of Cess under APCA, 1940	900.00	752.06	1652.06	810.00	773.75	1583.75	1035.00	790.55	1825.55
2552-Lump-sum provision for projects/schemes in N.E. & Sikkim	100.00	-	100.00	90.00	-	90.00	115.00	-	115.00
TOTAL	1,000.00	753.31	1,753.31	900.00	775.00	1,675.00	1,150.00	792.00	1,942.00

2.3 The detailed Demands for Grants (2005-2006) of the Department were laid on the Table of the Houses (Parliament) on 18 March 2005.

Allocations made to DARE/ICAR out of the total Plan Budget of the Government of India

2.4 Details of the budgetary allocations made (Central Sector) in favour of DARE/ICAR out of the total Plan Budget of the Government of India during the Ninth Plan and first four years of the Tenth Plan (2002-2003, 2003-2004, 2004-2005 and 2005-2006) are indicated below:

The Outlays and Percentages in respect of DARE/ICAR w.r.t. the total Central Plan Outlay of the country is as given in Table below:



(Rs. in crore)

		1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	
a.	Plan Outlay/BE for DARE/ICAR	573.50	629.55	684.00	775.00	775.00	1000.00	1150.00	
b.	Actual RE for DARE/ICAR	504.00	550.00	684.00	725.00	775.00	900.00	--	
c.	Actual Expenditure incurred by DARE/ICAR	455.28	516.34	669.18	680.56	701.78	900.00*	--	
d.	Total Plan Outlay/BE of Central Government	103520.93	117333.80	130181.34	144037.80	147892.60	163720.29	211253.49	
e.	Total Plan Outlay/RE of Central Government	96310.00	108587.00	127856.00	136867.00	141766.00	150818.15	-	
f.	Percentage of Total Plan Outlay/BE provided to DARE Out of Central Government	0.55	0.54	0.53	0.54	0.52	0.61	0.54	
g.	Percentage of Actual RE of DARE/ICAR out of total Plan Outlay/RE of Central Government	0.52	0.51	0.53	0.53	0.55	0.55	-	
h.	Percentage of Actual Expenditure of DARE/ICAR out of total Plan Outlay/BE as well as RE of Central Government	w.r.t. BE	0.44	0.44	0.51	0.47	0.47	0.55**	-
		w.r.t. RE	0.47	0.47	0.52	0.50	0.49	0.60	-

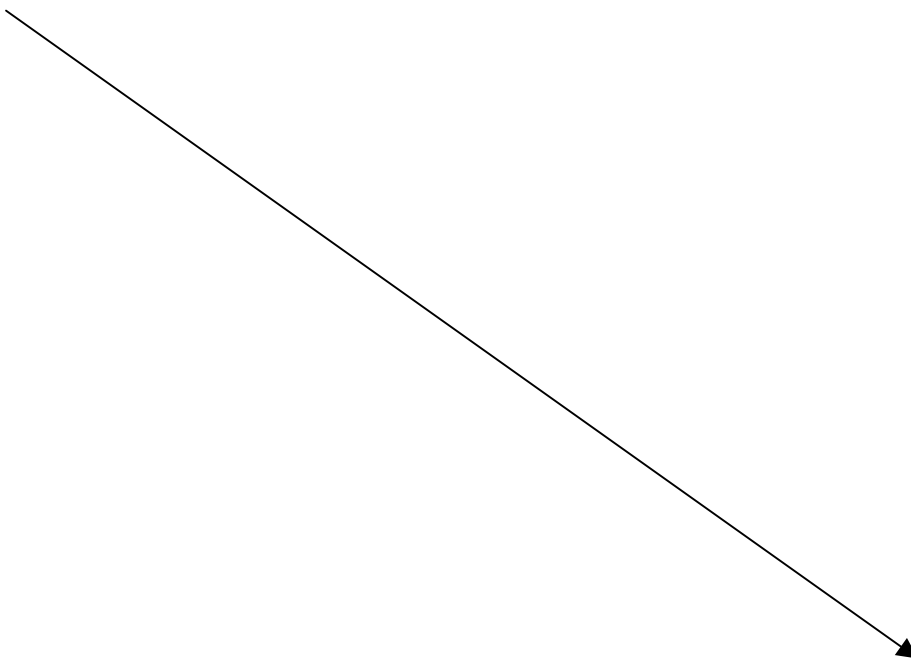
* Central Plan Outlays provided by Planning Commission

** Based on RE 2004-2005

2.5 It is observed from the above Table that during the third year (1999-2000) of the Ninth Plan, the percentage of DARE/ICAR's outlay BE as well as RE w.r.t. Central Sector Plan outlay (BE/RE) was 0.55 per cent and 0.52 per cent, respectively. This percentage has been marginally

decreasing at BE stage during the years 2000-2001, 2001-2002, 2002-2003 and 2003-2004 as 0.54, 0.53, 0.54, and 0.52 respectively. It has only gone higher during 2004-2005 (third year of the Tenth Plan) to 0.61 per cent at BE stage but actually, remained at 0.55 per cent at RE stage. And, in 2005-2006 the fourth year of the Tenth Plan, this percentage is only 0.54 at BE stage which is even 0.01 per cent lower than the 0.55 per cent in 1999-2000. So, it is very evident from the above analysis that during these seven years, i.e. 1999-2000 to 2005-2006 the percentage share of DARE/ICAR w.r.t. Central Plan Outlay remained statically low, ranging from 0.55 to 0.54 per cent and during 2005-2006 is further likely to go down [from 0.54 per cent (BE stage)] at RE stage.

2.6 When asked about the details regarding amount proposed by them in their budget proposals, allocated, its percentage to AGDP, etc. during the last ten years, i.e. from 1994-95 to 2004-05, the Department furnished the details as indicated below:-



P.T.O.

Growth of Financial Outlay of DARE/ICAR as a percentage of Agriculture GDP

(Rs in crore)

Year	Plan			Non-Plan			Total Allocation		Agriculture GDP (AGDP) at current prices	percentage of DARE (BE) allocation w.r.t. AGDP at Current Prices	percentage of DARE's Actual RE w.r.t. AGDP
	Amt. Proposed	Amt. Allocated	Actual (RE)	Amt. Proposed	Amt. Allocated	Actual (RE)	BE	RE			
1994-95	336.67	275.00	274.99	202.00	202.00	220.64	477.00	495.63	255193	0.19	0.19
1995-96	383.50	310.00	290.00	238.86	238.86	245.73	548.86	535.73	277846	0.20	0.19
1996-97	440.34	289.30	310.80	244.08	244.08	255.00	533.38	565.80	334029	0.16	0.17
1997-98	1000.00	331.17	331.17	268.10	268.10	354.32	599.27	685.49	353490	0.17	0.19
1998-99	531.17^	531.17	445.00	475.02	475.02	560.94	1006.19	1005.94	406498	0.25	0.25
1999-2000	712.68^	573.50	504.00	633.79	633.79	800.00	1207.29	1304.00	422392 #	0.29	0.31
2000-01	1082.59	629.55	550.00	864.36	775.00	775.00	1404.55	1325.00	423522 #	0.33	0.31
2001-02	1225.70	684.00	684.00	705.05	705.05	712.09	1389.05	1396.09	473004 #	0.29	0.29
2002-03	1500.00^	775.00	725.00	810.44	723.80	723.80	1498.80	1448.80	456044 #	0.33	0.32
2003-04	1500.00	775.00	775.00	812.27	735.92	735.92	1510.92	1510.92	505555 @	0.30	0.30
2004-05	1800.00	1000.00	900.00	795.09	753.31	775.00	1753.31	1675.00	*	--	--

Source: Agriculture Statistics at a Glance, August 2003 – Directorate of Economics and Statistics, Ministry of Agriculture

Central Statistical Organization

^ These figures exclude catch up grant

@ Agriculture GDP for 2003-04 is Rs 5,60,482 crore including forestry & logging and fishing whose average share in Ag GDP is 9.8per cent based on three years data ending 2003. Using the same proportion, agriculture GDP is estimated at Rs 5,05,555 crore during 2003-04.

* Agricultural GDP figures for this year are not available in the document form.

2.7 The percentage of increase in Plan and Non-Plan allocation made for 2005-06 over the year 2004-05 is reported to be 15 per cent and 5.13 per cent respectively.

2.8 The Committee were keen to know from the Department as to where India stands with regard to amounts allocated for carrying out Plan and Non-Plan activities of Agricultural Research and Education and its percentage to Agriculture GDP among developed and developing countries during each of the last five years. In reply, the Department stated as under:

“The information on percentage of Agricultural GDP spent on Agricultural research is updated based on the latest available data covering following countries, which include some developed, developing and SAARC countries.

Public Agricultural Research Expenditure

Country	Per cent of AgGDP
India (1999)	0.31
Sri Lanka (1999)	0.81
China (1999)	0.37
Latin America (1995)	0.98
USA (1995)	2.45
UK (1998)	2.89
Germany (1995)	3.52
Japan (1997)	3.93
New Zealand (1995)	3.30
France (1995)	2.00
Australia (1996)	4.02
South Africa (2000)	3.04
All developing countries (1995)	0.62
All industrialized countries (1995)	2.64

Note: For India, it is three year average ending 1999

Source: Pardey and Beintema (2001), Pardey et al. (1999) and www.asti.cgiar.org. India data are estimates by the authors.

Review of Financial outlays to DARE/ICAR and allocation/utilization of funds during the Ninth and Tenth Plan (first 4 years)

2.9 The Committee noted that initially the Planning Commission had communicated **the** Ninth Plan (1997-2002), outlay of Rs.2,635.22 crore in respect of DARE/ICAR, which was subsequently increased to Rs. 3,376.95 crore in August 2000 as a result of Parliamentary Standing Committee on Agriculture's (PSCA) continuous positive recommendations that it should be at least 1 per cent of Agricultural GDP with a tendency to gradually grow upto 2 % of AGDP. However, the total of yearly allocations (through Annual Plans) was only Rs. 2,749.39 crore which was subsequently subjected to cuts at RE stage and the total allocation was further reduced to Rs. 2,514.17 crore.

2.10 The Committee were informed by the Department that the Planning Commission had constituted the Tenth Plan Working Group for DARE under the chairmanship of late Prof. S.K. Sinha (ex-Director, IARI). Prof. Sinha had recommended, inter-alia to "provide 1 per cent of the GDP of Agriculture and Allied Sector (Rs.25,000 crore now) for agricultural research and education. Out of this, allocate Rs.15,000 crore to States by providing a budget line in the State Plan for their agricultural research and education programmes, of which 50 per cent should be through project funding."

2.11 The Department had proposed a minimum requirement of Rs. 15,000 crore along with a one-time catch up grant of Rs. 1,000 crore for the Tenth Plan. However, the Planning Commission approved only Rs. 4,868 crore which was subsequently raised to Rs. 5,368 crore by providing Rs. 500 crore for establishing new Krishi Vigyan Kendras (KVKs).

2.12 The allocation for the Annual Plan 2002-03 (the first year of Tenth Plan) was Rs. 775 crore, which was reduced to Rs. 725 crore at RE stage. For the Annual Plan 2003-04 against the projected demand for Rs. 1,300 crore and a catch up grant of Rs. 200 crore, the Planning

Commission allocated Rs. 775 crore only. The Department had also informed that “there was an understanding at the Departments’ meeting with Planning Commission that its plan allocation for 2003-04 would be raised to Rs.1,000 crore. However, the final allocation from Planning Commission for DARE/ICAR’s Annual Plan 2003-04 was only Rs.775 crore. Similarly during the Departments’ meeting on Budget discussion with the Ministry of Finance, a strong plea was made not to cut the allocation of Rs.775 crore for 2002-03.”

2.13 The Committee noted that though the Department was provided Rs.775 crore as RE 2003-04, the Anticipated Expenditure was Rs. 741.53 crore only but actual expenditure went further down to Rs. 701.78 crore. That means, the Department failed to utilize Rs. 73.22 crore out of the finally allocated Rs. 775.00 crore during 2003-04.

2.14 The allocation (BE) for the Annual Plan 2004-05 was Rs. 1,000.00 crore, which was reduced to Rs. 900.00 crore at RE stage. The Department was asked to give the reasons for reducing Plan BE (2004-05) by Rs. 100.00 crore at RE stage and the impact of this reduction on the activities of the Department. In their reply the Department stated as under:

“The Ministry of Finance has reduced Plan BE 2004-05 by Rs. 100 crore at RE stage and no particular reasons have been communicated to the Department for this reduction, though the Department had requested for restoring the original allocation of Rs. 1,000 crore. The Department has reprioritized its programmes/schemes to get adjusted the requirement within the reduced allocation of Rs. 900 crore.”

2.15 In pursuance of repeated recommendations by the Parliamentary Standing Committee on Agriculture for providing 1 per cent of AGDP funds to DARE/ICAR, the Planning Commission

has enhanced the Plan outlay from Rs. 1,000.00 crore in 2004-2005 to Rs. 1,150.00 crore in 2005-06 against the proposed amount of Rs. 1,900 crore.

2.16 The Committee wanted to know the reaction of the Department about this increase in budgetary allocation for their plan activities and whether this increase in Plan BE is sufficient just to cover the annual inflationary costs involved in Department's research and educational activities or this increase is over and above the annual added cost of inflation. The Department in its reply stated as under:

“The Department welcomes the increase of Plan Budget from Rs. 1,000 crore during 2004–2005 to Rs. 1,150 crore during 2005–2006. The Department has prioritized its activities/programmes to adjust within this enhanced outlay; however, in case of further need, the Department would seek enhanced funding at RE 2005–2006 stage.

Even if the cost of input machinery, raw material, maintenance, other research expenses including annual inflation put together at conservative estimate, the increase in Budgetary Allocation may not allow the Department to adequately address all research issues. However, the Department is prioritizing its activities to offset the annual increase in the cost due to these factors.”

One Time Catch-Up Grant

2.17 The Committee were informed that the DARE/ICAR has a number of institutions/laboratories, which are more than twenty years old. It was felt necessary that a one time catch-up grant may be sought from the Planning Commission so that the requirement of renovation of old infrastructure and up-gradation/replacement of obsolete equipment could be met. The Ninth Plan Working Group recorded that one time catch-up grant was the critical need for upgrading laboratory equipment, pilot plants, farm and laboratory facilities, class rooms and

audio visual facilities. In order to have excellent academic standard (State Agricultural Universities) and to have globally competitive research working environment, the Eighth Plan and Ninth Plan Working Groups had recommended Rs.300 crore and Rs.500 crore, respectively as one time catch-up grant.

During the Eighth Plan period, Planning Commission did not provide any amount for one time catch-up grant. During the Ninth Plan, the Planning Commission had communicated a total outlay of Rs. 3,376.95 crore (including EAPs) out of which Rs.400 crore was indicated as one time catch-up grant but through Annual Plans no separate allocations were made for catch-up grant, though the Department had proposed an allocation of Rs.100 crore, Rs.200 crore, Rs. 250 crore and Rs.306.81 crore for the year 1998-99, 1999-2000, 2000-2001 and 2001-2002, respectively.

2.18 The Committee noted that a few years back the Department had taken a decision that all its Institutes, State Agricultural Universities (SAUs), etc. were directed to utilise 30 per cent of their total grant in aid every year for the purposes the 'One time Catch-Up Grant' was meant. The Department was asked to give the details of amount and percentage of funds used for the cause of 'One Time Catch-Up Grant' and the benefit obtained from following the direction in this regard. The Department in its reply stated as under:

“The Department had almost in every year of Ninth Plan, proposed amounts for one time catch-up grant but the Planning Commission while communicating the individual Annual Plan allocations did not provide separate amount for this purpose though repeated requests were made to. Subsequently, Planning Commission had communicated that the amounts indicated for annual plans also included the amount for one time catch-up grant, i.e. the Department could meet its requirement of catch up grant out of their Annual Plan

budgets only. Accordingly, the Department had taken a decision in the year 1999-2000 that the Institutes could spend upto a maximum of 20 per cent of their respective Plan B.E. (1999-2000); during 2000-2001 this percentage limit was raised to 30 per cent and for 2001-02, it was decided that the Institutes could incur expenditure under one time catch up grant to the extent to which they could spare the money after meeting their other essential research necessities. For State Agricultural Universities, these percentages were 30 per cent for 1999-2000, 40 per cent for 2000-01 and for 2001-02 it was allowed on par with institutes.

In this regard, the Department had written a number of times to the Planning Commission. The Parliamentary Standing Committee has always strongly recommended that the Planning Commission and Ministry of Finance should provide an amount of Rs.400 crore towards one time catch-up grant which the Planning Commission had communicated to the Department. Due to non-receipt of separate funds through Annual Plans of Ninth Plan from Planning Commission, no separate head of expenditure for catch up grant was maintained by the Institutes/ICAR, i.e. this expenditure is included into the Annual Plan actual expenditures of various years of Ninth Plan. Since the similar conditions with regard to obsolete equipments, age old infrastructure including laboratories and other related research facilities exist, the Department had again proposed an amount of Rs.1,000 crore during Tenth Five Year Plan but the Planning Commission has not yet made separate allocations specifically for catch up grant through Annual Plans”.

2.19 The Committee, while examining Demands for Grants (2005-2006) of the Department, wanted to know as to whether any further progress has been made by the Department for procuring the required funds from the Planning Commission and Ministry of Finance. To this point, the Department in their reply stated as under:

“The Planning Commission/Ministry of Finance did not provide any separate funds during X Plan as One Time Catch Up Grant, hence, in the absence of any separate funding on this account the Department could not take up the activities of large scale renovations/modernizations of various age-old infrastructure/other research facilities. However, in a very limited manner, this requirement was considered as part of X Plan SFCs/EFCs of various schemes.”

Main Plan Projects/Schemes of ICAR

2.20 The Committee noted that the Planning Commission had undertaken an exercise of Zero Based Budgeting (ZBB) in which ongoing 235 Plan Schemes were integrated into only 71 Main Plan Schemes to facilitate discussion and finalisation by SFC/EFC and quicken their approval for implementation.

