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**STANDING COMMITTEE
ON AGRICULTURE
(1998-99)**

TWELFTH LOK SABHA

**MINISTRY OF AGRICULTURE
(DEPTT. OF ANIMAL HUSBANDRY
AND DAIRYING)**

**DEMANDS FOR GRANTS
(1998-99)**

*[Action taken by the Government on the Recommendations/Observations
contained in the Ninth Report of the Standing Committee
on Agriculture (1998-99)]*

FIFTEENTH REPORT



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**LOK SABHA SECRETARIAT
NEW DELHI**

N8.15

April, 1999/Chaitra, 1921 (Saka)

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(1998-99)

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AND DAIRYING)

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Observations contained in the Ninth Report of the
Standing Committee on Agriculture (1998-99)]*

Presented to Lok Sabha on 15 April 1999
Laid in Rajya Sabha on 15 April, 1999



LOK SABHA SECRETARIAT
NEW DELHI

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**COMPOSITION OF THE STANDING COMMITTEE
ON AGRICULTURE (1998-99)**

Shri Kinjarapu Yerrannaidu — *Chairman*

MEMBERS

Lok Sabha

2. Shri Ramchandra Baimda
3. Shri D.C. Sreekantappa
4. Shri Nandkumar Singh Chauhan
5. Dr. Ramkrishna Kusmaria
6. Shri Baliram Kashyap
7. Smt. Sangeeta Kumari Singh Deo
8. Shri M. Master Mathan
9. Shri Raj Narain Passi
10. Shri Virendra Verma
11. Shri Bhupinder Singh Hooda
12. Shri Sudhakar Rao Naik
13. Shri Ramkrishna Baba Patil
14. Shri Maganti Venkateswara Rao
15. Shri Uttamrao Deorao Patil
16. Kum. Vimla Verma
17. Shri Chhitubhai Devjibhai Gamit
18. Smt. Usha Meena
19. Shri Kantilal Bhuria
20. Shri Mahboob Zahedi
21. Shri Abul Hasnat Khan
22. Shri Mitrasen Yadav
23. Smt. Usha Verma

24. Shri K.P. Munusamy
25. Shri Anup Lal Yadav
26. Shri Bashist Narayan Singh
27. Shri Sode Ramaiah
28. Shri Ram Shanker
29. Dr. Sushil Kumar Indora
- *30. Lt. Gen. (Retd.) N. Foley

Rajya Sabha

31. Shri Ghufuran Azam
32. Maulana Habibur Rahman Nomani
33. Shri Ramji Lal
34. Shri Devi Prasad Singh
35. Shri Ramnarayan Goswami
36. Shri Yadlapati Venkat Rao
37. Shri H.K. Javare Gowda
38. Shri T.M. Venkatachalam
39. Shri Sharief-Ud-Din Shariq
40. Shri Sukh Dev Singh Dhindsa
41. Shri Aimaduddin Ahmad Khan (Durru)
42. Dr. Ramendra Kumar Yadav "Ravi"
43. Shri Sangh Priya Gautam
44. Shri Devi Lal
45. Prof. M. Sankaralingam

SECRETARIAT

- | | | |
|------------------------|---|-----------------------------|
| 1. Shri G.C. Malhotra | — | <i>Additional Secretary</i> |
| 2. Shri Joginder Singh | — | <i>Joint Secretary</i> |
| 3. Shri S. Balshekar | — | <i>Deputy Secretary</i> |
| 4. Shri K.L. Arora | — | <i>Assistant Director</i> |
| 5. Smt. Ratna Bhagwan | — | <i>Committee Officer</i> |

*Nominated to the Committee w.e.f. 18th March, 1999 in place of Lt. Gen. (Retd.) N. Foley, who ceased to be a member of the Committee consequent upon his nomination to DRSC on Defence w.e.f. 18th March, 1999.

INTRODUCTION

I, the Chairman of the Standing Committee on Agriculture (1998-99) having been authorised by the Committee to submit Report on their behalf, present this Fifteenth Report on Action Taken by Government on the recommendations/observations contained in the 9th Report of the Standing Committee on Agriculture 1998-99 (Twelfth Lok Sabha), Demands for Grants (1998-99) of the Ministry of Agriculture (Deptt. of Animal Husbandry and Dairying).

2. The Ninth Report of the Standing Committee on Agriculture (1998-99) on Demands for Grants (1998-99) of the Ministry of Agriculture (Deptt. of Animal Husbandry and Dairying) was presented to Lok Sabha on 9th July, 1998. The Department of Animal Husbandry and Dairying was requested to furnish action taken replies of the Government to recommendations contained in the Ninth Report. The replies of the Government to all the recommendations contained in the Report were received.

