

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:184
ANSWERED ON:20.02.2006
LOSSES IN NAFED
Dhanaraju Dr. K.

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the NAFED is incurring losses every year;
- (b) if so, the reasons therefor;
- (c) whether a large number of employees are sitting idle and cause a heavy loss to the Government on account of salary bills;
- (d) if so, the details thereof; and
- (e) the steps the Government proposes to take to offer VRS to such employees and cut the heavy salary bills?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a) & (b): NAFED suffered loss of Rs.493.40 lakh during 1998-99 due to abnormal unavoidable market situation in the domestic and international market. NAFED has been earning profit since the year 1999-2000 as given below:

Year	Amount (Rs.in lacs)
1999 - 2000	199.64
2000 - 2001	481.25
2001 - 2002	354.11
2002 - 2003	414.30
2003 - 2004	318.85
2004 - 2005	1148.65

(c) & (d): NAFED is a National level Cooperative Marketing Federation registered under Multi-State Cooperative Societies Act, 2002. NAFED meets its administrative expenses including salary of its employees from its own resources. Government does not provide any grant or budgetary support to NAFED to meet its expenses on salary of its employees or other administrative expenses. It has been reported by NAFED that its employees and officials are fully engaged in various activities of the Federation relating to its own commercial operations and Minimum Support Price (MSP) undertaken on behalf of Government of India. NAFED is paid service charges on the procurement cost of oil seeds and pulses procured under Price Support Scheme at the rate of 1.5% for non perishable commodities and 2.5% for perishable commodities.

(e): NAFED, being an autonomous cooperative institution, has its own on going Voluntary Retirement Scheme (VRS). As the Government does not provide any financial support to NAFED for payment of salary to its employees, therefore, the question of VRS by the Government does not arise.