2.21 The Committee also noted that last year, the Department had furnished that 235 Plan Schemes were integrated in 72 main Schemes with sub-schemes and out of 72 main schemes, 25 were cleared by SFC and 47 were cleared by EFC. But this year, the Department has furnished that 235 Plan Schemes were integrated into 71 main Schemes. On being asked to give clarification for variation in their own statement, the Department in its reply stated as under:

“As per the ZBB exercise the on-going schemes of IXth Plan were integrated into 72 main schemes along with corresponding sub-schemes as per communication received

from Planning Commission. Out of these 72 schemes, it was observed that the 72nd scheme entitled, “Technology Mission on Horticulture for North East Region” pertained to Department of Agriculture & Cooperation. Subsequently the Department of Agriculture & Cooperation was intimated accordingly and also the background details were sought. Further, as ascertained from Department of Agriculture & Cooperation, the scheme namely Technology Mission on Horticulture for NE Region had been modified with the title “Centrally Sponsored Scheme on Technology Mission for Integrated Development of Horticulture in North-Eastern States, Sikkim, Jammu & Kashmir, Himachal Pradesh and Uttranchal” at a total Xth Plan outlay of Rs.845 crore (Rs. 585 crore for NE – States & Sikkim, Rs. 100 crore for Jammu & Kashmir; Rs. 80 crore for Himachal Pradesh and Rs. 80 crore for Uttranchal). The total fund requirement will be met by Department of Agriculture & Cooperation out of its budgetary allocation for 10th Plan. CCEA has already cleared this project on 23.8.2003.”

2.22 When asked about the total number of sub-schemes under 71 Main Plan Schemes and whether any schemes/sub-schemes were dropped owing to the exercise of integration of schemes based on ZBB during the Tenth Plan, the Department replied as under:

“The Department has 127 sub-schemes in operation under 71 Main Plan Schemes. The total number of Schemes along with sub-schemes is 198 and 9 Schemes were weeded out during the Tenth Plan.”

2.23 The Committee noted that even if 9 Schemes weeded out owing to ZBB during Xth Plan were added in the total of 198 schemes, the figure of 207 is reached which remains short of 28

Schemes of the original 235 Schemes. (235-207=28). The Department in its supplementary reply clarified as under:

“Out of 28 Schemes, one scheme namely "Technology Mission on Horticulture for NE Region" is being operated by Department of Agriculture & Cooperation. Some of the schemes have been terminated, dropped and others have become activities of some institutes/projects. The details about these schemes is as under:

Status about remaining 28 Schemes from 235 Plan Schemes (235 - 207= 28)

Sl.No. of List of 235 Schemes	Sl. No.	Name of the Scheme	Final status	Reduction of number
6	1	Indo-Israel R&D demonstration project (EAP)	Integrated the activities of project with IARI, New Delhi	1
19	2	AICRP on Barley	Converged with AICRP on Wheat and renamed as AICRP on Wheat & Barley Improvement	1
46	3	AICRP Oilseed	Activities performed by Directorate of Oilseed Research, Hyderabad	1
47	4	AICRP on Sunflower	Converged Scheme No. 47, 48 & 49 into a single sub-scheme as AICRP on Sunflower, Safflower & Castor)	2
48	5	AICRP on Safflower		
49	6.	AICRP on Castor		
72	7	NRC for Pomegranate	Approved as Centre of Central Institute of Arid Horticulture	1

111	8	Indo-Dutch on ORP on Drainage Water Management (EAP)	Terminated	1
128	9	AICRP on Power Tillers	Converged with AICRP on Farm Implements and Machinery	1
140	10.	AICRP on Energy Requirement in Agriculture Sector	Closed with the recommendation of Dr. Jain Committee.	1
158	11.	AICRP on Agricultural By-Products	Integrated and renamed as AICRP on Improvement of Feed Resources and Nutrient Utilization for Raising Animal Production	2
159	12.	AICRP on Crop Based Animal Production System		
160	13.	Network on Micro Nutrients in Animal Production System		
165.	14.	Network on Improvement of Infertility and Reproductive Efficiency	Dropped	1
168	15.	Net Work on Bacterial, Viral, Parasitic and Mycotic Diseases	Dropped	1
175	16.	Hi Security Animal Disease Laboratory	Merged with IVRI	1
176	17.	AICRP on Contaminants and Pollutants of Animal Products	Dropped	1
193	18.	Institute Village Linkage Programme	Activities taken under NATP during Xth Plan	1
201	19	Support to Private Colleges outside SAU System	Dropped	1
209	20	Recognizing Profession Excellence and Resource Utilization	Component of main scheme of Agricultural Education	1
219	21	Agricultural Scientists Recruitment Board	Activity of ICAR Headquarter	1
222	22	NRC Tobacco	Converged with CTRI	1
224	23	National Agricultural Science Centre (Civil Works)	Activity of ICAR Headquarter	1

225	24	Krishi Anusandhan Bhavan (KAB-II)	Activity of ICAR Headquarter	1
226	25	NRC Paddy Processing	Dropped	1
227	26	Network on Sugarbeet	Merged with AICRP on Sugarcane	1
229	27	Sustainable Rainfed Agriculture in R&D (EAP)	Terminated	1
231	28	Technology Mission on Horticulture on North East Region	Being operated by DAC	1
233	29	Agricultural Human Resource Development (EAP)	Terminated	1
235	30	NRC Biotechnology	Integrated with NDRI	1
Total				28

Budgeting Procedure and Practice being followed in the Department

2.24 The Committee enquired about the entire procedure and practice followed by the Department every year, from the beginning till end, for preparation of their own budgetary proposals as well as RE proposals and getting actual allocations in their favour from the Ministry of Finance. The Department in its reply stated as follows:

“A circular is issued to all the constituent units, i.e., Institutes/National Research Centres/Project Directorates/Agricultural Scientist Recruitment Board/Publication & Information Division/ICAR Head Quarters etc. sometime in the 2nd week of August for inviting proposals of RE of the current financial year and BE of the next financial year. The Subject Matter Divisions (SMDs) are also requested to scrutinize the proposals of RE/BE and send it to Budget Section with their recommendations for finalization. The Plan proposals are required to be sent to Assistant Director General (Plan Implementation & Monitoring) as the Plan allocation is firmed up by him in consultation with the SMDs

concerned. The Non-Plan proposals duly scrutinized by the SMDs are received in Budget Section. In the meantime the Budget circular is also received from the Ministry of Finance in the 1st/2nd week of September and as per their requirement the Statement of Budget Estimates (SBE) is sent to them sometime in the last week of October. While preparing the SBE estimated increase over BE allocation and demands of the units are considered so far as Non-Plan proposal is concerned. On the basis of the RE, the BE of the next year is prepared keeping in view the further increase needed over RE allocation. The Plan allocation is also depicted in the SBE as per the demands made by the different units/SMDs. So far as Plan BE for the next year is concerned the Planning Commission intimates the Allocation ceilings. After submission of the SBE, a discussion is arranged by the Ministry of Finance, sometime in the month of November between the FA of the concerned Ministry/Department and the Secretary (Expr.), Ministry of Finance.

The RE/BE allocation is generally received from the Ministry of Finance sometime in the 1st-2nd week of January. The Plan allocation (BE) of the next financial year is received from the Planning Commission sometime in the 1st week of February. In the meantime the Budget proposals received from the SMDs are scrutinized by the PIM/Finance Division/Budget Section keeping in view the expenditure trend of the particular Institute/NRC/PD for the last 3 years and the justifications furnished for the demand and the overall allocation made by the Ministry of Finance in the RE/BE. On the basis of this exercise and keeping in view the final allocation the SMD-wise/Institute-wise allocation is decided and communicated to the Institute/NRC/PD concerned by the end of January or 1st week of February.”

2.25 On being asked to suggest any meaningful change in any of the existing procedures/practices relating to preparation of budgetary proposals and getting the actual allocations released from Ministry of Finance in time, the Department in its reply stated as under:

“The final Plan-Non Plan Allocations if conveyed by December, it would bring a positive change in effective utilization of scarce resources.”

2.26 Accordingly, the Committee had recommended in their Recommendation No. 5 of 2nd Report (2004-05) (14th Lok Sabha) that BE/RE grants/funds should be made available to the concerned Department some time in the month of December or a little earlier. In reply to this recommendation the Department has conveyed that Ministry of Finance had intimated that they have noted the recommendation and that all efforts would be made by them to comply with the recommendation.

2.27 The Department was asked to state whether the funds as recommended by the Committee, have since been made available well in time. In its reply, the Department stated as under:

“The draft of S.B.E was submitted to M.O.F. on 21st October, 04. The RE for 2004-05 under Plan/Non-Plan and BE 2005-06 (Non-Plan) received from Ministry of Finance on 3 January 2005 vide MOF D.O. letter No. 2 (77)-B(cdn)/2004 MOF. DEA (Budget Division), New Delhi dated 30.12.2004. On receipt of the allocations from M.O.F., the Division/Institute wise allocations were made and funds were allocated accordingly.”

2.28 Through a supplementary point, the Department was asked to state that on receipt of the allocations RE (2004-2005) from Ministry of Finance on 3 January 2005, how much time the

Department took in making Division/Institute-wise allocations and on which date the funds were actually given to Institutes. The Department in its reply stated as under:

“The Non-Plan RE (2004-05) was conveyed in 3rd week of January 2005 to ICAR Institutes. Sectoral Plan RE for 2004-05 was conveyed in first week of January 2005 to all the SMDs and subsequently Institutes/ Scheme-wise break-up was conveyed to them in first week of February 2005. The funds are, however, remitted on the basis of requisitions from the Institutes keeping in view the budgetary provisions and funds availability with the institute.”

Zero Base Budgeting

2.29 The Committee enquired about the Zero Based Budgeting and its salient features; and its linkages with the merger/integration/convergence/phasing out of Plan schemes. The Department in its reply stated as under:

“The Secretary, Department of Expenditure, Ministry of Finance in his letter on introduction of Zero Base Budgeting (ZBB) has stated that ZBB is essentially a management concept which links Planning, Budgeting, Review and Operational Decision Making into a single integrated process. In the most literal sense, ZBB implies constructing a budget without any reference to what has gone before, based on a fundamental reappraisal of purposes, methods and resources. Every programme or a task should be subjected to ZBB Scrutiny to see if it could be done more cost effectively or it could be eliminated altogether because of introduction of other schemes or because it has outlived its utility. In case of autonomous institutions their continuing need should be evaluated and ways found to make them self-reliant.

In retrospect, conventional budgeting followed by performance budgeting was in operation prior to the application of Zero Based Budgeting. Conventional budgeting used to give financial outlays in terms of the object of expenses and sources of revenue for that year. It did not focus on the end use of the money spent.

Performance Budgeting, on the other hand, emphasizes the classification of the function, programmes and activities of the Department or Agencies and relates these to the financial outlay required.

ZBB seeks to reverse the whole process of conventional budgeting by its unequivocal assertion that it is not the expenditure that should justify the output. Instead, it should be the output that must justify the expenditure; its implementation requirements and implications. In essence, ZBB is an integration of Planning and Budgeting into a single process with sole objective of development and redeployment of scarce resources through a rigorous and rational scrutiny. Thus, it is a management tool which provides a systematic method for evaluating all operations and programmes, old or new, allows for budget reductions and expansions within the limits of affordability in a rational manner and permits the re-allocation of resources from low to high priority programmes. Finally, ZBB is the ex-ante cost-benefit analysis of all decision-making in an organisation.

As a follow up of directives of the Govt. of India the Department in consultation with Planning Commission applied ZBB scrutiny to all Plan schemes for their continuation in Tenth Plan. Primarily the objective of this exercise was to reduce the number of Plan Schemes for expeditious clearance of Tenth Five Year Plan Proposals. In this exercise original Plan projects, viz. ICAR, Institutes, NRCs, PDs, AICRPs etc. have been brought together/integrated into 71 main Plan projects. The integration of these

schemes facilitated sharing of common facilities like guest house, auditorium, costly equipment, laboratory, staff quarters, etc. particularly among the ICAR establishments located close by. The scientific and administrative staff is being utilized appropriately for optimal result. The Department has 127 sub-schemes in operation under 71 main plan schemes. The total number of schemes along with the sub schemes is 198. The details about the number of sub schemes under each main scheme is already reflected in Statement -1 of the Scrutiny of Demand for Grants 2005-06.

Owing to the exercise of integration of schemes based on ZBB during the Xth Plan, following 9 schemes were weeded out:

1. AICRP on Post Harvest Technology of Horticultural Crops
2. AICRP on Microbial Decomposition and Recycling of Farm and City Waste
3. AICRP on Tillage Requirement
4. AICRP on Engineering Measures for Efficient land & Water Management
5. Network Project on Embryo Transfer technology in Animal Production
6. AICRP on Blood Protosta
7. AICRP on Agricultural Drainage
8. Project on Promotion of Research and Development of Hybrid Seed in selected crops
9. AICRP on Management of Diaraland.

The reasons for weeding out these schemes are that either these outlived their utility or needed re-prioritisation based on national needs. The important re-prioritised activities of these projects have been integrated with other related plan schemes of the Department.”

2.30 The Committee also enquired as to whether the Department has experienced any direct or indirect gains due to introduction of ZBB in the areas of (a) savings of finances, (b) better research output; and (c) smooth technical and administrative management of schemes etc. and the purpose for which the whole exercise of the integration of Plan Schemes of DARE/ICAR were undertaken has been fully achieved. To these points, the Department replied as under:

“The Department has experienced both direct and indirect gains due to introduction of ZBB. The number of EFCs/SFCs are reduced, flexibility of operation within the scheme increased and in a number of cases cost saved. Saving of finances have been observed in clearance of EFC/SFC proposals of the plan schemes of Xth Plan. The Department is able to locate Rs 841.96 crore out of Rs. 5,368 crore, the Xth Plan outlay of the Department. These savings would be utilised for addressing prioritised researchable issues. The exercise has resulted better output in sharing of common facilities like guest house, auditorium, costly equipments, laboratory, staff quarters, etc. particularly ICAR establishments located closeby. Optimal result has been experienced for appropriate use of scientific and administrative staff. The exercise of ZBB was undertaken primarily to reduce the number of EFCs/SFCs to have flexibility in operation within a particular scheme and to effect commensurate savings in cost by sharing the major facilities of the institutions located at one place or nearby.”

Internal Extra Budgetary Resources

2.31 The Committee were informed that Internal and Extra Budgetary Resources (IEBR) represents extra budgetary resources available with Public Sector Enterprises (PSEs) for financing their investment decisions. Internal resources consist of Retained Profit, Depreciation and Carry Forward Surplus after deducting any adjustments. Extra Budgetary Resources of PSEs include Bonds, External Commercial Borrowings, Suppliers Credit, and Receipts from Cess Fund like Sugar Development Fund, Oil Industry Development Board etc.

2.32 The Committee noted that (IEBR) under the Head of Dev.12415 introduced for the first time in the Demand No.2 pertaining to the Department have the provision of Rs.42.11 crore for 2004-05 that happens to be over and above the total plan allocation of Rs.1,000 crore. This Rs.42.11 crore is said to be required for settlement of outstanding dues for 2003-04 for World Bank Aided (AHRD) Project.

2.33 The Committee wanted to know the general and specific terms and conditions laid down by the Government of India for the Department to qualify for claiming any amount under IEBR. To this point, the Department clarified the position as under:

“The Department of Expenditure hold meetings with Financial Adviser (along with representatives of PSEs under the control of the Administrative Ministry/Department concerned) in November each year to assess the IEBR available with the PSE which can be utilized for financing its plan activity. The resources (IEBR) so assessed by the Department are communicated to the Planning Commission for taking into account while finalizing the Annual Plan of the respective PSE under the Ministry/Department concerned. The allocations of IEBR are made by Planning Commission. The enterprises

having IEBR can utilize the funds for financing of the plan investment subject to obtaining clearances as may be required. As IEBR fund are internally generated by a Public Sector Enterprise or raised from the market/institutions; these can be utilized as per the investment requirements of the enterprise. There is no question of demanding these funds from the Government.

The Agricultural Human Resource Development (AHRD) Project, an externally funded project concluded on 31 December 2001. The project had Andhra Pradesh, Haryana and Tamil Nadu as participating States. For the overseas training component, the Food and Agriculture Organization (FAO) of the United Nations was engaged for providing consultancy services to organize overseas training for AHRD. Under the arrangement, the budget for overseas training component was transferred by World Bank to FAO. A rupee equivalent deposit with RBI in respect of direct payment made for overseas training is an accounting necessity. ICAR had made the requisite payment, however the State Governments of Tamil Nadu, Andhra Pradesh and Haryana had to make the rupee equivalent deposit. Controller (Aid, Accounts and Audit) advised the Department that instead of entering into prolonged correspondence with the State Governments, ICAR could seek an additional grant at RE stage for this purpose. This would eventually be adjusted through the Central Assistance component of the Annual Plan of State Government concerned.

In view of this background ICAR requested for an allocation of Rs. 42.11 crore over and above the projected requirement of Rs 1,800 crore for Annual Plan ((2004-05). However, the Planning Commission while communicating the final allocation mentioned this as IEBR.”

2.34 As a follow up of this matter, the Committee asked the Department as to whether they have properly utilised Rs. 42.11 crore provided as IEBR in 2004-2005. To this point, the Department replied as under:

“The amount of Rs 42.11 crore was additional demand of the Department to seek funds from the Planning Commission to meet the commitment of depositing the amount to settle the Rupee Equivalent Deposit under World Bank Assisted Credit No. 2699 - in Agricultural Human Resource Development Project implementation of which was concluded on 31.12.2001. These dues were payable on behalf of the State Governments of Haryana, Tamil Nadu and Andhra Pradesh.