3. The Committee considered these action taken replies furnished by the Government and approved the draft comments and adopted the Fifteenth report in its sitting held on 22nd March, 1999.

4. An analysis of the Action Taken by the Government on the recommendations/observations contained in the Fifteenth Report (12th Lok Sabha) of the Committee is given in Appendix II.

NEW DELHI;
22nd March, 1999
1 Chaitra, 1920 (Saka)

KINJARAPU YERRANNAIDU,
Chairman,
Standing Committee on Agriculture.

CHAPTER I

REPORT

This report of the Committee on Agriculture deals with the action taken by the Government on the recommendations contained in the Ninth Report (Twelfth Lok Sabha) of the Standing Committee on Agriculture (1998-99) on the Ministry of Agriculture (Department of Animal Husbandry & Dairying) which was presented to the Lok Sabha on 9th July, 1998.

2. Action taken notes have been received from the Government in respect of all the 23 recommendations contained in the Report. These have been categorised as follows:

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

Recommendation Nos. 1, 2, 3, 4, 6, 8, 10, 14, 16, 18, 19, 21, 22

(Total 13)

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

Recommendation Nos. Nil

(Total Nil)

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

Recommendation Nos. 5, 7, 11, 15 & 17)

(Total 5)

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

Recommendation Nos. 9, 12, 13, 20 & 23

(Total 5)

3. The Committee will now deal with the recommendations which have not been accepted and have been included in Chapter-IV of the report.

Recommendation (Sl. No. 5)

Setting up of Separate Ministry and Indian Council of Veterinary Research

The Standing Committee, in its Demands for Grants 1997-98 felt that total allocation made in favour of the entire agriculture and allied sector has been on the declining trend over the years. No proper attention is being paid towards this economically important sector by the Government.

The Committee, therefore, recommended that the Government should immediately create an independent Ministry of Animal Husbandry and Dairying and advise the State Governments to have an independent Ministry of Animal Husbandry and Dairying in each State with a separate budget and the nomenclature may be changed to refer as "Ministry of Animal Husbandry and Dairy Development", both at the Centre and the States where it has been done.

The Committee also recommended for a separate veterinary University for Veterinary Animal Sciences in each State to function independently.

The Committee felt that the allocation in the Central Budget in favour of the Department should be substantially increased to the extent recommended by the working group set up in financing the sectoral plan for the 9th Plan.

Animal Sciences sector are within the purview of the Department of Agricultural Research and Education. The Committee felt that these institutions should be brought under the purview of the Department

of Animal Husbandry and Dairying so that fruitful results could be achieved in the field of research, Education and extension in a well coordinated manner. The Committee recommended that the Government should seriously consider setting up of the Indian Council of Veterinary Research and Education to be set up under the Department.

Action needed:—

- (i) An immediate action is needed to appoint a Minister of Cabinet rank with full power to look after the interests of the Animal Husbandry & Allied Sector.
- (ii) A Cabinet decision to finalise the formalities for establishment of ICVR under Department of Animal Husbandry and Dairying.
- (iii) A potential and administrative decision to amalgamate Animal Husbandry, Dairying and Fisheries with other related sections like Animal Welfare, quality control of food for animal origin, etc. to, elerate to an independent Ministry with a Cabinet rank Minister.
- (iv) Provide funds, as promised by Former Prime Minister.

It is unfortunate that this urgent need has been neglected during the last 50 years and to gear it up for Human Development in the country during the 9th Five Year Plan. Million of people so long deprived will find their livelihood through this sector.

Reply of the Government

- (i), (ii) & (iii) The Fifth Pay Commission has recommended amalgamation of the Department of Animal Husbandry & Dairying with the Department of Agriculture and Cooperation. The merger recommendation is under the consideration of Government.
- (iv) Planning Commission has informed that the Ninth Plan allocation of the Deptt. of Animal Husbandry & Dairying has been enhanced from Rs. 1677.88 crores to Rs. 2490.00 crores

in view of the special action plan for doubling the food production in next 10 years. The allocation for 1998-99 has also been stepped up to Rs. 381.90 crores from the RE level of Rs. 224.97 crores in 1997-98 (an increase of about 70%).

Comments of the Committee

The Committee seeing to the vast potential of economic activity in this sector had recommended for a separate Minister of Cabinet rank, independent Ministry, the setting up of an Indian Council of Veterinary Research and Education, amalgamation of Animal Husbandry & Dairying and Fisheries with other related sections like Animal Welfare and provision of adequate funds to this new Ministry.