The Department has already communicated to the Ministry of Finance and the Planning Commission that the amount of Rs 42.11 crore has been inadvertently reflected as IEBR and it has also sought the permission to settle the Rupee Equivalent Deposit out of the existing budget allocation. Recently, the Planning Commission has again been requested to allow the remittance out of the plan allocation of the Department.”

SFC/EFC Clearance of Plan Schemes of ICAR

2.35 The Committee noted from the Performance Budget, (2004-05) wherein it has been mentioned that out of 72 major Tenth Five Year Plan Schemes mentioned above, 25 Plan Schemes are approved by the Standing Finance Committee (SFC) and 47 Plan Schemes are approved by the Expenditure Finance Committee (EFC).

2.36 The Committee wanted to know as to whether each and every Scheme proposal has to be cleared by SFC and EFC both. To this point, the Department stated as under:

“As per the O.M. of Department of Expenditure, Ministry of Finance dated 18 February, 2002, Plan schemes/projects costing upto Rs.5 crore could be considered for approval by the Department itself i.e. without referring to SFC/EFC. Schemes costing more than Rs.5 crore and less than Rs.25 crore pertain to SFC, Rs.25 crore and above but less than Rs.100 crore pertain to EFC, Rs.100 crore to 200 crore pertain to main EFC and those Rs.200 crore and above to Public Investment Board/main EFC. The EFCs of scientific Departments like DARE/ICAR are chaired by the Secretary of the Department irrespective of the outlay of the EFC.”

2.37 The Committee wanted to know about the stipulated time frame in which a proposed Plan Scheme should be cleared by SFC and EFC respectively or it can remain pending with SFC or EFC for its clearance for any number of months and years. The Department in its reply stated as under:

“Though there is no specific time frame for clearing the SFCs/EFCs proposals, however, the Department had accorded top most priority to this exercise of Xth Plan. As the outcome of ZBB exercise was implemented in Xth Plan, under which an individual main scheme also contained a number of sub-schemes, hence, the Tenth Plan proposal of a particular main scheme had also to be integrated along with the proposals of its sub-schemes. This task was quite time taking. These Xth Plan SFCs/EFCs proposals were then circulated to appraisal agencies, i.e. concerned Departments/Ministries/Planning Commission for their comments. After submitting counter comments to the appraisal agencies, the Department organised SFCs/EFCs on case-to-case basis. The Department accomplished the clearance of Xth Plan of SFC/EFC proposals within a record period of

10 months only, i.e. SFC/EFC meetings starting from late May 2003 to March 2004 only.

Minutes of all these SFCs/EFCs have already been issued.”

2.38 When asked to give reasons/justifications for over pendency of plan schemes with SFC and EFC respectively, the Department stated as under:

“The exercise of clearance of SFC/EFC proposals was accorded top most priority and despite major exercise it was accomplished within a period of 10 months only, therefore, these proposals did not remain pending. There are four cases, which also require approval of Cabinet Committee on Economic Affairs following the guidelines of Ministry of Finance. These cases are at the advanced stage for seeking approval of Cabinet Committee on Economic Affairs and being circulated to appraisal agencies for their comments over the Cabinet Committee on Economic Affairs Agenda Note. These four cases are (i) Central Agricultural University, Imphal; (ii) Strengthening & Development of Agriculture Education comprising sub-schemes; (iii) Directorate of Oilseed Research comprising sub-schemes and (iv) Indian Agriculture Research Institute, New Delhi comprising sub-schemes.”

2.39 The Committee while scrutinising the Demands for Grants (2005-2006) again enquired as to whether all the Plan Schemes with the sub-schemes meant for Tenth Plan have got the approval of CCEA along with reasons for not getting approval even in the fourth year of the Tenth Plan. The Department in its reply stated as under:

“All the Xth Plan SFCs/EFCs of 71 schemes have already been cleared. Thereafter the CCEA cases in respect of KVKs; NATP and CAU, Imphal are also cleared. The CCEA cases of Project Directorate on Oilseed comprising of sub-schemes; Indian Agricultural

Research Institute, New Delhi including sub-schemes and Development of Strengthening of Agriculture Education including sub-schemes are yet to be cleared. Of these, first two were received back from Cabinet Secretariat to modify as suggested, however, the third one was deferred. An early clearance of these schemes is expected.”

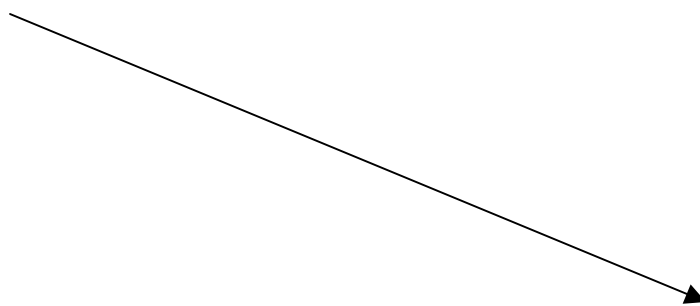
2.40 The Committee noted that PD on Oilseeds has 7 sub-schemes; IARI, New Delhi has 9 sub-schemes; and Development of strengthening of Agricultural Education has 13 sub-schemes and is also deferred by CCEA. That means 3 main schemes with 29 sub-schemes are yet to be cleared by CCEA.

2.41 Any scheme costing Rs. 100 crore and above requires approval of CCEA. The Committee noted that considering this limit of Rs. 100 crore none of the 3 main schemes with 29 sub-schemes would require CCEA approval except two sub-schemes namely Development & Strengthening of SAUs and proposed Centre of Excellence in case each of the Plan Scheme is considered separately/individually as was being done prior to integration of 235 Plan Schemes and asked the Department to explain as to how integration of Schemes into 71 Main Schemes have helped in early approval of CCEA. The Department in its reply stated as under:

“The exercise of ZBB was carried out at the instance of Planning Commission through which a number of sub-schemes were brought out under a major scheme named as main scheme. Due to incorporation of various sub-schemes with a particular main scheme, cost of some schemes crossed Rs. 100 crore, thus necessitating the approval of CCEA. The process of seeking CCEA approval took time for the sake of integration of information pertaining to sub-schemes along-with main scheme to formulate a single proposal. Though this sort of mechanism of integration took more time in clearance from

CCEA, in case of schemes costing Rs.100 crore; however, this exercise proved beneficial in terms of cost reduction as it was decided to share common facilities like guest house, auditorium, costly equipment, laboratory staff quarters etc., particularly DARE/ICAR establishments located close-by. Similarly optimal result experienced for appropriately using scientific and administrative staff. This sort of mechanism of integration of sub-schemes with a particular major scheme (main scheme) also provided opportunity for flexibility of operation within the scheme for better implementation of research programmes/schemes. The CCEA approval of one of the 3 schemes is already received. Hence, only two schemes are remaining out of 71.”

2.42 The Department was asked to furnish a comparative statement with regard to number of Plan Schemes cleared and approved by SFC, EFC and CCEA, respectively before introduction of ZBB exercise of integrating 235 Plan Schemes into 71 main schemes with sub-schemes and after introduction of ZBB. The Department in its reply stated as under:



P.T.O.

Sl. No.	Financial Jurisdiction of Department/SFC/EF C/CCEA	No. of Plan Schemes cleared/approved by Sl. No. 1 to 5			
		Before ZBB/235 Plan Schemes	Plan schemes approved	After ZBB/72 or 71 Main Schemes (with no. of sub-schemes in Bracket)	Plan schemes approved
1.	Department (Financial limit from _____ to _____)	up to Rs 1.5 crore	-	up to Rs 5 crore	1
2.	SFC (From _____ to _____)	Above Rs 1.5 crore and less than Rs 15 crore	115+ 59**	Above Rs 5 crore and less than Rs 25 crore	23
3.	EFC (From _____ to _____)	Rs 15 crore and less than Rs 50 crore	26	Rs 25 crore and less than Rs 100 crore	41
4.	Public Investment/Main EFC (From _____ to _____)	Rs 100 crore and above	No proposal	a) Rs 100 crore and above but less than Rs 200 crore (Main EFC) b) Rs 200 crore and beyond (Public Investment Board/ Main EFC)	No proposal
5.	CCEA from _____ to _____)	Rs 50 crore and above.	3	Rs 100 crore and above	6*
	***		32		
	Total		235		71

* Out of the six plan schemes for the approval of CCEA, four schemes have been approved and the approval for the following two plan schemes is yet to be obtained.

- a. Directorate of Oilseed Research, Hyderabad
- b. Indian Agricultural Research Institute, New Delhi

****** On file approval was obtained by the Department for 59 schemes, in the pursuance of the guidelines of the Ministry of Finance (*vide* their circular No. 1(4)-PF II/97 dated 16 May 1997 – ANNEXURE) intimating the Department that fresh consideration by the EFC would not be required in cases of those schemes where all the following conditions were fulfilled.

- a. No major change in the content of scheme is proposed,
- b. No change in the pattern of assistance to the States, in case of Centrally Sponsored Schemes, is envisaged, and
- c. The project requirement of funds for implementing the scheme over the first year of IX Plan is within the outlay approved by the Planning Commission.

Accordingly the Chairman, SFC/EFC (Secy-DARE&DG-ICAR) had constituted sub committees pertaining to each Subject Matter Division each under the chairmanship of Financial Adviser of the Department to examine the Ninth Plan proposals in accordance of the conditions in the above said circular dated 16 May 1997 of Ministry of Finance, so as to make recommendations for each such scheme for on-file approval of the Chairman, SFC/EFC.

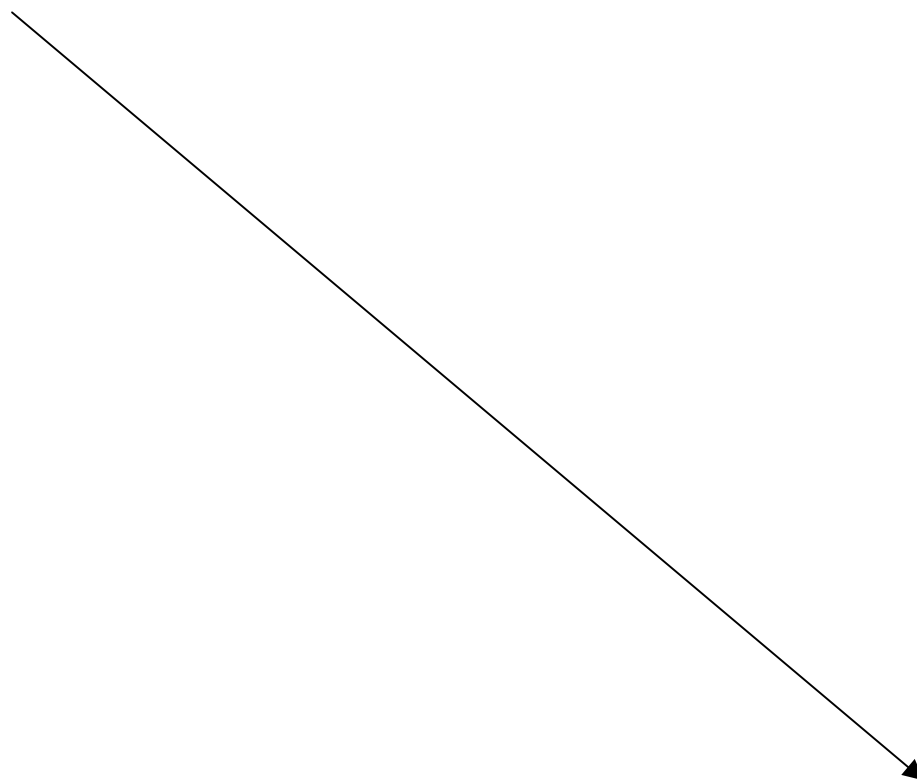
******* Out of the remaining 32 schemes, 26 plan schemes have been included in respective institutes/projects, one scheme is being operated by Department of Agriculture and Cooperation and 5 schemes have been dropped.

@ SFC/ EFC will be the appraisal forum for Plan Schemes and their Recommendations will require approval of Competent Authority as under:

<i>Project/scheme Outlay</i>	<i>Approval Authority</i>
Less than Rs. 50 crore	Minister in-charge of Administrative Ministry
Rs. 50 crore and above but less than Rs. 100 crore	Minister of Administrative Ministry and the Finance Minister
Rs. 100 crore and above	Cabinet/CCEA
Proposals for new autonomous organizations irrespective of outlay	Cabinet/ CCEA

Number of Employees in position against the sanctioned strength in DARE/ICAR

2.43 The Department was asked to furnish the details of number of employees in position against the sanctioned strength during each of the four years of Tenth Plan. The Department has furnished the following information in this regard:



P.T.O.

<i>Sl. no.</i>	<i>Posts</i>	<i>Total post Sanctioned</i>	<i>Total Employees in position</i>	<i>Shortfall</i>	<i>Reasons/Remarks</i>
1.	<u>Scientific</u> 2002-03	6428*	4588	1840	* The orders for 10% reduction in the sanctioned posts has not been made effective for the scientific category so far. 156 positions of Scientists have to be abolished due to the restrictions of filling up 1/3rd vacancies. The Council is taking up the issue with MOF for revival of these scientific positions.
	2003-04	6428	4531	1897	
	2004-05	6428	4458***	1970	
	2005-06	6428	-	-	
2.	<u>Technical</u> 2002-03	8146	7643	503	
	2003-04	7862	7258	604	
	2004-05	7862 +	7100***	762	
	2005-06	**	-	-	
3.	<u>Administrative</u> 2002-03	5325	4964	361	
	2003-04	5413	5153	260	
	2004-05	5413 +	4787***	626	
	2005-06	**	-	-	
4.	<u>Auxiliary</u> 2002-03	10571	10268	303	
	2003-04	10276	9744	532	
	2004-05	10276 +	9724***	552	
	2005-06	**	-	-	

+ This figure shall undergo revision subsequent to the clearance of the ADRP for the year 2004-05.

** This figure shall be available only after clearance of the ADRP for the year 2004-05.

*** This figure is as on 1.1.2005.”

2.44 In pursuance of the Committee's recommendation No. 6 of 2nd Report (2004-2005) regarding urgency to fill all the vacancies in ICAR, the Department was asked to give the details of further efforts/progress made in this regard. The Department in their reply stated as under:

“The Hon'ble Agriculture Minister had demi-officially taken up the issue with the Hon'ble Prime Minister and the Finance Minister on 22.07.2004 highlighting the following:

- (a) The ICAR should be exempted from the application of 10% reduction in manpower, at least in the scientific category.
- (b) Similarly, the restriction imposed by the DOPT O.M. dated 16.05.2001 on filling up direct recruitment vacancies to $\frac{1}{3}$ rd may not be made applicable to ICAR in so far as scientific staff is concerned, and
- (c) The ICAR should be permitted to fill up all the posts contained in the approved SFCs/EFCs of Tenth Plan.

In response the Finance Minister had clarified that so far no Ministry/Department has been exempted from the orders of 10% cut in manpower and filling up of only $\frac{1}{3}$ rd of vacancies in a particular year and specific proposals could be considered on merits within the ambit of existing instructions. In fact a scientific organization like the ICAR should not be given the same treatment as that of any other Department/Ministry.

The Task Group on revamping and refocusing of National Agricultural Research under the Chairmanship of Dr. M.S. Swaminathan in its recommendations to the Planning Commission has also endorsed the fact that there is a serious crisis in Agricultural Research manpower and the scientific strength is dwindling every year resulting in lack of critical mass of scientific effort in critical, upstream areas of research.

Until and unless this issue is considered in the right perspective, the scientific output of the Council in terms of basic, strategic, applied and anticipatory research shall be adversely affected.”

2.45 The Committee wanted to know as to whether the Department has been implementing the Government’s orders/norms of reducing the number of employees by 10% every year in all the categories. To this point, the Department stated as under:

“The existing instructions provide for filling up of vacancies caused due to retirement to be restricted to 1/3rd of such vacancies in a particular year. This has been done on the assumption that the normal rate of attrition is 3% per year. By this order the Government has aimed at reducing 2% of vacancies being filled up annually. Thus, the number of intake of employees is reduced by 2% every year and 10% reduction has been aimed at over a period of five years. So far the Council has been implementing these instructions as inspite of repeated efforts at the highest level, no relaxation/exemption has been provided so far.”

2.46 The Department was also asked to give details of the impact of reduction in the work force as per Government’s norms with particular reference to highly technical and scientific manpower. To this point, the Department replied as under:

“According to a projection, the continued implementation of restrictions on filling up of vacancies especially in the scientific cadre shall adversely affect the output and shall result in abolition of approximately 1,500 scientific posts till the year 2015. This shall also have an adverse impact on the age profile of the scientific cadre as creativity and

flexibility of ideas is an important prerequisite for a vibrant scientific cadre. In course of time, say by 2,014 the percentage of Scientists in the most productive age bracket of 30 to 40 years shall be reduced to a mere 10% as brought out as under:-

Impact on Age Profile of Scientific Cadre

(Figures in percentage)

Sl. No	Age Bracket	2001		2005		2010		2014	
		Existing	If all vacancies are filled up	If only 1/3 rd vacancies are filled up	If all vacancies are filled up	If only 1/3 rd vacancies are filled up	If all vacancies are filled up	If only 1/3 rd vacancies are filled up	If all vacancies are filled up
1.	Below 30 years	15.25	24.77	7.1	29.96	9.4	28.82	9.0	27.00
2.	Between 30-40 years	25.77	22.00	26.7	23.00	19.6	24.44	10.0	25.96
3.	Between 40-50 years	22.47	21.02	24.6	19.18	33.6	22.34	35.2	21.09
4.	Above 50 years	36.51	32.21	41.6	27.86	37.4	24.40	45.8	25.95

”

Demand No. 2 (DARE)

2.47 The Committee noted that all the research-based departments of Science and Technology and other departments which have research orientation, do mention the required amount under “Capital” category of funds in ‘Plan’ and ‘Non-Plan’ segments, but DARE/ICAR shows only Revenue Expenditure and not any ‘Capital’ expenditure. On being asked to give the reasons for not showing any amount under the ‘Capital’ category, the Department stated that “ICAR is getting grants from DARE under Revenue head and not under Capital head.”