The Committee feel that the Fifth Pay Commission has overstepped its jurisdiction by recommending amalgamation of the Department of Animal Husbandry and Dairying with the Department of Agriculture and Cooperation which is already bursting at its seams due to the unmanageable quantum of work assigned to them. In any case, the recommendation of the Pay Commission should not be the sole reason as to why the recommendation of the Committee should not be brought to the highest political executive for his pointed attention so that necessary action is initiated in this regard. The Committee note that the Department of Animal Husbandry has failed to act in the proper direction in this matter by assigning a superior status to the recommendation of the Pay Commission and by relegating the recommendation of a Parliamentary Committee to an insignificant position. The Committee do not appreciate a situation where the fact of recommendation of the Pay Commission being under the consideration of the Government has been sought to be used to preclude the consideration of a recommendation of Parliamentary Committee by the Government and such a view is totally unacceptable. The Committee sternly warn the Department of Animal Husbandry and Dairying to be careful in future and not to slight the recommendation of a Parliamentary Committee in this fashion by losing all their sense of proportion. The Committee desire that its recommendation of the Parliamentary Committee should be placed before the Cabinet immediately without any further delay by assigning the due weightage and importance to the matter.

Recommendation (Sl. No. 7)

National Veterinary Biological Products Quality Control Centre

The Committee note that the Government have been making budget estimates from the year 1992-93 onwards for setting up the National Centre which would help in making available quality biologicals in the country which in turn will help the control of animal diseases effectively in time, thus making the live-stock development programme a success. The Committee are disappointed to note that on this scheme so far only Rs. 10 lakhs have been spent in the last six years and even in 1997-98 very insignificant sum was spent on this project. It was earlier explained to the Committee that the land meant for this project was by mistake allotted to ICAR and it took time to sort out the issue. At last when the scheme started in 1995-96, there was an expectation that the scheme would come up early. The project cost was Rs. 130 crores in 1996-97. The Committee were further informed that the European Economic Community was approached in November, 1996 for assistance. In early January, 1997, the Government decided to reassess the feasibility of establishing the centre at Bhubaneswar for which a high level Committee was to visit Bhubaneswar.

The Committee are disappointed to note that no progress has since then taken place in the matter although every year a sum of Rs. 1 crore is earmarked for this plan scheme. The Committee observe that there can be no worse example than this for illustrating the fact that precious foreign assistance that is offered on a platter is many a times kicked away by indulging in condemnable inaction. The Committee desire immediate further action in the matter so that the National Centre is set up in the current financial year itself.

Reply of the Government

The establishment of such a Quality Control Centre requires extensive Planning consultation and expert services. The department has already initiated action to identify consultant for drawing out the action plan for establishment of National Veterinary Biological Products Quality Control Centre at Bhubaneswar.

Comments of the Committee

The Committee are not satisfied with the vague reply of the Government and feel that the matter has not been pursued sincerely.

The Committee are disappointed to note that it will still take years for setting up the centre as only now the process of identification of consultant has been initiated. The Committee feel that this step should have been taken several years back, as the project was launched in as far back as 1992-93.

The Committee desires that a list of dates showing the progress in the setting up of the centre after the acquiring of land in 1995-96 may be placed before the Committee.

The Committee recommend that the consultant for the project should be immediately identified without any further delay, as the drawing of the Action Plan for the establishment of the national centre depends only on this process.

Recommendation (Sl. No. 11)

Preservation of Traditional Medical Practices for Animal Health

The Committee in their last report on the Demands for Grants 1997-98 have observed that there is an urgent need to carefully collect and document information on various traditional medical practices being followed in the rural areas for combating various animal diseases, as there is a danger of losing the knowledge of time tested traditional methods in the normal passage of time. The Committee recommended that a separate central plan scheme should be drafted to gather knowledge in this regard with adequate budgetary provisions. The Committee understand that an expert Committee has been set up under the chairmanship of Vice-chancellor of Hamdard University, Delhi for preparing an inventory of the traditional Indian Medical Practices for animal health. The Committee expect immediate action on the report of the Expert Committee so that further effective action is taken in the matter to collect and consolidate a traditional wisdom at the earliest. The Committee expect proper budgetary allocations for this central scheme in this current financial year itself.

Reply of the Government

The matter is being pursued actively by the department to obtain recommendation of the Expert Committee so that the department can initiate further action in this subject as decided by the Standing Committee as early as possible.

Comments of the Committee

The Committee recommended that during the financial year 1998-99 itself, the Central Sector Scheme for preservation of knowledge of traditional medical practices for animal health should be launched with proper budgetary allocation. The Committee now find that no substantial progress has been made in this regard and the report of the Expert Committee set up under the Vice Chancellor of Hamdard University, Delhi on the subject has not yet been finalised. The Committee, therefore, recommend that a time limit should be prescribed for the Expert Committee to finalise its Report on the subject, as this Report is the essential pre-requisite for initiating the conceptualisation of an action plan in this matter.