2.48 The Department was also asked to state whether Government of India have fixed any rules/norms/procedures etc. to be followed by all the Ministries/Departments with regard to charging a particular item of expenditure under 'Capital', 'Revenue', 'Plan' and 'Non-Plan' Heads of Expenditure, respectively and whether DARE is following those norms. To these points, the Department replied that "the ICAR is charging the expenditure under Plan and Non-Plan as per the rules and norms prescribed in General Financial Rules (GFR)."

2.49 On a further query about the monthly salary of Scientists, Technical, Administrative, Supportive Staff etc. of DARE/ICAR are being charged under "Plan" or "Non-Plan" expenditure, the Department stated that "the monthly salary of Scientists, Technical, Administrative, Supportive Staff etc. of ICAR are being charged under 'Non-Plan' and also under 'Plan' in respect of posts sanctioned in the EFC as per rules."

2.50 The Committee noted that the specific questions asked by them viz. why it is so that ICAR receiving grants always under Revenue head and whether DARE/ICAR has only Revenue Expenditure and not any capital expenditure as per norms, etc. has not been replied to.

2.51 The Committee once again enquired about the reasons as to why DARE prepares and submits its Statement of Budget Estimates (SBE) under Revenue head only and whether DARE/ICAR has no expenditure to incur which can qualify as 'Capital' expenditure as per GFR. The Department in their reply stated as under:

"As per Demand for Grants, the Budget Allocation to the DARE relates to 1) the expenditure in respect of DARE (Government side) and 2) for grants to the autonomous bodies, (a) ICAR and (b) CAU. Both of these grantee institutions are fully funded by

Government of India. So far as the Government Side provisions of DARE are concerned, they have only revenue component; and the remaining allocation is for Grants-in-aid (meant for ICAR & CAU) only and hence, it has been allowed under 'Revenue' head of Demand No. 2. The autonomous bodies/grantee institutions are, however, required to utilize the funds for different purposes including for 'Assets to be acquired (Non-recurring Expenditure)' for which the grantee institutions have to maintain an 'Asset Register' in Form 'GFR-19' as per Rule 151(4) of the GFR. Further, the Grants-in-aid to statutory and other public institutions are covered under Revenue Expenditure (Para 2 of the Annexure-1 to Appendix-3) of GFR. Hence, the DARE Budget is covered under 'Revenue' head only as far as depiction in the Demand for Grants /SBE is concerned.”

2.52 The Committee asked the Department to furnish the rules which allows, DARE/ICAR to charge ‘Salary and Allowances’ under ‘Plan’ head as well as under ‘Non-Plan’ head. The Department in its reply stated:

“The DARE/ICAR charges 'Salary and Allowances' both under 'Plan' as well as 'Non-Plan' heads on the basis of the approval/sanction of the posts sanctioned in the respective heads. Separate posts are sanctioned under Plan Schemes such as that of All India Coordinated Research Projects etc., which are charged to the concerned head under 'Plan' as per the approved allocation. Similarly, for all posts sanctioned/approved under 'Non-Plan', the major head 'Non-Plan' is debited for charging 'Salary and Allowances'.”

Grading/Categories of Scientists in DARE/ICAR

2.53 The Committee enquired about are the various gradings/categories available for placing a Scientist in a particular grade/category in ICAR along with break up details as on date. The Department in their reply stated as under:

“The Council had adopted the UGC pay package and its Career Advancement Scheme w.e.f. 01.01.1986. The details of the various existing grades/categories are as given below:

Scientist	Rs. 8000-13500
Scientist (Senior Scale)	Rs. 10000-15200
Scientist (Selection Grade)/Senior Scientist	Rs. 12000-18300
Principal Scientist/Project Coordinators/ Heads of Divisions and other Research Management Positions	Rs. 16400-22400
DDGs and Directors of National Institutes	Rs. 25,000 (fixed)

A Scientist in the entry-level grade of Rs.8000-13500 is recruited through an All India Open Competitive Examination followed by viva-voce conducted by the Agricultural Scientists' Recruitment Board (ASRB).

The subsequent placement in the next higher grade is made through a specified process of assessment and is irrespective of occurrence of vacancies in the higher grade. The assessment up to the level of Senior Scientists is done by the individual Institutes and for placement as Principal Scientists the assessment is done by the ASRB. Specific and detailed parameters and the constitution of Selection Committees have been laid down in the Career Advancement Scheme for considering such placements. To make the entire process transparent, objective and fair a score-card has also been introduced for this purpose w.e.f. 31.07.2003.

The positions of Senior Scientists, Principal Scientists and certain posts classified as Research Management Positions are got filled on direct selection basis through interview by the ASRB. The Research Management Positions (RMP) are, however, filled up on tenurial basis.

The updated break-up (as on 1.1.2005) of grade-wise Scientists in position in the ICAR/DARE is as given below:

Posts	Total posts sanctioned	Total Employees in position
Scientist	3881	2959
Senior Scientist	1651	864
Principal Scientist	749	516
RMP	147	119
TOTAL	6428	4458

2.54 When asked about the various reasons that the DARE/ICAR being the Apex body responsible for agricultural research & education in India is always facing dearth of top grade scientists and how much DARE/ICAR/Government of India is directly or indirectly responsible for such a situation; the Department in their reply stated as under:

“It is an acknowledged fact that there is a serious crisis of availability of scientific manpower. The recent instructions of the Government placing restrictions on intake of employees to fill up vacancies caused due to superannuation has handicapped the overall performance and output of the Council. The Council has repeatedly taken up the issue at the highest level for a decision in the right perspective on the following:

- (a) The ICAR should be exempted from the application of 10% reduction in manpower, at least in the scientific category.

- (b) Similarly, the restriction imposed by the DOPT O.M. dated 16.05.2001 on filling up direct recruitment vacancies to $\frac{1}{3}$ rd may not be made applicable to ICAR in so far as scientific staff is concerned, and
- (c) The ICAR should be permitted to fill up all the posts contained in the approved SFCs/EFCs of Tenth Plan.

Due to the restrictions on filling up of only $\frac{1}{3}$ rd vacancies, 156 scientific positions are to be abolished. The Council is taking up this issue with Ministry of Finance for revival of these positions to cater to the enhanced activities of the Council.

Since all the R&D efforts on agriculture is meant for bringing overall progress and prosperity to the people engaged in agrarian and allied sectors, the nation can ill afford to have such restrictions on manpower essentially required for providing the critical competitive edge in a fast changing scenario.”

Work Analysis/Evaluation of Research conducted by ICAR Institutes

2.55 The Committee in their earlier Reports, namely 19th Report (2001), 26th Report (2002), 31st Report (2002), 36th Report (2002), 41st Report and 46th Report (2003) have been recommending emphatically that an independent body of agricultural and scientific experts should be constituted by DARE/ICAR to evaluate the research conducted and the expenditure incurred on each scientist conducting such research.

2.56 The Committee asked as to why the Department has failed till date to apprise them about the findings of the committee of eminent agricultural scientists in this regard as has been assured by them in their action taken reply on Recommendation No. 6 of 41st Report (2003). The Department in its reply stated as under:

“Based on the recommendation of the PSCA, the following expert committee of eminent agricultural scientists had been appointed to evaluate the worth of the research work carried out by the institutes of ICAR: -

- | | | |
|----|--|------------------|
| 1. | Dr. J.B. Choudhary
Former Vice-Chancellor, GBPUA&T,
Pantnagar | Chairman |
| 2. | Dr. K. Pradhan,
Former Vice-Chancellor,
Rajasthan Agricultural University, Bikaner | Member |
| 3. | Dr. I.V. Subba Rao,
Former Vice-Chancellor, ANGRAU,
Hyderabad | Member |
| 4. | Dr. P.K. Singh,
Vice-Chancellor, CSAUA&T, Kanpur | Member |
| 5. | Dr. Mruthyunjaya,
Director, NCAP, Pusa, New Delhi | Member-Secretary |

The above Committee submitted its final report on 2nd August, 2004. The Department had considered it appropriate that its findings should be communicated to the Parliamentary Committee after the internal consultations and vetting were completed. Accordingly, this process has been initiated. However, a copy of the report is submitted separately.

The comments from Deputy Directors General who are heads of the various Subject Matter Divisions, viz., crop science, horticulture, natural resource management, animal sciences, agricultural extension, agricultural education, fisheries and agricultural engineering have been called on the recommendation of the Committee concerning their respective Divisions before a final view is taken by the Department on the recommendations.”

2.57 The Committee noted that in their original Recommendation in 19th Report (2001), the Committee have categorically and emphatically said that an independent body of agricultural scientists and experts should be constituted by DARE/ICAR for its work analysis and for this task the Department should engage a private consultancy firm, such as Tata Consultancy etc. for fair and frank Reporting/Evaluation. But DARE has ignored this part of the recommendation and has appointed an expert Committee of eminent scientists who were former VCs in various SAUs and it is fact that they all were receiving grants from the Department in the past.

2.58 The Committee were keen to know as to why the Department has ignored the core part of the recommendation to get the work analysis done by a reputed private consultancy agency, e.g. Tata Consultancy etc. It has rather appointed a Committee of former VCs of SAUs which casts doubts on the fairness of the report as the chances of getting a report desired by DARE/ICAR has increased manifold in this set up for the simple reason that the Department had been their patron in the past. On this the Department stated as under:

“The Department had constituted an independent body of agricultural scientists and experts consisting of retired senior Vice Chancellors of State Agricultural Universities for making an evaluation of research conducted by the ICAR institutions. The SAUs do not come under the administrative control of DARE/ICAR. The SAUs are fully funded and function under the administrative control of respective State Governments. So far as giving them grants, financial grant towards certain projects undertaken by the SAUs for research purposes is only given by DARE/ICAR.

While two other agencies, viz., National Productivity Council (NPC), New Delhi and Administrative Staff College of Hyderabad had evinced interest to take up the study, they were not found suitable for evaluating the agricultural research being conducted by

ICAR institutes. Thus, the committee of eminent agricultural scientists constituted by DARE/ICAR for taking up the work analysis of scientists working in various ICAR institutes were in no way patrons of DARE/ICAR in the past.”

Actual Expenditure figures for 2004-2005 by the Department

2.59 The performance of any Department can be measured through the data of physical targets/financial targets set for a particular financial year by the Department and the achievements made. The Department could not provide the Actual Expenditure/Shortfall/Excess Expenditure figures, Sector-wise/Plan Scheme-wise/Sub-scheme wise for the year 2004-2005 in their Budgetary documents.

2.60 The Department was asked to furnish Actual Expenditure, unspent balances and excess expenditure figures, scheme-wise for the last three years, year-wise determining whether the proper utilisation of scarce funds have been made or not during these years and the current financial year. The Department in its reply stated as under:

“The actual expenditure/shortfall/Excess expenditure for the year 2004-05 will be known once the financial year is over.

The details of actual expenditure, unspent balances/excess expenditure figures for the last 3 years is shown below:

(Rs. In crores)

Particulars of Sub-Head	Grants Drawn for 2001-02	Expenditure incurred during 2001-02	Unspent Balance(+)/Excess Expenditure(-)
	Plan	Plan	Plan
Crop Husbandry	564.92	561.37	3.55
Soil & Water Conservation	3.51	3.49	0.01
Animal Husbandry	65.81	54.16	11.65
Dairy Development	6.89	8.11	-1.22

Fisheries	30.65	29.11	1.54
Forestry	11.69	12.71	-1.02
Total	683.46	668.95	14.51
DARE	0.54	0.23	0.31
GRAND TOTAL	684.00	669.18	14.82

Particulars of Sub-Head	(Rs. In crores)		
	Grants Drawn for 2002-03	Expenditure incurred during 2002-03	Unspent Balance(+)/Excess Expenditure(-)
	Plan	Plan	Plan
Crop Husbandry	520.12	507.98	12.14
Soil & Water Conservation	65.50	67.18	-1.68
Animal Husbandry	67.02	58.70	8.32
Dairy Development	0.00	0.00	0.00
Fisheries	27.85	28.48	-0.63
Forestry	0.00	0.00	0.00
Total	680.49	662.34	18.15
DARE/CAU	44.51	18.22	26.29
GRAND TOTAL	725.00	680.56	44.44

Particulars of Sub-Head	(Rs. In crores)		
	Grants Drawn for 2003-04	Expenditure incurred during 2003-04	Unspent Balance(+)/ Excess Expenditure(-)
	Plan	Plan	Plan
Crop Husbandry	575.50	518.34	57.16
Soil & Water Conservation	67.00	63.40	3.60
Animal Husbandry	77.00	71.97	5.03
Dairy Development	0.00	0.00	0.00
Fisheries	30.00	29.99	0.01
Forestry	0.00	0.00	0.00
Total	749.50	683.70	65.80
DARE/CAU	25.50	18.08	7.42
GRAND TOTAL	775.00	701.78	73.22

Note:

1). The figures of expenditure of 2003-04 have been submitted to the auditors and Audit is under progress .

2). The unspent balances are refunded to the Government of India.

Clarification regarding Plan/Non-Plan figures of DARE/ICAR

2.61 The Committee asked the Department to clarify as to why the Plan and Non-plan figures BE/RE (2004-2005) and BE (2005-2006) are different in the two documents, namely, Demand No. 2 in Expenditure Budget (2005-2006) of Government of India and the Performance Budget (2005-2006) of DARE/ICAR (Table 3 & 4; pages 168 & 169). The Department in its reply stated as under:

“Table 3 of Performance Budget shows the plan figures under different heads including the provision for North Eastern Region wherein the lump sum provision for North East region has been shown separately in the Expenditure Budget (2005-2006). The total is the same, i.e. Rs. 1,150.00 crore. Table 4 of the Performance Budget indicates the break-up of ICAR Non-Plan Budget only. If the DARE's Budget allocation is added to this the total tallies with the figures of Expenditure Budget (2005-2006). Further a star has been marked against the Sl. No. 1 inadvertently. This star meant for the figures under grand total.

2.62 The reply of the Department suggests to add DARE's BE (2005-2006) in the Non-Plan total of Table 4 to tally with the figures of Expenditure Budget (2005-2006);

viz. DARE's BE (2005-2006)	=	Rs. 1.45 crore
Table 4 Non-Plan Total	=	Rs. 786.65 crore
		<u>Rs. 788.10 crore</u>

As this total still does not tally with the total of Rs. 792.00 crore BE (2005-2006) of Expenditure Budget, the Department was asked to clarify. The Department in its reply stated as under:

“DARE's (Govt. Side) Budget also includes a provision of Rs. 3.90 crore (please refer P-93 of Demands for grants of Ministry Of Agriculture for 2005-06). The total Non Plan BE 2005-2006 of the DARE (Government Side) is Rs. 5.35 crore (i.e. Rs. 1.45 crore + Rs. 3.90 crore). The Non Plan BE 2005-2006 of ICAR is Rs. 786.65 crore. If these two figures are added, it comes to Rs. 792.00 crore (i.e. Rs. 5.35 crore + Rs. 786.65 crore) which is the BE 2005-06 as a whole of the DARE.”

2.63 Since all the DARE's Budget Allocations are shown under Non-Plan as BE/RE (2004-2005) and BE (2005-2006) in Expenditure Budget (2005-06), Demand No. 2, the Department was asked to give reasons for showing Rs. 0.50 crore as Item Sl. No. 12 (DARE), Table 3 (Page 168) of the Performance Budget (PB) (2005-06) which is meant to give sectoral details of Plan only and how one arrives at the same total of Rs. 1,150.00 crore of Table 3 (PB) which includes Rs. 0.50 crore (Plan Expenditure) for DARE while the total of Rs. 1150.00 crore as BE (2005-06) in Expenditure Budget does not include any Rs. 0.50 crore as DARE's Plan (BE). To these points the Department in their supplementary reply clarified as under:

“The DARE (Government Side) has an allocation of Rs. 0.50 crore under Plan as well. Page 92 of the Demands for grants of Ministry Of Agriculture for 2005-2006 may kindly be referred to. Out of Rs. 45.50 crore Rs. 0.50 crore relates to DARE. Accordingly it has been included in the table of Plan outlay in the Performance Budget. During 2004-05 also, the provision in respect of DARE (Government Side) is same, i.e. Rs. 0.50 crore.”

Growth Rate of Agriculture & Allied Sector

2.64 The average annual growth rate of agriculture, including allied sectors declined from 4.7 per cent during the Eighth Plan (1992-97) to 2.1 per cent during the Ninth Plan (1997-2002). As against the targeted annual growth rate of 4 per cent during the Tenth Plan, growth rate in 2002-2003, the first year of the Tenth Plan (2002-07), was negative (-7.0 per cent), 9.6% in 2003-2004 and 1.1% for the current year 2004-2005.

Five Year Plan	Growth rate of Agriculture and Allied Sectors	Overall GDP growth rate
Seventh Plan (1985-1990)	3.2	6.0
Annual Plan (1990-1992)	1.3	3.5
Eighth Plan (1992-1997)	4.7	6.7
Ninth Plan (1997-2002)	2.1	5.5
Tenth Plan (2002-2007)		
2002-2003 ⁺	-7.0	4.0
2003-2004 ⁺⁺	9.6	8.5
2004-2005 ⁺⁺⁺	1.1	6.9
+ Provisional ++ Quick Estimates +++ Advance Estimates Source: CSO		

2.65 The Department was asked to give the main reasons for these erratic fluctuations in annual growth rate of agriculture and to state the details of these factors which directly and indirectly, come under the work domain of DARE/ICAR. The Department in its reply stated as under:

“The main reason for erratic fluctuations in annual growth rate of agriculture is attributable to wide fluctuations in monsoon. For example, in the year 2002-2003, the agricultural sector recorded a negative growth of (minus) -7%. This was essentially due to poor rainfall in the monsoon season. In the year 2002-2003 out of 36 meteorological sub-divisions 21 had deficient or scanty rainfall. Thus 58 per cent of the cultivable area

received less than normal rainfall in the year 2002-2003. In the year 2003-2004, when only 5 meteorological sub-divisions were deficient, the performance of the agricultural sector improved drastically. Because of the fluctuations in the monsoon, fluctuations in agricultural GDP take place. In the year 2004-2005, when monsoon has not been favourable as 13 out of 36 meteorological sub-divisions received scanty rainfall, the level of agricultural production is estimated at 206.4 million tonne which is less than the level achieved in the year 2003-2004 by 5.6 million tonnes. Thus fluctuation in the monsoon is the sole cause of fluctuation in the agricultural GDP growth. Research on crop improvement, water management, impact of climate change, etc. comes under the domain of ICAR for mitigating and managing drought.”

2.66 When asked about the solutions that have been envisaged by DARE/ICAR to bring about the desired growth rate in the agrarian sector, which may be both positive and stable, the Department replied as under:

“Research has been conducted on development of early maturing and drought resistant varieties suiting to different agro-climatic regions of the country. Various technologies such as drip irrigation, sprinkler irrigation and zero tillage have been developed for the benefits of farmers in conserving water used for irrigation.”

2.67 On a point as to how some permanent or say some more lasting solutions can be found to the biotic and abiotic stresses which are a recurring phenomenon every year, the Department stated as under:

“Development of contingent plans to mitigate the effect of drought and other abiotic stresses has been undertaken in 2004 and further, this practice is likely to be continued in order to give farmers the alternatives in respect of technology and information so as to address the unforeseen and potential stress situations, such as, droughts, floods and micronutrient deficiency management.

Gene-led technological solutions to combat situations arising from various biotic stresses such as wilt, blight, mildews, mites, etc. are envisaged and research is already geared up in network project mode. Emphasis will be given on genomics, and mining and deployment of indigenous genes.

Suitable research efforts are being taken up by the ICAR to face biotic and abiotic stresses. Crop varieties are being developed which may escape incidence of drought. Alternative scenarios of monsoon has been visualized and broad strategy in respect of each of the alternative monsoon scenarios has been developed. The alternative scenarios of the monsoons are: (i) normal monsoon, (ii) timely onset and sudden withdrawal, (iii) delay in onset; maximum of 3 weeks from the normal date for the given region and (iv) break in monsoon (dry spell conditions) for 2 to 3 weeks consecutively; generally occurs between 3rd week of July and 2nd week of August, (v) early withdrawal of monsoon, i.e. by last week of August. Region-wise strategies have been evolved and put on the Website of ICAR namely; www.icar.org.in. In addition, research with the help of biotechnological tools is being conducted in respect of selected crops and prospects of applying biotechnological tools for developing varieties are being explored.”

Roadmap for Agricultural Diversification

2.68 The Committee noted that the Finance Minister in his Budget Speech on 28 February 2005 has announced that, “Indian Agriculture has indeed diversified from food grains to other crops, but more needs to be done. The Ministry of Agriculture will prepare a roadmap for agricultural diversification. The road map will focus on fruits, vegetables, flowers, dairy, poultry, fisheries, pulses and oilseeds.

2.69 The Committee were keen to know about the extent of contribution of DARE in preparing a roadmap for agricultural diversification and whether the Department has envisaged any financial requirement for implementation of the same. To these points, the Department replied as under:

“The role of this Department in promoting location specific agricultural diversification will be through the development/identification of productive, sustainable, eco-friendly and worthy crops, cropping systems, commodities, enterprises and practices etc. as diversified options. Further, the contributions for crop diversification will be in terms of generation of technology suited to different cropping/farming systems.

Efforts will be made to evolve suitable varieties/rootstocks tolerant to biotic and abiotic stresses, nutrient and water use efficiency and biological control of insect/pests and diseases, under-utilized nutritious fruits and vegetables, protected cultivation for raising plants/crops in off-season, developing suitable post-harvest technologies and value addition to diversify the products.

Development and supply of improved varieties and hybrids of fruits, vegetables and ornamental crops for different regions of the country. Developing technologies for under-utilized fruits and vegetables. Since emphasis has now been placed on safe and

quality food, the priority should go to growing fruits and vegetables organically to do away with the residues in the horticultural produce. Fisheries, being a component of agricultural diversification, fish seed production, aquaculture, pen culture and human resource development would be receiving pin-pointed attention.

For specific research on varietal improvement, pest management, water management, fish and livestock production and integration, post harvest management, farm implements machinery, etc. about Rs 2,500 crore for a period of 5 years would be additionally required.”

2.70 On a supplementary point about the efforts being made by the Department to procure additional sum of about Rs. 2,500 crore for a period of 5 years, the Department stated that “after the Road Map is finalized by the Ministry of Agriculture the projections will be submitted to the Planning Commission.”

2.71 The Government has announced in the Budget about the National Horticulture Mission which will be launched on 1 April 2005 with a proposed allocation of Rs. 630 crore in 2005-06. The Mission intends to ensure an end-to-end approach having backward and forward linkages covering research, production, post-harvest management, processing and marketing, under one umbrella, in an integrated manner.

2.72 Undoubtedly, DARE/ICAR has a major role so far issues relating to research for enhancing production and productivity of Horticultural Crops and the post-harvest management of these crops are concerned. When enquired about the Department’s share out of Rs. 630 crore allocation in 2005-06 for better management of issues relating to research on Horticultural

Crops, the Department in its reply stated that “ICAR will need Rs 150 crore for undertaking activities on horticultural crops under National Horticulture Mission.”

2.73 On being enquired about the action taken or likely to be taken by DARE/ICAR for claiming their share of Rs. 150 crore from the Ministry of Finance/Government of India for undertaking activities on horticultural crops under National Horticulture Mission during 2005-06, the Department stated as under:

“The Programmes under horticultural research will concentrate on technology generation as appropriate to each region/state keeping in view their specific agro-climatic and socio-economic conditions. Emphasis will be on effective transfer and dissemination of production technologies available in India and abroad. The Indian Council of Agricultural Research (ICAR) in association with State Agricultural Universities (SAUs) and other research institute/organizations in the public and private sector having capabilities in this area will be partners in the research programmes. Field experience of growers will be drawn upon to shape and design necessary interventions. Research programmes towards this end will be guided by Research Advisory Committee (RAC) and will address identified and emerging needs in the areas of planting material, production technology, post harvest technology, processing and value addition. Such research projects will work in tandem with Strategic Research Extension Programme (SREP) at the District level under the Agricultural Technology Management Agencies (ATMA) with orientation and focus on horticulture. Agencies taking up research projects would be provided 100% assistance in the public and private sector provided such endeavors are in public interest. As on date, there is no specific allocation made to

DARE/ ICAR as understood from the Department of Agriculture & Cooperation which is the nodal Department for the Horticulture Mission. In the EFC meeting held on 11.03.2005 the representative of Planning Commission did not support the view for fund allocation under the Mission to ICAR/ DARE.”

2.74 The nation has been facing recurring post-harvest losses of Horticultural Crops of about Rs. 51,500 crore per annum for want of effective, easily accessible and economically viable means to prevent such losses.

2.75 The Committee asked the Department to explain as to what they have been doing or planning to do to bring down the yearly post-harvest losses of about Rs.51,500 crore of the Horticultural produces. The Department in their reply stated as under:

“The ICAR has been making efforts to develop post harvest technologies through its Institutes and All India Coordinated Research Projects for reduction of post harvest losses and value addition in the post harvest chain. During the Xth plan period, the All India Research Project on Post Harvest Technology has been expanded to include all produce from crops, livestock and fisheries sectors and the budget provision has been enhanced to Rs. 3,895 lakh from Rs. 1,184 lakh during IXth plan period. The scheme now is operational in 33 different locations throughout the country to develop regions specific post harvest technology, reduce post harvest losses and add value to the main produce and by-products.

ICAR has developed various post-harvest technologies in respect of harvesting, handling, transport, storage, packaging and processing of horticultural produce. These technologies need to be disseminated to end-users by State Department of

Horticulture/agriculture to reduce the post-harvest losses. Under National Horticulture Mission, these technologies will be tested in farmers field and processing units will further refined as per need.”

2.76 The Committee noted from the reply of the Department that the technologies developed by the ICAR need to be disseminated to end users by State Department of Agriculture/Horticulture to reduce the Post Harvest losses and wanted to know the procedural details through which the ICAR ensure that as soon as it has developed various post harvest technologies in respect of harvesting, handling, transport, storage, packaging and processing of horticultural produces, the same is rapidly transferred to State Department of Horticulture/Agriculture for its onward dissemination to end-users by the concerned State Departments. On this, the Department stated as under:

“The Central Institute of Post Harvest Engineering and Technology (CIPHET), under ICAR, located at Punjab Agricultural University, Ludhiana and All India Coordinated Research Project (AICRP) on Post Harvest Technology (PHT) with its HQ located at CIPHET are involved in R&D of post harvest technologies. The CIPHET has been interacting with State Department of Agriculture and Horticulture in Punjab for dissemination of the technologies developed by them. State Govt. officials of Uttaranchal have been trained in the area of Post harvest technology and there have been interaction with State Dept. of Agriculture, U.P. and Punjab on Post Harvest Technology. A proposal from State Department of Agriculture, Haryana for conducting training of their officials in the area of Post harvest technology is under due consideration by CIPHET, Ludhiana. For developing region-specific post-harvest technologies, the AICRP on PHT has 34 centres located in different State Agricultural Universities and

ICAR Institutes located in different states. These centres have developed a large number of post-harvest technologies in the area of harvesting, handling, storage, packaging and processing of horticultural produce. These Post-harvest technologies developed are displayed and demonstrated by these centres during the Kisan Melas and during the Kharif and Rabi Workshops being organized by the Universities, which are attended by the officials of the State Department of Agriculture also. During the Zonal Conferences also, the queries raised by the states in the area of post harvest and technology are being addressed. The post-harvest technologies developed by Horticultural Institutes/NRCs are also being transferred to State Department of Horticulture for its onward dissemination to end users by conducting training to officials of various State Departments of Horticulture and exhibiting these technologies at exhibitions by Agricultural Technology Information Centres. The DARE/ICAR interacts with Department of Agriculture and Cooperation through number of mechanisms for dissemination of these technologies to end-users by the concerned State Departments of Agriculture/Horticulture.

- a. Pre-Kharif and Pre-Rabi Interface between DAC and ICAR is carried out involving the senior officials of both the Departments.
- b. The National Conference on Agriculture for Kharif and Rabi Campaign is organized involving the senior officials of ICAR, Department of Agriculture and Cooperation, State Governments and Vice-Chancellors of the State Agricultural Universities/Deemed Universities.
- c. The meetings of eight Regional Committees are held to discuss the region specific development issues, technologies developed and other researchable issues with the participation of senior officials of the State Governments, Vice-chancellors of

the State Agricultural Universities, Directors of the ICAR Institutes, and representative of farmers, financial institutions and other related agencies in the concerned region.”

A Knowledge Centre in Every Village

2.77 The Committee noted that the National Commission on Farmers has recommended the establishment of Rural Knowledge Centres all over the country using modern information and communication technology (ICT). ‘Mission 2007’ is a national initiative launched by an alliance comprising nearly 80 organisations including civil society organisations with a goal to set up a Knowledge Centre in every village by the 60th anniversary of our Independence Day. The Central Government has joined the alliance and has also proposed to allow NABARD to provide Rs. 100 crore for the cause.

2.78 When asked as to whether it has joined or proposes to join the alliance of nearly 80 organisations meant to set up Rural Knowledge Centre in every village, the Department stated that “ICAR proposes to join the alliance of nearly eighty organizations to set up rural knowledge centres in every village by the year 2007.”

2.79 On a query about the role and responsibilities of the DARE/ICAR under the Mission and plan of action, the Department has chalked out to extend its strategic and scientific support in promoting the socio-economic growth of people engaged in agrarian and allied sectors. The Department in its reply stated as under:

“DARE/ICAR can provide technological and information support with regard to location-specific technologies for different rural knowledge centres. The mandate of the Indian

Council of Agricultural Research is to plan, undertake, aid, promote and coordinate education, research and its application in agriculture. The Council has established a network of Krishi Vigyan Kendras in the country. The Council has a proposal to provide e-linkage to 200 KVKs during the X Plan period for availability of all technology information in agriculture for the farmers at KVK level.

This is already an ongoing activity which can be further strengthened to extend the required strategic and scientific support in promoting the socio-economic growth of the people engaged in agrarian and allied sectors. ICAR will create a web portal including the large amount of R&D information available so far for inclusion in the web portal. The portal in turn will become a source of authentic information for the Knowledge Centre.”

2.80 The Committee were keen to know about the role and justification of these KVKs particularly after the establishment of “Rural Knowledge Centres” all over the country and whether all KVKs will turn as a unit of the proposed Rural Knowledge Centres or they will play their role as earlier. The Department in its reply stated as under:

“The Indian Council of Agricultural Research has established a network of Krishi Vigyan Kendra in the rural districts of the country, aiming at technology assessment and refinement and its dissemination through training of farmers and extension personnel. If Rural Knowledge Centres are established as recommended by the National Commission on Farmers, the KVK can provide technological and information support with regard to location specific technologies for such centres.”

2.81 When asked about the details of the modalities of release of funds by the NABARD to the end users, the Department stated that “the NABARD does not come under the purview of DARE/ICAR. Accordingly we have solicited the attention of concerned Department.”

2.82 Through a supplementary point, the Department was asked to state whether DARE/ICAR would get any share out of these Rs. 100 crore to be provided by NABARD for the cause. The Department in its reply stated as under:

“The Department has referred this Point to the Banking Division of Department of Economic Affairs, Ministry of Finance. The comments received are re-produced as under:

As per Union Finance Minister’s Budget announcement on 28th February, 2005 regarding the establishment of village knowledge Centres using modern information and communication technology with support of Rs. 100 crore under RIDF, it is proposed to set up VKCs initially in 10 selected States, viz., Tamil Nadu, Karnataka, Andhra Pradesh, Pondicherry, Maharashtra, Gujarat, Rajasthan, Uttranchal, Orissa and West Bengal. It is proposed to conduct a workshop of Project partners on 4 April 2005 at NABARD, HO, Mumbai wherein Dr. M.S. Swaminathan will be making a presentation on VKCs to the participants. The participants include senior government officials of the selected states and some prominent corporates, to explore the parameters of VKC partnership and also to work out the project modalities and the funding methodology by State Governments from the RIDF allocation.

At present there is no involvement of this Department in getting the share out of Rs. 100 crore to be provided by NABARD.”

Agricultural Extension

2.83 The Plan BE, RE Actual Anticipated Expenditure and shortfall in 2003-2004, 2004-2005 and BE 2005-2006 have been observed under AE Sector in three documents relating to the Department, namely (a) documents for the Scrutiny of Demands for Grants (SDFG) (2005-06) (Page 194, Financial Statement – 1); (b) Annual Report (AR) (2004-05), (Page 212, Table 2) and (c) Expenditure Budget (EB) (2005-06), Government of India (Demand No. 2) (Page 6) as under:

Major Head 2415

(Rs. in crore)

Sl. No.	Scheme	BE 2003-04		RE 2003-04	Actual Exp. 2003-04	Shortfall	BE 2004-05	RE & Anticipated Exp.	BE 2004-05	RE 2004-05	BE 2005-06	BE 2005-06
		SDFG	AR	AR	SDFG	SDFG	SDFG	SDFG	EB	EB	SDFG	EB
1.	Krishi Vigyan Kendras (KVKs) (New+Old)	93.50			8911.52 (Lakh)	431.22 (Lakh)	167.30	163.18			243.31	
2.	NRC for Women in Agriculture	2.00			198.21 (Lakh)	1.79 (Lakh)	1.70	1.37			1.19	
3.	DIPA	0.50			23.96 (Lakh)	0.04 (Lakh)	1.00	0.45			0.50	
	Total	96.00	90.90	90.90	9133.76 (Lakh)	433.04 (Lakh)	170.00	165.00	160.00	152.46	245.00	230.00

From the above table, it is evident that there is a difference of about Rs. 5.00 crore as BE (2003-04) for Agricultural Extension Sector in SDFG and AR documents; Rs. 10.00 crore difference as BE (2004-05) in SDFG and EB documents and Rs. 15.00 crore difference as BE (2005-06) in SDFG and EB documents referred to above.

2.84 The Department was asked to explain the reasons for variation in figures particularly with respect to Crop Sciences, Horticulture, Agriculture Education, Agricultural Engineering,

Agricultural Economics & Statistics, NATP, Animal Sciences, Fisheries in particular. In reply, the Department stated as under:

“The variations as observed in the BE/RE of different sectors in three documents relating to the Department, i.e. SDFG, AR and EB is because of the fact that the allocations earmarked for North Eastern Region have not been taken into account in the Annual Report/Expenditure Budget. The North East component is shown under financial head "lump sum provision of North East region" whereas in SDFG this component is added to the respective sector allocation.”

2.85 On a point about the reasons for shortfall of Rs. 4.31 crore (2003-04) and Rs. 4.12 crores in Anticipated expenditure (2004-05) under the KVK scheme, the Department stated as under:

“Besides continuation of the old KVKs, 35 new KVKs were established during 2003-04. As these new KVKs were established over the entire financial year, the requirement of fund became less in respect of those KVKs which were established during the latter part of the year and thus there was an overall shortfall of Rs. 4.31 crores. The approved BE for the KVK for 2004-05 was Rs.167.30 crore which has been brought down to 163.18 crore at RE stage because of reduction of the budget of the Council by the Ministry of Finance and hence difference of 4.12 crore has arisen.”