Recommendation (Sl. No. 15)

Artificial Insemination Centres under EFST Scheme

Against the target of setting up 3500 Artificial Insemination Centres in the 8th plan, the achievement was 2785. The reason for shortfall was that the setting up of centres is directly related to the provision of ancillary facilities like semen banks/storage depot for frozen semen, liquid nitrogen supply etc. As the infrastructural facilities have now been provided the target of 3000 Artificial Insemination Centres for 1997-98 had been surpassed and 3403 Artificial Insemination centres had been set up.

Liquid nitrogen storage and distribution system is the essential for the functioning of the Artificial Insemination Centre. These systems are targetted at 286 for the Ninth Plan and the annual target is 10. The target of 286 can never be achieved in this fashion. The Committee was informed that the practice in the Department till date was to provide the system but this is very costly. Hence the Department is now planning not to produce liquid nitrogen themselves but to buy liquid nitrogen from industrial gas manufacturers in the private sector.

The Committee feels that the Department is short sighted and wishes to be a good meal for the private manufacturers. Artificial creation of shortages has been the practice of private manufacturers to hike prices and to blackmarket.

The setting up of liquid nitrogen systems through own efforts may be a costly venture now but may prove to be a boon in the later years especially when the requirement is high.

The Committee therefore recommend that the available technology with the department may be upgraded and if need be specialists service may be obtained from institutes like ICAR, CSIR etc. to make the venture cost effective.

As regards the Artificial Insemination mobile units the Committee feel that it is the best way to reach to the poorest of the poor farmer and the farthest of the far corner of India. The Committee therefore, recommend that the programme should be given more thrust and greater initiative to see that actual targets are achieved.

Reply of the Government

11 such systems were sanctioned in 1997-98. The target for 1998-99 has been revised at 30 and that for the next three years will be 80, 80 and 85 so that total Ninth Plan target of 286 is achieved.

The state departments of animal husbandry in the country already own some 180 small captive LN2 plants and they together have a capacity to produce 10 million litres of liquid nitrogen per year.

These plants are all imported plants, are expensive and spare parts for them are difficult to access. At any point of time more than 50 per cent of these plants are out of operation for want of spares or for reasons of inadequate maintenance.

Annual production together from these plants is only some 4 to 5 million litres. Invariably the plants are not operational regularly and this is one of the major reasons for interruptions in supply of LN2 to AI Centres.

The cost of production of LN2 from these plants is very high as they are energy intensive and often produce quantities far below their rated capacity because of interruptions in production, poor quality power supply and poor management.

The cost of production per litre now works out to some Rs. 45 and goes even upto Rs. 60 in some cases. On the other hand bulk supply of LN2 delivered at destination by the suppliers, costs only

between Rs. 10 and Rs. 20, depending upon the quantities delivered annually and distances involved. But for this the infrastructure for bulk storage and bulk delivery are needed.

The total annual requirement of LN2 for the AI network planned under the 9th Plan is 25 million litres. Regular production and supply of such large quantities round the year, using these types of plants, is not feasible both economically and technically.

The plan, therefore, is to base procurement substantially from large industrial gas manufacturers, in the public and private sectors though not entirely. There are about 100 large industrial gas manufacturers spread out in the country providing ready access to most States. About 25 of these manufacturers are public sector corporations primarily manufacturing fertilizers, petrochemicals, steel, and heavy machinery.

Many of the state governments are already buying large quantities of LN2 from industrial scale manufacturers. For example : the Haryana Government buy annually 60000 litres from bulk manufacturers. Their requirement under the 9th Plan is likely to go up to 0.50 million litres by 2002; Madhya Pradesh Government is buying 6.0 lakh litres from bulk suppliers and their demand will go up to 2.00 million litres by 2002.

Some state governments which do not have ready access to bulk manufacturers on account of distances or because the manufacturers do not have surpluses will continue to use captive plants like Kerala and States in north east.

In addition to the advantage of economy of scale, dependence on bulk manufacturers would be unavoidable because of the quantities involved (25 million litres annually), which is completely outside the scope of the captive plants. A crisis in supply is unlikely on account of the following reasons:

- (i) There are today some 136 million litres of Excess Installed Capacity in the gas manufacturing industry. They are in a buyers market and the demand of 25 million litres created by the expanded AI coverage is not large enough to change the market dynamics.

- (ii) The 25 or so large public sector gas manufacturers, logistically favourable to most regions of the country, will be an effective safeguard against any "Game Plan" by the private sector.
- (iii) The 180 or so captive plants with the State government, will continue to be stand by plants in the States, ready to step in, if market conditions so demand.