2.86 Referring to DIPA which has Rs. 50.00 lakh as BE (2003-04), while the actual Expenditure was only Rs. 23.96 lakh and shortfall was shown as Rs. 0.04 lakh only, The Department in its reply stated that, “the shortfall was Rs. 26.04 lakh and this figure through oversight was indicated as Rs. 0.04 lakh.”

2.87 The Department was asked to furnish the specific amounts meant for New and Old KVKs, respectively out of Rs. 24,331.00 lakh allocated as BE 2005-06 along with details of new KVKs included in this outlay and the time by which these new KVKs will be operational. To these points, the Department replied as under:

“Out of Rs. 24,331.00 lakh allocated as BE 2005-2006, an amount of Rs. 22,831.00 lakh has been allocated for the old KVKs and Rs. 1,500.00 lakh for establishment of new KVKs. As per the implementation schedule, 100 new KVKs are to be established during 2005-2006. A number of Site Selection Committees have been constituted to examine the logistics for establishment of new KVKs including their locations in the districts.

2.88 When asked about the latest/updated position with regard to (a) fully functional; (b) semi/partially functional; (c) Non-functional KVKs in the country, the Department in its reply stated that “a total of 451 KVKs have been sanctioned till February 2005 including 128 KVKs during the current financial year. Out of these 451 KVKs, 8 were non-functional; two of which have been made functional during this year.”

2.89 The Department was asked about the number of enquiries going on with respect to irregularities in KVKs with the details of complaints received, investigated, matters under enquiry and guilty officers punished during the last 5 years. To these points, The Department in its reply stated that “some complaints have been received about the functioning of the KVK in Madhubani district of Bihar, and Allahabad in Uttar Pradesh. The fact-finding enquiry has been taken up.”

2.90 Through a supplementary point, the Department was asked to give the details of the date on which the Department has received the complaint about the mal-functioning of the KVKs and on which date the Department has started fact-finding, enquiring in each case, respectively and who have been appointed for fact-finding enquiry and whether any time frame has been set up for completing the enquiry in each case, respectively. To these points, the Department in its reply stated as under:

“The complaint from KVK Madhubani district of Bihar was received on 29.8.2003 and the fact-finding enquiry was initiated on 18.12.2003. The complaint regarding the KVK, Allahabad District of Uttar Pradesh was received on 06.01.2005 and the fact-finding enquiry has been initiated on 04.02.2005. In case of Madhubani, a Zonal Coordinator has been appointed while in case of Allahabad an ADG has been appointed for the purpose.”

Static Budget/Quantum Jump Allocations

2.91 The Committee asked the Department to explain the reasons for almost static Budget allocations for the following projects during the last 3 years,

- (a) Agricultural Engineering,
- (b) National Agricultural Technology Projects,
- (c) Indo-French Project on Seabass Breeding & Culture, and
- (d) Soil and Water Conservation Research Institute.

The Department in its reply stated as under:

“(a) The total annual allocations (i.e. RE) during 2002-2003, 2003-2004 and 2004-2005 have been Rs. 1,772.13, 2,800.00 and 2,450 lakh, respectively with the total Xth plan

allocation of Rs. 13,700 lakh. Keeping in view the total allocation during the Xth plan, higher budget will be allocated accordingly during the remaining two years. (b) By the third year of the implementation of the NATP, the sub-projects to be funded by NATP were already sanctioned and the budgets approved. In the subsequent year(s) since the sub-projects were to be funded under the approved heads, so the fluctuations in the budget remained minimum. (c) During the first meeting of Indo-French Group on Cooperation in the field of Agriculture and Agro-food Industries held during November 1994, "Breeding and culture of Seabass" was identified as one of the collaborative programmes in Fisheries and Aquaculture sector and included in the work schedule under the protocol. A protocol between Government of India and the Government of French Republic was signed in January 1998 and Seabass fish breeding and culture was included under the Fisheries Sector for an assistance of 3.90 million FF (approximately Rs. 273 lakhs) as soft loan in kind of technology and equipments. The Government of India/ICAR also provides Rs. 200 lakhs for development of infrastructure under this project. The total cost of this project is Rs. 473 lakh under the collaboration. The project was sanctioned initially upto 30 June 2001 and further extended upto 30 June 2003 and again extended upto 30 June 2005. The project is time bound with fixed amount from Government of India and Government of French Republic. (d) Budget allocation for CSWCRTI, Dehradun during last three years.

Year	BE (Rs. in lakhs)	RE (Rs. in lakhs)
2002-03	400	250
2003-04	350	310
2004-05	450	400

The budget allocations to the institute during the period was need based as per the budget availability and capability to use.”

2.92 The Committee also enquired about the reasons for quantum jump in the allocations under sub-head “Contribution to Commonwealth Agri Bureau” from Rs. 4.26 crore in 2004-2005 to Rs. 49.40 crore in 2005-2006. The Department in its reply stated that “the quantum jump in the allocations under sub-head ‘Contribution to Commonwealth Agri Bureau’ from Rs. 4.26 crore in 2004-2005 to Rs. 49.40 crore in 2005-2006 is due to the allocation of Rs 45 crore for National Fund for Strategic Research reflected in this head.”

Quinquennial Review Teams

2.93 The Committee noted that Quinquennial Review Teams are supposed to be constituted at the fag end of fifth year or immediately after completion of five years but in some cases next QRTs are due even after a gap of 6, 7 or 8 years. To this point, the Department in its reply stated as under:

“The QRT is constituted for reviewing the work done during the past 5 years. It is to be constituted 5 to 6 months prior to the 5th year and all efforts are made to follow this time frame. Once the QRT is constituted by the Council, the Chairman with the members are briefed by ADG concerned about the Institute/Projects. The meeting is followed by the schedule of actual reviews for about 60 days including visits, discussions & report writing by the Chairman and the members. After visiting the Institute/Centres of the AICRP, the Chairman prepares the QRT report and submits the same to the Council.

Further the Subject Matter processes the QRT Report and seeks observations of the Director/Project Coordinator on each of the recommendations along with time frame for implementing the recommendations. With these, the recommendations of the QRT are submitted to the Director-General, for approval of the Governing Body. All the QRTs of the Agricultural Engineering Division, i.e. 13 were formulated during 2002 and the reports were received during 2003 and 2004. Out of 13 QRTs formulated 6 QRT Reports were processed as per procedure given above and were put up to GB in 2004 for seeking approval. In some cases there was delay in receipt of the QRT reports and subsequent delay in receiving the comments of the Directors/PCs. The concern for the late receiving of the report and gap mentioned in (a) has been noted and delay is regretted. However, it is assured that the pending QRT reports will be processed expeditiously and put up to competent authority for approval and QRT would be timely organized.”

Some of the Issues raised during Oral Evidence held on 21.03.2005

2.94 The oral evidence of the representatives of the Department was taken by the Committee in connection with examination of Demands for Grants (2005-2006) of DARE on 21 March 2005. During this Evidence, various issues/points were raised by Chairman/members of the Committee. Some of the issues are:

- (i) that the DARE/ICAR has brought out some publications on WTO, GATT and Genetic Engineering etc. Since the issues related to WTO, GATT and Genetic Engineering are very ticklish and have the scope of getting largely misunderstood by the masses engaged in agrarian and allied sectors, there is an urgent need to

bring out easy to understand and illustrated publications in the regional/local languages of the farmers;

- (ii) that the Department has paid less attention in establishing need-based Research Centres/KVKs in Himalayan Region/North East States if compared with other parts/agro-climatic zones of the country;
- (iii) that there is a need to open one KVK in Latur district of Maharashtra and also more KVKs in 24-Parganas District in West Bengal having an area over 300 kilometres but has only one KVK;
- (iv) that the farmers of Farrukhabad-Etawah-Mainpuri belt in Uttar Pradesh who have been growing potatoes suffer huge crop losses owing to frost-induced Jhulsa Disease in potato which cripples the entire crop in the said belt;
- (v) that there is a steep increase in the mortality rate of the poultry leading to mass destruction of the poultry in many poultry farms of Faizabad and Rae Bareli in Uttar Pradesh and some parts of Haryana; and
- (vi) that in spite of huge spending on the Central Institute on Cotton Research (CICR), Nagpur, Cotton growing farmers of Vidarbha are in miserable condition and large number of them are committing suicides. In this connection, the Member of the Committee from Vidarbha himself has paid many visits to the CICR, Nagpur but could not meet any officer/scientist there as none of them were available. Moreover, the officers of CICR have never bothered to reply to the letter of the Member.

Role of DARE/ICAR in finding solutions and providing strategic and scientific help to Tsunami-affected areas

2.95 The Committee asked the Department as to whether DARE/ICAR has any responsibility/role in helping the people engaged in agrarian and allied sectors living in Tsunami affected areas of the country. The Department in its reply stated that “it has given/continue to give technological backstopping in agriculture, horticulture, fishery, agro-forestry, animal husbandry, etc. The soil data in affected area are analyzed and contingency plans suggested.”

2.96 The Committee wanted to know whether the Department has undertaken any survey/study on the after-effects and the extent of damage caused by Tsunami in the country to the flora and fauna and whether the Department has formulated any action plan for extending strategic and scientific help to expeditiously revive/bring back to life the agrarian and allied activities of the people in those areas. The Department in its reply stated as under:

“The Tsunami has devastated the Andaman and Nicobar Islands and the coastal regions of peninsular India particularly in Tamil Nadu, Pondicherry, Andhra Pradesh and to a lesser extent in Kerala. The ICAR is working in close collaboration with Department of Agriculture and Cooperation and animal husbandry, dairy and fishery department in formulation of Action Plan and their speedy implementation. The Secretary-DARE & DG-ICAR along with Director of Central Agricultural Research Institute, Port Blair have visited A&N Islands to see the devastation and gearing up the ICAR institutes to formulate the action plan for the Tsunami affected areas. A team of salinity experts from Central Soil Salinity Research Institute, Karnal visited Tsunami affected areas and analyzed soil. Later on, a three-member team of rice breeder, hydrologist and a social scientist of IARI, New Delhi was sent to study the extent of salinity in cultivable land

and damage to the water sources. The fisheries division of ICAR undertook the assessment of losses in fisheries in aquaculture in Tsunami affected areas of Andaman & Nicobar Islands, Tamil Nadu, Andhra Pradesh and Kerala. Bases on these surveys the Department suggested a 15-point action plan.”

The Department further stated that the damage assessment and remedial measures suggested for fisheries sector is reported as under:

“Over 40,000 fishing vessels were damaged during the Tsunami, comprising 33,000 traditional crafts, 4,000 motorized crafts and 3,000 mechanized vessels. About 1,08,000 fishermen were seen to have been directly affected due to the disaster. There were considerable damages or loss of fishing nets and gears and shrimp farms and hatcheries were marginally affected. Sea water incursion caused salinization of coastal land, creating permanent inundation at places or pools under tidal affects. In Andaman & Nicobar Islands, of the 11,000 hectares of coastal land affected by seawater, an estimated 1,000 hectares have become permanently inundated. Coral reefs in the islands have developed cracks or deposited with sediment. The tidal heights have increased to the extent of one meter. There was reduced fishing intensity and also fish consumption for nearly two months affected disaster.

As strategic interventions, specific plans were provided for replacement of fishing boats with designs suited to different conditions along the coasts, particularly for FRP boats, along with fishing nets like gillnets and long lines.

Some installations of the fisheries research institutes of DARE/ICAR at Tamil Nadu & Kerala including farms and hatcheries have been damaged and restoration work is presently underway.

The culture of fish like milk fish, millets, seabass in pens and cages permanently inundated areas, which are about 1,000 hectares in Andaman & Nicobar Islands is proposed. Further, shrimp farming is recommended in areas under tidal influence. Crab fattening in bays and shallow waters and mangrove plantation for biofencing along the coast are suggested. The hydrobiological conditions, productivity and levels and moment of fish stocks and shrimp brood stock for seed production in the coming season are being monitored.

In the aftermath of Tsunami, intensive evaluation of quality of fish worth human consumption was undertaken and advisories were issued to the public with regard to safety of consuming fish. Further, research projects to assess changes in coastal biodiversity changes in fish populations, brood stock availability, mangroves and seaweeds are being initiated.

Studies were undertaken in the States of Andhra Pradesh, Tamil Nadu, Kerala, Pondicherry and Andamans with visits of Scientists. The area visited were districts of East Godawari, Krishna, Guntur, Nellore in Andhra Pradesh; Cuddalore, Villupuram, Nagapattinam, Karaikal, Pudukkatalai, Ramanathapuram, Thoothukudi, Tirunelveli, Kanyakumari districts in Tamil Nadu and Pondicherry; Kollam, Alappuzha, Ernakulam and Thiruvananthapuram in Kerala as also different regions of Andaman Islands.

The following projects are being initiated in different fisheries research institutes, State Fisheries Colleges and related organizations in the States of Tamil Nadu, Andhra Pradesh, Kerala and Andaman & Nicobar Islands:

1. Evaluation and development of shrimp and finfish culture in the post- Tsunami salt affected areas in Andamans.

2. Studies on the effects of Tsunami on the occurrence, reproductive performance, seed production and culture of the Tiger Shrimp.
3. Assessment of post-Tsunami microbial and chemical hazards of public health significance in seafoods consolidated project document.
4. Impact of Tsunami on the shrimp/fish health, environment and biodiversity with reference to brackish water aquaculture systems.
5. Impact of Tsunami on coastal fish stocks.
6. Rapid assessment of the impact of Tsunami on the coral reef ecosystem of Andamans.
7. Impact of Tsunami on the damage to the assets and its effect in socio-economic status of coastal communities in Peninsular India
8. Impact of Tsunami on the hydrobiology and biodiversity of finfish, shellfish and coral resources of Andhra Pradesh, Tamil Nadu and Kerala coasts.
9. Impact of brackish water aquaculture on the livelihood of coastal rural communities – pre and post Impact of Tsunami on the scenarios.
10. Impact assessment of Tsunami on the biodiversity of sea grass, seaweeds and mangroves of Andman Islands.

In crops, horticulture and animal science sector, the challenges posed by Tsunami and the remedial measures are given hereunder:

	Nature/Extent of Damage	Remedial measures/strategy (Details are attached)
I. Crops	<p>i) Total loss of unharvested rice in low-lying area in south Andaman.</p> <p>ii) Harvested rice washed away from godowns.</p> <p>iii) Continuous inundation of sea water in low lying area even after Tsunami</p> <p>iv) Approximate low-lying area affected by Tsunami is 4500 – 5000 ha</p>	<p>Growing salt & sodicity tolerant varieties.</p> <p>Crop diversification by introducing brackish water aquaculture and livestock based farming systems.</p> <p>Changes in crop management practices including types and varieties of crops.</p>
II. Horticulture	<p>i) Drying and wilting of Arecanut in the lowlying valley areas</p> <p>ii) Uprooting, Physical damage and wilting of coconut plantations under submergence</p> <p>iii) Complete drying and loss of banana</p> <p>iv) Slow wilting of spices like cinnamon, black pepper, clove in coconut plantations</p> <p>v) Loss of tuber crops (Major food of Tribal)</p> <p>vi) Complete loss of dry season vegetables already grown and unsuitability of the soil to grow vegetables in the ensuing days</p>	<p>Replanting of damaged coconut, Arecanut, spices and fruit crops.</p> <p>Planting on the ridges in lowlying areas</p>
III Livestock	<p>1. Loss of livestock Cattle: 3386, Buffalo: 89, Goat: 6521, Pig: 25862 and Poultry: 42700. (Source: AH&VS)</p> <p>2. Submergence of fodder and grazing land with seawater ingress and incursion of tidal waves</p> <p>3. Feed and fodder scarcity</p> <p>4. Loss of production</p> <p>5. Poor health condition</p>	<p>1. On unit basis distribution of dual purpose back yard poultry breeds like Nicobari fowl, Vanaraja etc./Piglets/Kids etc. which can thrive well on saline affected soil.</p> <p>2. Making availability of fodder, water and feed for the survival of existing population up to rainy season</p> <p>3. Integrated fodder development measures.</p> <p>4. Immediate veterinary health care for the affected region. livestock and poultry</p> <p>5. Adopting strict quarantine and sanitary measures in and around the affected area to prevent spread of diseases.</p>

The detailed strategies/recommendations in respect of different sectors to mitigate the suffering of Tsunami affected areas, as formulated by this Department given as under:

Post-Tsunami Strategy for Capture Fisheries

The crafts that lost during tsunami may be replaced with motorized CIFT designed boats and the partially damaged locally made dinghies and motorized dinghies should be repaired to resume fishing activities. It is estimated that the cost of new boats as a replacement would be around Rs. 17 crore (@ Rs. 4 lakh per boat) and the repair of damaged boats would be around Rs. 75 lakh. For the replacement of gears that were lost during tsunami, an amount of Rs. 7 crore would be required. Appropriate subsidy schemes and interest-free loans may be thought of. The fishermen are to be assisted to rebuild their houses through government schemes. Infrastructure like jetties, landing centres, markets, etc are to be strengthened/repaired/constructed.

Post-Tsunami Strategy for Culture Fisheries

Out of the saline affected lands, about 2000-3000 ha. are expected to be permanently under inundation. Brackish water aquaculture could be taken up, say in 1,000 ha. with candidate species of shrimp, mud crab, milk fish, mullet and seabass. This is being seen as an opportunity to derive mileage out of adversity on a long-term sustainable basis. About Rs. 7 lakh/ha. investment would be required. Processing, packaging, storage and transportation, etc. must be made an integral part of overall marketing strategy to capitalize on the opportunity.

Recommendations/Requirements

- Situation by situation effective drainage either through surface or subsurface be resorted to in selected area.