Comments of the Committee

The Government has admitted that inadequate maintenance, poor management, interruption in production, lack of spare parts are some of the key factors for the lack of production in the 180 small captive LN2 plants run by the State Departments. The Committee find that no remedial steps have been contemplated to overcome the problems faced by the captive gas producing units.

There is need to keep the captive gas plants fit always as these can step in if private manufacturers create artificial shortages once they are aware that AI Centres will all be affected if LN2 is not made available to them.

The Committee are of a strict view that the plants owned by State Departments should be revitalised and all possible measures should be taken to get better production results. The Committee also reiterate that AI mobile units programme should be given more thrust to see that actual targets are achieved.

Recommendation (Sl. No. 17)

Fishery Survey of India

The Committee are aware that the Fishery Survey of India has been crippled in their working due to the frequent break down of their survey vessels. The Committee have been informed that there is a programme of purchase of new vessels in phases to replace the ineffective old ones which are more than 15 to 19 years old. The Committee recommend that the repair of old vessels is causing a recurring expenditure of around Rs. 3 crores every year and only

Rs. 7 crores have been allocated this year to make part payment for acquisition of the new vessels. The Committee are of the opinion that it would be prudent to make the purchase of all the vessels at one time with one block grant, as this would help to eliminate the recurring expenditure on the repair of vessels year after year. The Committee, therefore, recommend that immediate steps should be taken to acquire all the vessels in this year itself so that all the staff could be deployed for undertaking survey as planned. The Committee, therefore, expect higher allocations for this purpose in the Revised Estimates for this year.

Reply of the Government

At the outset it may be stated that dry-docking and overhaul of the vessel at regular intervals, is a mandatory requirement. As such every year, expenditure has to be incurred on dry-docking and overhaul of vessels irrespective of whether they are new or old. Thus acquisition of new vessels would not help to eliminate the recurring expenses on the repairs of vessels every year. As regards the question of making purchase of all the vessels at one time within one block grant, it may be stated that vessels required by FSI for survey work are different from commercial fishing vessels. These vessels have to be built as per the specifications and requirement peculiar to the FSI. Some of these vessels may be procured indigenously while others may have to be procured from foreign suppliers. Moreover, the machinery that would be installed on board may have to be acquired from various global sources. As such it may not be feasible to acquire the vessels within one year and the process of acquisition of vessels may take minimum of two to three years since after advertising through global tenders, selected shipyards would also require some time to construct the vessel according to the requirement of FSI. Also the budgetary requirement would depend upon the delivery schedule as per the terms and conditions of the contract entered into with the shipyard(s). The payment is, therefore, likely to be made in different instalments depending upon the progress of work. Every effort will be made to provide the necessary budgetary support to FSI in accordance with the terms of the contractual obligation by providing additional funds at the RE stage, if need be.

Comments of the Committee

The Committee note that dry-docking and overhaul is essential whether a vessel is new or old but they fail to understand as to how recurring expenses on repairs of vessels every year cannot be brought down by acquiring new vessels. The Committee feel that the matter of acquisition of new vessels is taking on unduly long time, although the Committee have been consistently making recommendations year after year to have a perspective plan finalised and implemented in view of the poor physical performance of FSI in conducting various kinds of surveys. The Committee, therefore, recommend that the government should examine the question of taking steps to expedite the acquisition of new survey vessels.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. No. 1)

Inadequate Allocations in the Eighth and Ninth Plans

The Committee note that against the approved Eighth Plan Outlay of Rs. 1739 crores, the Department of Animal Husbandry & Dairying was given through budgetary support an outlay of Rs. 1832.27 crores for the Eighth Plan for implementing various developmental schemes. But the Department actually utilised only Rs. 1554.66 crores in the whole of the Eighth Plan period, leaving a shortfall of Rs. 277.61 crores. The percentage of funds utilised out of the total allocation is 84.85. The main reason for the shortfall is stated to be the slow pace of utilisation of funds in a few schemes which were either started late, or did not get clearance in the appraisal process. The impact of this underutilisation and consequent reduced planned effort is reflected in the failure of the country to achieve the targets in crucial outputs, the details of which are given below:

S.No.	Item	Unit	8th Plan Target	Achievement	Ninth Plan Target
1.	Milk	million tonnes	70.00	68.60	86.00
2.	Eggs	millions	30.00	28.20	34.82
3.	Wool	million Kgs.	50.00	44.00	56.55
4.	Fish	million tonnes (Inland & Marine)	5.50	5.30	6.53

The Committee further note that on an average the production of milk was only 63.48 million tonnes per annum and the average production of Eggs was 25.72 million per annum. In the case of Wool, the average annual production was 41.03 million kilos and in the case of Fish the average annual production was 48.19 million tonnes.

In this backdrop of dismal performance, the Committee desire the Planning Commission and the Ministry of Finance to have a glance at the 9th Plan projections posed by the Department of Animal Husbandry & Dairying and allocate the necessary funds in full in each of the successive annual plan as demanded by the department.

In view of the adverse impact of the continued inadequate allocations for this key sector in the past, the Committee desires the Government to realise the fact that the ambitious targets fixed in the 9th Plan for the production of milk, eggs, wool and fish could be achieved only if the actual requirement of Rs. 3150.57 crores as demanded by the Department is allocated for the 9th Plan. The Committee are very much disappointed to find that the Planning Commission and the Ministry of Finance have agreed to allocate only Rs. 1980 crores for the 9th Plan for this Department. Even the annual plan allocation of Rs. 319.15 crores in the budget estimates of 1997-98 is not even 20% of the total 9th Plan outlay and when we consider the revised estimate of Rs. 224.97 crores for 1997-98, the percentage of funds allocated for this year out of the total 9th Plan outlay works out to only 11.36%.

The Committee, therefore, recommend to the Planning Commission and the Ministry of Finance to enhance the allocation for 1998-99 for the Department of Animal Husbandry and Dairying from Rs. 381.90 crores to Rs. 576.06 crores as projected by the Department in order to enable them to achieve the ambitious targets of the 9th Plan.

It is, further, pointed out that the percentage of outlay for the Department of Animal Husbandry & Dairying out of the total Central plan has come down from 1.1% in the First Five Year Plan to 0.3% in the 8th Five Year Plan. Therefore, the Committee feels that there is a very strong case for sufficiently increasing the allocation for this Department.

Recommendation (Sl. No. 2)

Late start of the new plan programmes in the 9th Plan Period

The Committee have been informed that in the initial year of the 9th Five Year Plan *i.e.* 1997-98 no new schemes were taken up for allocation of funds and implementation according to the decision of the then Government in power. Only those selected schemes of the 8th Plan Period which the Government decided to pursue further into the 9th Plan were allocated some funds which were almost equivalent to the funds allocated in the terminal year of the 8th Plan Period *i.e.* 1996-97. Even on the expenditure of the on-going schemes a cut of 5 percent was imposed. The cumulative effect of all these retrograde steps was that the flow of funds to the schemes got reduced and developmental activity marked time at one place without marching forward. Even in the current financial year 1998-99 already one-fourth of the year is over and the plan budgetary provisions are yet to be voted. It must be remembered that precious time of one and a quarter year of the 9th Plan Period is over now without anything being done towards the implementation of the new 9th Plan Programmes. The Committee, therefore, desire that the Planning Commission should look at the matter in the correct perspective of the precious time lost already and also in the context of the ambitious targets fixed in the 9th Plan for this Department. The Committee, therefore, recommend that suitably very high allocations should be made for the implementation of the new schemes of the 9th Plan in the revised estimates of this year and also in the Budget Estimates of the coming years and it should be definitely ensured that 25 per cent of the total plan allocation for each scheme should be positively earmarked in each of these four years beginning from 1998-99 so that the country is taken forward in the desired path of development. The Committee expect the Department to bring these factors to the pointed attention of the Planning Commission and the Ministry of Finance for appropriate and immediate action.

Reply of the Government (Nos. 1 & 2)

Planning commission has informed that the Budgetary allocation for Ninth Five Year Plan is being recast for incorporating the Special Action Plan (SAP) for doubling food production and making India hunger free in ten years. The Ninth Plan allocation of the Department of Animal Husbandry & Dairying has been enhanced from Rs. 1677.88 to Rs. 2490.00 crore in view of the SAP.

The budget allocation for the Department for 1998-99 has also been stepped up to Rs. 381.9 crore from the R.E. level of Rs. 224.97 crore in 1997-98, (an increase of about 70%). As a part of SAP, new schemes envisaged in respect of Dairy Sector *viz.* New Primary Dairy Cooperatives and Vidya Dairies have already been approved by the Planning Commission and the provision for these has been made in the enhanced outlay for 1998-99. Considering the significant upward revisions in the Ninth Plan outlay (Rs. 2490.00 crore) for DAHD&F and the allocations made for the years 1997-98 (R.E.—Rs. 224.97 crore) and 1998-99 (B.E.—Rs. 381.9 crore), the outlays for the remaining period of the Ninth Plan will be substantially higher to enable the Department to achieve the Plan targets. Efforts are being made to expeditiously launch the new schemes/activities for accelerating production under S.A.P. Enhancement of allocation for the current year for implementation of new schemes could be considered at the RE stage keeping in view the availability of budgetary resources, plan priorities and actual utilisation of resources by the Department.