- Rainwater could be judiciously used to remove the soluble salts present in the upper layers of soil. Construction of raised embankments along with sluice gates should be part and parcel of the overall strategy.
- Plantation cum fodder, plantation cum poultry, brackish water fish cum plantation and fodder based integrated farming system (IFS) and diversification of farming practice by replacing rice and introduction of integrated aquaculture based farming practices (Brackish water aquaculture in ponds with salt tolerant fodder grasses on the bund should be adopted as a sound strategy to minimize the risks and optimize the benefit.
- Cultivation of salt tolerant rice varieties, higher dose of FYM, transplanting of aged seedlings (7 days more) & more number (4 – 6 nos.) per hill, 25 % higher dose of N, rock phosphate (easily soluble, compatible under saline condition) instead of SSP, intercropping and *in situ* incorporation of dhaincha (*Sesbania aculeate*) and *Sesbania rostrata*, blue green algae and azolla incorporation in rice fields, raised bed method of cultivation (planting on the side of the ridges) during dry season, surface mulching with crop residues during summer months to prevent build up of salt on the surface soil, drip/pitcher method of irrigation for growing vegetables like tomato, brinjal, cucumber, bitter gourd, pumpkin, etc. during dry season, broad bed furrow (BBF) system of cultivation with vegetables/salt tolerant fodder grasses (para grass) on the beds and salt tolerant rice/brackish water aquaculture/poultry and plantation crops like coconut grown on raised beds in the lowlying coastal areas, could be useful.

- As a long-term strategy to protect the islands in future biofencing through conservation of the existing mangroves as well as new plantations may be undertaken. Alternative species like *Casuarina*, Sea mahua, *Pongamia*, *Pandanus*, *Thespesia*, *Ipomea pes-caprae* etc., may be grown along the sea shore in form of live fences if grown all around would prove very useful. The mangroves could be promoted through Tambak system of aquaculture by planting that involves culturing shrimp/fishes in trenches. Other species could also give lot of returns say biomass, bio-diesel besides providing a physical barrier to such unfortunate events in future.
- Health camp for the treatment of the affected livestock and poultry must be initiated.
- Distribution of poultry (Nicobari Fowl, Vanaraja, Turkey, Guinea Fowl and Ducks) goat and piglets to the affected farmers in a phased manner may be undertaken.
- Soil samples are to be analyzed for measuring salinity/alkalinity, ionic composition, Iron and aluminium. ICAR would this job on top priority.

I. Crops

- Seed requirement of salt tolerant rice varieties for approximately 4,500 – 5,000 ha. would be 200 –250 tons.
- Seed requirement to meet the fodder (Maize, Hybrid Napier, *Bracharia*, Paragrass, Stylo, *Centrosema*, Cordofen pea, Cluster bean, cowpea, Calopo & Azolla) demand would be 25 tons.

- Seed requirement for miscellaneous crops (Safflower, water melon, castor, sunhemp, gourds & sugar beet) would be 10 – 15 q
- Seed nuts requirement for coconut would be around 4.0 lakhs for 2,000 ha.
- Banana suckers requirement would be 25 lakh for affected 500 ha. area.

II. Livestock

- Complete feed (blocks) and fodder to meet out the immediate demand to sustain and improve the productivity of existing livestock are urgently required.
- Livestock feed: Green fodder – 15,000 tons, dry complete feed – 7,500 tons , grain/poultry feed – 100 tons & pig feed –100 tons for 100 days may be required.
- Poultry germplasm required to be distributed in a phased manner to the affected farmers such as Vanaraja (500 chicks), Turkey (500 chicks), Guinea Fowl (500 chicks) & Ducks (500 chicks) (1,500 hatchable eggs of each species) per month
- Livestock and poultry disease diagnostics for disease monitoring and surveillance in the affected areas.

III. Fisheries

- 40 million shrimp seeds, 1 million mud crab seed, 4 million milk fish seeds, 2 million mullet seeds and 1 million sea bass seed will be required.
- Capital cost (ponds, feeder canal, sluices, farm shed etc.) would be about Rs. 7 lakh/ha.
- Annual recurring cost (seed, feed, labour, maintenance etc.) would be Rs. 3 lakh/ha for shrimp farming and Rs.0.5-1 lakh for mud crab and fish farming.

Short term employment Generation options for the Tsunami victims

I. Crops

1. Floriculture on hill slopes (seasonal flowers)
2. Orchid cultivation for export
3. Fruit, ornamentals, spices nursery
4. Nursery plantation crops
5. Post harvest/value added products of fruits/vegetables
6. Value added products of fruits, vegetables
7. Mushroom cultivation
8. Apiculture

II. Livestock

2. Backyard poultry farming
3. Pig rearing
4. Goatary farming
5. Quail farming
6. Post harvest – Quail egg pickle
7. Small scale livestock, poultry feed manufacturing unit

III. Fisheries

1. Brackish water aquaculture involving to fin fishes (Mullet, Milkfish, seabass etc.) and shellfishes (Mud crab, Tiger prawn etc.)
2. Oyster culture, fattening of lobster

3. Processing of fishes, viz. freezing of whole fish, fish fillets, prawn and other sea foods
4. Canning and other value additions such fish pickles, fish balls, fish wafers etc.
5. Trade on hatchery reared ornamental fishes.
6. Shell craft industry.”

2.97 On a point about any allocation earmarked by the Department in 2005-2006 to tackle the issues related to agrarian and allied sectors which have been caused by the tragic Tsunami, the Department stated as under:

“An amount of Rs. 300 lakhs under plan has been proposed for CARI, Port Blair for the year 2005-06. An amount of about Rs. 3.25 crore approximately is being proposed for research projects to address the issues relating to after affects of Tsunami on Fisheries and Aquaculture in the country. Further, based on the survey of the affected areas, the necessary funds would be provided for repairing of the infrastructure for the KVK at Port Blair and Cochin.”

PART II

RECOMMENDATIONS/OBSERVATIONS

Recommendation No. 1Meagre Plan Allocations to DARE/ICAR

The Committee note that the DARE was provided Rs. 775.00 crore as Plan Allocation (BE) for 2002-2003 (the first year of the Tenth Plan), Rs. 775.00 crore BE during 2003-2004, Rs. 1,000.00 crore BE in 2004-2005 and Rs. 1,150.00 crore BE in 2005-2006 against the total Tenth Plan Allocation of Rs. 5,368 crore. These BE allocations were further reduced at RE stage every year except in 2003-2004 (the second year of the Tenth Plan) when BE and RE were the same. Plan RE in 2002-2003 went down to Rs. 725.00 crore and in 2004-2005 it was Rs. 900.00 crore. The Committee find that the above figures, constitute 0.54%, 0.52%, 0.61% and 0.54% on the Plan BE side and on the Plan RE side 0.53%, 0.55%, and 0.55% during 2002-2003, 2003-2004, 2004-2005 and 2005-2006 respectively with reference to the Central Plan Outlay.

The Committee note that although the Central Plan Outlays have been increasing very steeply as is evident from the figures – Rs. 1,44,037.80 crore (2002-2003), Rs. 1,47,892.60 crore (2003-2004), Rs. 1,63,720.29 crore (2004-2005) and Rs. 2,11,253.49 crore (2005-2006), yet DARE's percentage scaled down from 0.61% in 2004-2005 to 0.54% in 2005-2006. Apparently, if such an unhealthy trend is not arrested, the allocations at RE stage may stand drastically reduced.

The Committee note that AGDP contribution to the GDP is about 22% whereas the DARE's BE/RE allocations have been merely between 0.29% to 0.33% of AGDP at current prices from 1999-2000 to 2004-2005.

While acknowledging the vital role of Agricultural Research in the strategy for reviving and encouraging agricultural diversification, the Government has done precious little to enhance the budgetary allocations to DARE, which, in the considered view of the Committee, must be to the tune of at least 1 per cent of AGDP in order to set in motion the wheel of Second Green Revolution. There is no denying the fact that India, given her huge agrarian base, could emerge as developed nation with the transformation of agricultural research which the nation can ill-afford to neglect merely for want of adequate funds.

Recommendation No. 2

Urgent need for One Time Catch up Grant to DARE/ICAR

The Committee note that the DARE has been repeatedly projecting a demand of One Time Catch-up Grant before the Planning Commission and the Ministry of Finance since Eighth Five Year Plan. During the Tenth Plan, the Department had projected a requirement of Rs. 1,000 crore as One Time Catch-up Grant, with a view to change the age-old agrarian research and education system, laboratories, infrastructure, equipment and machinery, etc. with the latest state-of-the art equipments/facilities. Unfortunately, the denial of long-felt and essentially needed one-time Catch-Up Grant to DARE has hamstrung our agricultural scientists and researchers. The Committee would like to caution the Government of the inherent dangers lurking in the horizon in the context of new WTO regime if the ICAR is denied necessary wherewithal for setting up state-of-the-art facilities to meet the emerging new challenges. The Committee would also like to remind the Government of the declaration made in the Presidential Address that agricultural research and extension will be another area of priority of his Government, that funding for agricultural research is being stepped up and that New Centres of Excellence will be promoted to increase the number of scientists and agri-graduates to enable the further modernization of agriculture. If the Government really feels concerned and wishes to give a thrust to agricultural research, there is no reason why the nation cannot afford to spare a one-time catch-up grant of Rs. 1,000 crore for DARE. The Committee would like to be apprised of the response of Ministry of Finance at the action taken stage.

Recommendation No. 3Shortfall in DARE/ICAR Expenditure during Ninth & Tenth Plans

The Committee note that during Ninth Plan (1997-2002), the Department had an approved Plan Outlay of Rs. 3376.95 crore but was provided with only Rs. 2,749.39 crore (BE) through Annual Plans. This amount was further reduced at RE stage and total actual allocation for the entire Ninth Plan was Rs. 2,514.17 crore. The expenditure of the entire Ninth Plan is reported to be Rs. 2,479.19 crore. Thus, leaving a shortfall of Rs. 34.98 crore in the Ninth Plan.

The Committee further note that during the first three years of the Tenth Plan (2002-2003, 2003-2004 and 2004-2005), the actual expenditure is reported to be Rs. 680.56 crore against the RE of Rs. 725.00 crore in 2002-2003, Rs. 701.78 crore against the RE of Rs. 775.00 crore in 2003-2004 and the expenditure figures for 2004-2005 are not made available by the Department and will be known later on against the RE of Rs. 900.00 crore. The shortfall was Rs. 44.44 crore in 2002-2003 and Rs. 73.22 crore in 2003-2004. Thus, the shortfall in expenditure during the entire Ninth Plan was 1.39% while it is 6.12% in the first year of Tenth Plan and 9.44% in the Second year of Tenth Plan. Although the Department has made a tall claim of achieving financial targets upto 98 per cent, the Committee find the increasing graph of shortfall in expenditure in previous years only depicts the inability of the Department to achieve the financial targets.

The Committee are worried over the Department's failure to spend the scarce resources allocated to them, since their inability of spending on approved plans and programmes may be viewed as a reflection on its performance and may adversely affect its future demand for higher allocations, howsoever it might be. The Committee fail to see any reason why the funds

allocated cannot be timely and effectively spent with the streamlining of internal financial and administrative procedure and regular monitoring of performance.

Recommendation No. 4Tardy Budgetary Process requiring some Reformative Changes

The Committee in their 2nd Report (2004-2005) on Demands for Grants (2004-2005) of the Department had observed that there is a greater need for serious scrutiny of the entire Budgetary process. The Committee find that the budgetary process begins with the preparation of Budgetary proposals in August by the concerned Department till actually receiving the RE/BE allocation from Ministry of Finance in the second week of January. The Department then conveys the funds to the concerned Institutes by the first week of February, thus, stretching the entire budgetary exercises from August to February. The Committee reiterate that the entire budgetary process and procedure, involving about 8 months, has actually given birth to an avoidable evil of mis-utilisation of funds in a hurried manner or non-utilisation by the concerned institutes of the Department who find themselves under psychological pressure and there is apprehension of losing valuable but scarce financial resources made available to them by the Ministry of Finance at the fag end of the financial year. The Committee are anguished to note that the chronic malady of mis-utilisation/or over-utilisation of scarce resources can certainly be remedied if funds were made available to the concerned Department sometime in the month of December or a little earlier.

The Department in its Action Taken Reply on the Second Report of the Committee has stated, that “the recommendation of the Parliamentary Standing Committee on Agriculture is valuable. The above recommendation of the Committee was forwarded to Ministry of Finance and Planning Commission. The Ministry of Finance has intimated that they have noted the recommendation and that all efforts will be made by them to comply with the recommendation.

The Planning Commission also communicated that the budget allocations for the ongoing schemes/projects are being made on the basis of approved Annual Plan outlays, which allows a degree of certainty about the availability of funds to the Department and its lower formation.”

The Committee are, however, perturbed to note that the RE/BE allocations were received from the Ministry of Finance on 3rd January 2005, but the Department took about one month’s time in communicating the final allocations to the Institutes/NRC/PD concerned. This has happened so in the era of cyber/net revolution in the country where every State/District headquarters has the cyber connectivity. Evidently, for all practical purposes, the Department and the Ministry of Finance have failed to bring about any positive change or reform in their entire budgetary process during 2004-2005 despite their assurance.

The Committee wish to reiterate that it would be in the overall interest of the Department if the budgetary process is streamlined so as to ensure that the final Plan and Non-Plan allocations are conveyed to the concerned Institutes/Divisions within the Department by the month of December every year for an effective and optimal utilization of the scarce financial resources.

Recommendation No. 5Need to make all the KVKs Fully Functional

The Committee observe that when they enquired from the Department about the latest position with regard to (a) fully functional; (b) semi/partially functional; (c) non-functional Krishi Vigyan Kendras (KVKs) in the country, the Department avoided specific answer and replied, “a total of 451 KVKs have been sanctioned till February 2005 including 128 KVKs during the current financial year. Out of these 451 KVKs, 8 were non-functional; two of which have been made functional during this year.” When the Committee again asked through a written supplementary question in a tabular form, the Department removed the specific column about the latest status of KVKs in their reply and avoided a direct reply.

During the oral evidence when asked that in Bihar only 25 per cent of the KVKs are functioning and rest are non-functional, the representative of the Department merely stated that efforts are being made to revive the closed down KVKs.

The Committee further observe that the Department had received some complaints about the mal-functioning of the KVK in Madhubani district of Bihar and Allahabad in Uttar Pradesh. The complaints from KVK, Madhubani and KVK, Allahabad were received on 29th August 2003 and 6th January 2005 and the fact-finding enquiry was initiated on 18th December 2003 and 4th February 2005 respectively. The Department took more than 3 months to initiate the fact-finding enquiry in case of KVK Madhubani and about a month in case of KVK Allahabad. The Committee would like the Department to take prompt action on the complaints received regarding mal-functioning of KVKs in the country and fix a reasonable time limit to complete the enquiry in the matter and take exemplary action against the officials held guilty.

The Committee would also like to be apprised of the outcome of the fact-finding enquiry in each case at the earliest along with the details about the semi/partially functioning KVKs and the time limit by which the Department proposes to make them fully functional.

Recommendation No. 6

Urgent Need to open more need-based Research Centres/KVKs in
Himalayan Region/North East States

The Committee also feel that the Department has paid scant attention to the need for establishing Research Centres/KVKs in the Himalayan Region/North East States if compared with other parts/agro-climatic zones of the country.

The Committee, therefore, urge the Department to open more need-based Research Centres/KVKs, especially in the area of Horticulture, Floriculture and Aromatic and Medicinal Plants in the Himalayan Region/North East States/Tribal Areas and educate the farmers of these areas for diversification of crops for rewarding returns. The Committee also urge the Department to look into the possibility of opening more KVKs in the 24-Parganas District in West Bengal having an area over 300 kilometres but with only one KVK and the Latur District in Maharashtra which is having no KVK at all till date.

The Committee also feel that the setting up of KVKs should not be hindered for want of requisite land, as per the extant norms, given the constraints of State Government to spare land due to increasing pressure of population and industrialization. The Committee, therefore, recommend that the criteria for sanctioning of KVKs both for the plains and the hills should be reviewed/modified so that setting up of KVKs is not hindered due to non-availability of 50 acres/33 acres of lands.

Recommendation No. 7Post-Harvest Losses of Rs. 51,500 crore per annum of Horticultural Produces

The Committee note that ICAR has been making efforts to develop post-harvest technologies (PHT) through its Institutes and All India Coordinated Research Project (AICRP) for reduction of post-harvest losses and value addition in the post-harvest chain. During the Tenth Plan, the AICRP on PHT has been expanded to include all produce from crops, livestock and fisheries sectors and the budget allocation has been enhanced to Rs. 3,895 lakh from Rs. 1,184 lakh during the Ninth Plan.

The Committee also note that these post-harvest losses are estimated to the tune of Rs. 51,500 crore and the Apex agrarian research body, viz. ICAR has hardly done anything concrete to collect and analyse the authentic data of such losses for the whole country during the previous Nine Five Year plans except for a recently made very limited area study of these losses under NATP.

The Committee, therefore, urge the Department to take up the task of collecting the authentic data on post-harvest losses of agrarian and allied sectors produce on all-India basis and make all out efforts in developing and getting implemented the technologies developed by them to check such losses on top priority basis. The technologies developed or advances made by other developed countries like Malaysia, Brazil, Thailand, etc. in preserving and processing of the variety of agricultural produce may also be studied and suitably adopted, if feasible, to avoid such a huge recurring national loss.

Recommendation No. 8Work Analysis/Evaluation of Research conducted by ICAR Institutes

The Committee note that in pursuance of their recommendation given in the 19th Report (2001) for the first time regarding getting the worth of research work done by ICAR evaluated by an independent body of agricultural and scientific experts, the Department has appointed an Expert Committee of eminent agricultural scientists which has given its final report on 2nd August 2004. The comments from Deputy Directors General (DDGs) being the heads of the various Subject Matter Divisions (SMDs) have been invited on the recommendations of the expert Committee concerning their respective Divisions before a final view is taken by the Department. The comments of DDGs are still awaited and there is little hope of such comments being received soon.

The Committee are not satisfied with the slow pace of action and desire that the Department should complete the whole exercise within time-bound programme. Unless a target is set for the same, there is least likelihood of achieving the desired results. The Committee, therefore, desire to be apprised of the final view of the Department on the recommendations within six months from the date of the presentation of this Report to the Parliament.