Recommendation (Sl. No. 3)

Poor performance in actual utilisation of budgetary allocation

The Committee observe that in the last six years the percentage of actual utilisation of plan funds allocated in favour of the Department of Animal Husbandry and Dairying ranged from 57.1% to 80.66% except for one year in 1996-97, the details are as follows:

Year	Budget Estimates	Actuals	Percentage of Utilisation
1992-93	Rs. 315.57 crores	Rs. 180.54 crores	57.21%
1993-94	Rs. 336.00 crores	Rs. 271.03 crores	80.66%
1994-95	Rs. 322.71 crores	Rs. 246.14 crores	76.27%
1995-96	Rs. 344.00 crores	Rs. 246.58 crores	71.68%
1996-97	Rs. 259.92 crores	Rs. 267.17 crores	102.79%
1997-98	Rs. 319.15 crores (RE)	Rs. 224.97 crores	70.49%

Even in the year 1996-97, the original budget allocation for the Department was drastically reduced to Rs. 259.92 crores from Rs. 344 crores in 1995-96 and that is why the achievement is about 102.79%. A look at the actual expenditure made in the previous years shows that the Department is able to absorb funds only to the tune of around Rs. 239.41 crores on average per annum. In view of this the Committee do not understand as to how the Department sought a high allocation of about Rs. 500 crores on plan side to the Planning Commission. The Committee wish to point out that this kind of poor track record in utilising the funds allocated will not support the claim of the Department whenever they approach the Planning Commission and the Ministry of Finance for high allocations. The Committee expect the Department to turn a new leaf in the matter of utilisation of funds by sufficiently gearing up their implementation mechanism in order to achieve the ambitious targets set forth for the 9th Five Year Plan. The Committee, therefore, expect hundred per cent utilisation of funds in the current year as well as in the years to come.

Reply of the Government

The livestock sector is an important sector of the national economy, and provides additional income and employment opportunities to agricultural labourers and small and marginal farmers. The Department of Animal Husbandry and Dairying has been seeking higher allocations to accelerate the pace of development in this sector.

The year-wise actual utilisation and the budget estimates during 8th Plan and 1997-98 are indicated below:

(Rs. in crores)			
Year	Budget Estimates	Actual	Percentage of utilisation
1992-93	156.30	180.54	115.59
1993-94	336.00	271.03	80.16
1994-95	322.71	246.14	76.27
1995-96	344.00	246.27	71.68
1996-97	259.92	181.45	69.18
Eighth Plan	1418.93	1125.43	79.31
1997-98	319.15	224.97	70.49

The Deptt. of Animal Husbandry & Dairying has made sincere efforts to utilise the maximum of the allocated funds. As may be seen from the table above, the Department has utilised about 116% of the allocated funds during 1992-93 because of higher flow of funds (Rs. 130.98 crores as against BE Rs. 80.50 crores) by the World Bank under the operation flood programme. The utilisation however declined in subsequent four years of the Eighth Plan because the flow of funds was later reduced (Rs. 572.16 crores as against BE Rs. 719.20 crores) by the World Bank and EEC under the Operation Flood Programme and National Project on Rinderpest Eradication. Besides, some of the proposed schemes worth Rs. 131.87 crores could not be implemented due to non clearance of Expenditure Finance Committee. These schemes include Assistance to Cooperatives (allocation Rs. 100 crores) National Poultry Development Board (allocation Rs. 19.75 crores), Establishment of National Veterinary Biological Production and Quality Control Centre (allocation Rs. 8.22 crores) and Establishment of Disease Diagnostic Laboratories (allocation Rs. 3.90 crores). Utilisation was adversely affected during 1997-98 because of the decision of the Govt. for a 5% cut in the budgetary allocations, and ban on implementation of new schemes.

Efforts would be made during 9th Plan to gear up the implementation of schemes to ensure meaningful and substantial utilisation of the allocated funds.