Recommendation No. 9Restrictions on Recruitment of Scientists/Technical Work Force of ICAR

The Committee note that as on 1st January 2005, the ICAR is reported to have 1,970 vacancies of Scientists and 762 vacancies of Technical posts. 156 positions of Scientists have to be abolished due to the restrictions of filling up $\frac{1}{3}$ rd vacancies and the Council is taking up the issue with Ministry of Finance for revival of these scientific positions. The Committee also note that the Agriculture Minister had taken up the issue with the Prime Minister and the Finance Minister on 22nd July 2004 for getting exemption from the application of 10% reduction in manpower and restriction imposed by the DOPT on filling up direct recruitment vacancies to $\frac{1}{3}$ rd so far as scientific staff is concerned and also seeking permission to fill up all the posts contained in the approved SFCs/EFCs of Tenth Plan. In response, the Finance Minister had clarified that so far no Ministry/Department has been exempted from the orders of 10% cut in manpower and filling up of only $\frac{1}{3}$ rd of vacancies in a particular year and specific proposals could be considered on merit within the ambit of existing instructions.

The Committee, aware of the importance of the scientists doing basic research work aimed at food security of the country, express their serious concern over about 2,000 posts of Scientists lying vacant. Keeping in view the gravity of the situation, they strongly feel that a scientific organization like the ICAR should not be treated at par with any other Ministry/Department.

This becomes all the more necessary in view of 156 Scientists per million of its population being engaged in agricultural research in India as compared to 450 Scientists in China, 4,900 in Japan and 4,300 in USA.

Since the Government acknowledges the vital role of agricultural research in reviving and diversifying our agriculture as reflected in its commitment made in Parliament to strengthen and modernize agricultural research, the Committee unanimously urge the Government that they should immediately remove all the restrictions imposed on the recruitment of scientists and technical staff even by relaxing the norms in this regard set for recruitment in general.

Recommendation No. 10Omissions/Accounting Errors and Vague and Inconclusive Replies

The Committee observe that the figures of the financial statements of the Department in their various budgetary documents are either omitted or at variance.

The Committee also note that the Department quite often does not furnish the information in the manner asked for or required. Obviously, there is something awry with the functioning, specially with the financial management, as it has become almost tendentious on the part of the Department to furnish incomplete information or to furnish the same in the manner they find convenient rather than in the manner precisely asked for. The Committee warn the Department to furnish correct and complete information faithfully rather than in a slipshod manner to enable the Committee and the Parliament to get a true account of their performance/achievements/shortcomings.

Recommendation No. 11

Role of DARE/ICAR in finding solutions and providing Strategic and Scientific help to Tsunami-Affected Areas

The Committee express their profound grief over the tremendous loss of human beings and property by the devastating Tsunami waves.

The Committee note that DARE/ICAR has formulated an action plan for extending strategic and scientific/technological help to expeditiously revive/bring back to life the agrarian and allied activities of the people in Tsunami-affected areas of the nation.

The Committee, therefore, strongly urge the Department to make all-out efforts in implementing their own action plan meant for the rehabilitation of the Tsunami-survivors and extend all possible strategic and technological help to all other Ministries/Departments engaged in welfare activities in those areas.

The Committee also recommend that since DARE/ICAR has the requisite know-how to tackle the socio-environmental issues caused by devastating Tsunami, they should have a separate cell or a nominated team of required specialized scientists/work force to deal with agrarian research, education and extension issues concerning the Tsunami-affected areas on priority basis. The separate cell/work force may continue to extend their services for a period of 2-3 years or till the problems/issues are resolved and normalcy returns in the affected areas.

The Department should come forward with their additional financial requirements, if any, for tackling Tsunami-related issues and logically convince the Planning Commission and Ministry of Finance as a lot of research and innovation is called for in reclamation of degraded soil in the Tsunami-affected Coastal areas and in the Andaman & Nicobar Islands.

Recommendation No. 12

Need to improve the functioning of Quinquennial Review Teams

The Committee note that Quinquennial Review Teams (QRTs) of the ICAR institutions is an important external time-tested mechanism for monitoring and evaluation of institutional research programme through the specially constituted QRTs for reviewing the work done during the past 5 years. The QRT is to be constituted 5 to 6 months prior to the 5th year and all efforts are required to be made to follow this time frame. The term of office for QRT is generally six months. Out of 13 QRTs formulated for Agricultural Engineering Division during 2002, six QRT Reports were processed as per procedure and in some cases there was delay in receipt of the QRT reports and subsequent delay in receiving the comments of the Director/PCs. The Committee also note that next QRTs in many cases have been reportedly due in view of the gap of 6, 7 or 8 years, which in their opinion defeat the very purpose of the exercise.”

The Committee, therefore, urge the Department to look into the causes/reasons for delayed submission of each of the QRT reports and the delay in receiving the comments of the Directors/PCs and take appropriate remedial measures to contain this tendency of delays in future. The Committee would like to be apprised of the reasons for delays in each case and the action taken by the Department to check such delays in future so that all the next QRTs are constituted in the 5th year itself as required.

Recommendation No. 13

Need to make the farmers aware about the WTO,
GATT and Genetic Engineering-related Issues

The Committee note that the DARE/ICAR has brought out some publications on WTO, GATT, Genetic Engineering, etc. Since the issues related to WTO, GATT and Genetic Engineering are very sensitive, they have the scope of getting largely misunderstood by the masses engaged in agrarian and allied sectors. The Committee, therefore, feel that it is a high time for the Department to bring out easy to understand and illustrated publications in the regional and local languages of the farmers to remove the fear psychosis created in the domain of genetic engineering, about WTO and the GATT. Such publications would undoubtedly go a long way in removing unwarranted fears and misconceptions in the farming community and make them realize the true benefits they can derive from the genetically engineered seeds and the technological advances made in the field. The Committee further recommend that scientists of ICAR should have first hand and extensive interaction with the farmers and explain to them the correct position about these sensitive issues.

Recommendation No. 14Need to find Remedies for Frost-induced Jhulsa Disease in Potato

The Committee note that the farmers of Farrukhabad-Etawah-Mainpuri belt in Uttar Pradesh who have been growing potatoes suffer huge crop losses owing to frost-induced Jhulsa disease in potato which cripples the entire crop in the said belt. There have also been reports of extensive damage to soyabean crop in Madhya Pradesh. The Committee, therefore, desire the Department to examine measures for eliminating these diseases and report to the Committee about the action taken at the earliest.

The Committee would also like that a firm mechanism be devised so that all cases of large scale damage to crops due to disease are immediately reported and the ICAR scientists rush necessary relief/expert advice for containing the damage, besides putting a check on recurrence of the disease.

Recommendation No. 15

Mass Destruction of the Poultry Farms in Faizabad, Rae Bareli in UP

The Committee brought to the notice of the Department a steep increase in the mortality rate of the poultry leading to mass destruction of the birds in many poultry farms of Faizabad and Rae Bareli in Uttar Pradesh and some parts of Haryana. In response, the Department had assured that they are investigating the entire issue and preparing a Report on it.

The Committee would like the Department to expedite the investigation and apprise them of the findings of the Report at the earliest.

Recommendation No. 16

Some other Complaints about the ICAR

An anxiety has been expressed in certain quarters that the busy teaching schedule comes in the way of undertaking serious and continuous research particularly in institutions having teaching responsibility; the regional centres of ICAR are not adequately cared and given adequate funds; ICAR HQs take unduly long time in replying to queries and that there is delay in release of funds and lack of leadership in some cases in achieving excellence in R&D. There have also been complaints of lack of response even to the queries of Members of Parliament by certain institutes of ICAR.

The Committee would like the DARE to examine all these issues and furnish a detailed action taken reply in three months.

NEW DELHI;
09 April, 2005
19 Chaitra, 1927 (Saka)

PROF. RAM GOPAL YADAV
Chairman,
Standing Committee on Agriculture

APPENDIX IMINUTES OF THE FIFTEENTH SITTING OF THE STANDING COMMITTEE ON AGRICULTURE HELD ON MONDAY, THE 21 MARCH, 2005 AT 1500 HRS. IN COMMITTEE ROOM 'B', GROUND FLOOR, PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1740 hrs. to 1958 hrs.

PRESENT

Prof. Ram Gopal Yadav – Chairman

MEMBERSLOK SABHA

2. Shri G.L Bhargava
3. Shri Nihal Chand Chauhan
4. Shri Khagen Das
5. Shri Dharmendra
6. Shri Raghunath Jha
7. Smt. Rupatai D. Patil Nilangekar
8. Shri A. Ravichandran
9. Shri K.J.S.P. Reddy
10. Shri Y.S. Vivekananda Reddy
11. Shri Mehboob Zahedi

RAJYA SABHA

12. Shri Harish Rawat
13. Shri Khabir Uddin Ahmed
14. Shri Bhagwati Singh
15. Shri Datta Meghe
16. Shri Sharad Anantrao Joshi
17. Dr. M.S. Gill

SECRETARIAT

- | | | | |
|----|---------------------|---|-----------------|
| 1. | Shri N.K. Sapra | - | Joint Secretary |
| 2. | Shri Devender Singh | - | Director |
| 3. | Shri K.D. Muley | - | Under Secretary |

WITNESSES

- | | | |
|----|------------------|---|
| 1. | Dr. Mangala Rai | Secretary (DARE) & Director General (ICAR) |
| 2. | Ms. Shashi Misra | Addl. Secretary (DARE) & Secretary (ICAR) |
| 3. | Shri P.P. Mathur | Addl. Secretary & Financial Adviser (DARE/ICAR) |

4.	Dr. G. Kalloo	Deputy Director General (Crop Science & Horticulture)
5.	Dr. S. Ayyappan	Deputy Director General (Fisheries & Engineering)
6.	Dr. P. Das	Deputy Director General (Agril. Extension)
7.	Dr. J.S. Samra	Deputy Director General (NRM)
8.	Dr. J.C. Katyal	Deputy Director General (Education)
9.	Dr. V.K. Taneja	Deputy Director General (Animal Science)
10.	Shri B.L. Jangira	Director (Finance)
11.	Shri K.K. Bajpai	Director (Peronnel)
12.	Dr. K.S. Khokhar	Assistant Director General (PIM)

At the outset, the Chairman Standing Committee on Agriculture welcomed the Members of the Committee and the representatives of the Department of Agricultural Research and Education (DARE) to the sitting convened for taking evidence in connection with the examination of Demands for Grants (2005-2006) of DARE/ICAR. The Chairman drew attention to Direction 55(1) of the Directions of the Speaker regarding treating the entire proceedings of the sitting confidential till the Report of the Committee is presented to the Parliament.

2. On being asked, the Secretary highlighted the activities/achievements made by the Department during the year, particularly with regard to resource conservation technology; bagging the international King Baudouin Award in October 2004 for advances made in implementation of agricultural research in the National Agriculture Research and Development System; filing 52 applications for patents; transfer 31 technologies to the National Research and Development Corporation (NRDC) for their commercialisation; developing 130 new varieties of different crops including horticulture crops and vegetables; providing e-linkages in 200 KVKs; creating soil and water testing facilities in 210 KVKs; introducing several management reforms like dispensing with the pre-auditing system upto Rs. 3 lakh for various institutes in the country; introducing the genes into pigeon pea, Indian mustard, tomato, etc. He also apprised the Committee about some of the achievements made in the field of animal sciences, fisheries and opening of National Agricultural Science Museum in Pusa, New Delhi on 03 November, 2004 by the President of India.

3. The Chairman and Members of the Committee raised several queries regarding bridging the gap between the laboratory and the field; publishing information on WTO, GATT, etc. in local languages for

the farmers; implementation of the Mashelkar formula to make the agricultural research self-supporting; need to check the losses of horticultural produces of about Rs. 51,500 crore per annum, non-functioning of the most of the KVKs in Bihar; urgent need to open more need-based research centres/KVKs in Himalayan Region/North East States to educate farmers for diversification of crops for profitability; need to open more KVKs in 24-Parganas District in West Bengal having an area over 300 kilometres but has only one KVK; need to fill up the vacancies of scientists and technical posts; implementation of the recommendation made by the M.S. Swaminathan Committee about the cost and return effect in agricultural research; low yield of Kinoo in Ganganagar constituency in Rajasthan. Points were also raised about the role of the Cotton Research Centre in Nagpur in mitigating the plight of Cotton producing farmers in Vidarbha; frost induced Jhulsa disease in potato which cripples the entire crop grown in Farrukhabad-Etawah-Mainpuri belt of UP; mass destruction of the poultry farms in Faizabad and Rae Bareli; unclear and non-transparent transfer policy in ICAR adversely affecting research work, etc. The representatives of the Department replied to the queries one by one.

4. The witnesses then withdrew.

5. A verbatim record of the proceeding of the sitting has been kept.

The Committee then adjourned.

APPENDIX II**MINUTES OF THE EIGHTEENTH SITTING OF THE STANDING COMMITTEE ON AGRICULTURE HELD ON SATURDAY, THE 09 APRIL, 2005 AT 1100 HRS. IN COMMITTEE ROOM 'B', GROUND FLOOR, PARLIAMENT HOUSE ANNEXE, NEW DELHI**

The Committee sat from 1100 hrs. to 1315 hrs.

PRESENT

Prof. Ram Gopal Yadav – Chairman

MEMBERS**LOK SABHA**

18. Shri Hiten Barman
19. Shri G.L Bhargava
20. Shri Shivraj Singh Chauhan
21. Shri Khagen Das
22. Shri Raghunath Jha
23. Smt. Rupatai D. Patil Nilangekar
24. Shri A. Ravichandran
25. Shri K.J.S.P. Reddy
26. Shri Mehboob Zahedi

RAJYA SABHA

27. Smt. Mohsina Kidwai
28. Shri Harish Rawat
29. Shri Pyarelal Khandelwal
30. Shri Khabir Uddin Ahmed
31. Shri Bashistha Narain Singh
32. Dr. M.S. Gill

SECRETARIAT

- | | | | |
|----|---------------------|---|--------------------|
| 1. | Shri P.D.T.Achary | - | Secretary |
| 2. | Shri N.K. Sapra | - | Joint Secretary |
| 3. | Shri Devender Singh | - | Director |
| 4. | Shri K.D. Muley | - | Under Secretary |
| 5. | Smt. Ratna Bhagwani | - | Assistant Director |

At the outset, the Chairman welcomed the members. Thereafter, the Committee took up for the consideration the Draft Reports on Demands for Grants (2005-06) of the following Ministries/Departments :-

- (1) Ministry of Agriculture
 - (i) Department of Agriculture & Cooperation
 - (ii) Department of Agricultural Research & Education
 - (iii) Department of Animal Husbandry & Dairying
- (2) Ministry of Food Processing Industries

2. The Committee adopted the Draft Reports with some additions and modifications, as suggested by members of the Committee.

3. The Committee then authorised the Chairman to finalise the above-mentioned Reports on Demands for Grants (2005-06) and present them to the House on a date and time convenient to him.

4. The Chairman thanked the Members for their cooperation and giving valuable suggestions during the consideration of Demands for Grants of the concerned Ministries/Departments. Then, the Committee unanimously appreciated the sincere and dedicated efforts put in by the officers and staff of the Agriculture Committee Branch for drafting the excellent reports.

The Committee then adjourned with a vote of thanks to the chair.

ANNEXURE

(*Vide* Para No. 2.42 of this Report; Text under double asterisk)

No. 1 (4) – PF II/97
 Government of India
 Ministry of Finance
 (Department of Expenditure)
 Plan Finance II Divn.

—
 New Delhi, the 16th May, 1997

OFFICE MEMORANDUM

Subject: Expenditure Finance Committee – Obtaining fresh approval of the EFC for on-going schemes from one Plan to another Plan.

A reference is invited to this Department's Office Memorandum No. 13(2) – PF II/90 dated 23.3.1992 and dated 25.9.1992 on the above subject.

The decision referred to in paras 2 to 4 of the O.M. No. 13(2) – PF II/90 dated 25.9.1992 will be applicable to the schemes spilling over into the first year of Ninth Five Year Plan. For facility of reference the contents, with modifications required are reproduced below:

The fresh consideration by the EFC would not be required in the case of those schemes where all the following conditions are fulfilled:-

- (a) No major change in the content of the scheme is proposed:
- (b) No change in the pattern of assistance to the States, in the case of a Centrally Sponsored Scheme, is envisaged: and
- (c) The projected requirement of funds for implementing the scheme over the first year of the Ninth Plan is within the outlay approved by the Planning Commission.

The Financial Adviser of the concerned Ministry would decide whether these conditions are met in any particular case. Where these conditions are met, the administrative Ministry could approve the continuance of the scheme for the first year of the Ninth Plan, except in cases where approval of CCEA/Cabinet is required.

Reference to the CCEA/Cabinet for consideration of such continuing schemes would be governed by Transaction of Business Rules (as amended in accordance with O.M. No. 1(6) – PF II/91 dated 24.8.1992 and in terms of which investment proposals involving outlay of Rs. 50 crores and above would be required to be posed to CCEA) and instructions contained in O.M. No. 1 (1) – PF II/85 dated 24.3.1967 which prescribe that in the case of on-going schemes

continuing from earlier Plan period. Fresh approval of Cabinet would be required in any one of the following cases:

- (a) the original approval was given for one Plan period only; or
- (b) the salient features of the scheme have been revised; or
- (c) the cost estimates have been revised which requires Cabinet approval afresh.

However, as the EFC would not now be required to consider the on-going schemes in respect of which the conditions listed above are met, it would be the responsibility of the Administrative Ministry to examine all the schemes and take action to seek Cabinet approval wherever required.

-sd-
(A.K. Singh)
Joint Secy. to the Govt. of India

To

All Secretaries of Ministries/Departments (By name)

All Financial Advisers (By name)

Cabinet Sectt./PMO