Recommendation (Sl. No. 4)

Allocation of 10% of plan funds for the North-East

The Committee are happy to note that during 1997-98, the Department of Animal Husbandry and Dairying utilised 10% of their allocation for the development of North-Eastern States and in the budget estimates for 1998-99 also they have earmarked 10% of their funds in conformity with the announcement of the then Prime Minister in September, 1996 that 10% of the total plan funds would be set apart for the development of the North-Eastern States by each Ministry. The Committee wish to draw the attention of the Department of Animal Husbandry and Dairying to the budget speech of the Hon'ble Finance Minister made on 1st June, 1998 wherein he had mentioned about the creation of a non-lapsable Central Resource Pool for deposit of funds from all the Ministries where the plan expenditure on the North-Eastern Region is less than 10% of the total plan allocation and the actual

expenditure incurred on the North-Eastern Region will be transferred to the Central Resource Pool which will be used for funding specific programmes for the economic development of the North-Eastern States. The Committee recommend that the Department of Animal Husbandry and Dairying should draw up more programmes/schemes exclusively for the North-East even beyond the 10 per cent minimum limit, as animal husbandry is one of the main economic activities undertaken by all the inhabitants of these States. For the requirement of extra funds for these schemes, the Department should draw funds from the Central Resource Pool created for the development of these under-developed areas of this country. The Committee further recommend that all the schemes for the North-Eastern States should be hundred per cent centrally funded and no stipulation for any contribution from the State Governments should be prescribed as these States have to spend substantial portions of their funds in tackling the problem of militancy and also in tackling the special problem which are peculiar to the difficult hilly terrain of the North-East due to which they are unable to put in their matching funds for the Centrally Sponsored Schemes.

Reply of the Government

During the current year 1998-99, the Department of Animal Husbandry and Dairying has been allocated Rs. 381.90 crores for the Annual Plan. Of this the budget for the schemes relevant to North-Eastern States and Sikkim is Rs. 173.76 crores. An amount of Rs. 17.4 crores (10%) has been earmarked as an outlay for Development Schemes of the North-Eastern States and Sikkim.

A new scheme Assistance to State Poultry Farms has also been proposed during current year for promoting backyard poultry. Besides, higher allocation has been provided for the schemes Assistance to States for Integrated Piggery Development (Rs. 5 crores) and Integrated Dairy Development Project in Non-OF, Hilly and Backward Areas (Rs. 25.60 crores) to give a boost to Poultry, Piggery and Dairy activities in the NER and Sikkim. The resources available under the Non-lapsable Central Resource Pool could also be utilised by the department, in case specific proposals for central assistance are received from North-Eastern States and Sikkim.

As regards changing of the funding pattern of schemes to 100% grant basis, it is stated that many important schemes of the department

like Assistance to States for Integrated Piggery Development, Extension of Frozen Semen Technology and Progeny Testing Programme, National Bull Production Programme, Integrated Dairy Development Project, in Non-OF, hilly and backward areas Animal Husbandry Extension Programme, Inland Fisheries Statistics, Training and Extension, Strengthening of Inland Fish Marketing etc. are being implemented on 100% grant basis. In accordance with the recommendation of the Committee, the Department has however initiated steps to change the funding pattern from 50:50 basis to 100% basis of the schemes Foot and Mouth Disease Control, National Ram/Buck Production Programme and Integrated Sample Survey for estimation of production of major livestock products.

Recommendation (Sl. No. 6)

Expenditure on Animal Health

The Committee in their 11th Report relating to last year's Demands for Grants recommended that sufficient allocations should be made to achieve the target of "Health for all Animals" by 2010 A.D. The Committee expected that in the 9th plan outlay and in the Budget Allocations for 1997-98 and 1998-99 proportionately high allocation will be made out of the total plan outlays. But the Committee are very much disappointed to note that the proportion of allocations in favour of schemes for health cover comes to 34.12% of the total outlay for the animal Husbandry Division for the entire 9th Plan while in the 8th plan period the proportion of allocation was 40.22%. The details of allocations are as follows:

	(Rs. in crores)		
	Total outlay for Animal Husbandry Division	Health outlay	Percentage of Health outlay
8th plan	Rs. 400.00	Rs. 160.88	40.22%
9th plan	Rs. 797.18	Rs. 272.00	34.12%
1997-98 (BE)	Rs. 160.15	Rs. 59.00	36.84%
1998-99	Rs. 170.40	Rs. 61.00	35.80%

The Committee observe from the above statement that the percentage of allocation in favour of the Animal Health cover Sector has been far below the percentage that obtained in the 8th Plan period. In the year 1997-98 even out of the paltry allocation of Rs. 49 crores, the actual expenditure is only Rs. 20.32 crores which is almost 1/3 of what was allocated.

The Committee are very much disappointed at this poor performance of the Department of Animal Husbandry & Dairying. The Committee, therefore, recommend that it should hereafter be ensured that the Health cover outlay out of the total Animal Husbandry sector should be atleast 50% of the total outlay. The Committee expect the Department to make suitable Revised Estimates for the year 1998-99 and to hike up the expenditure on Health cover of animals to 50%. This should be done in respect of the Budget Estimates in the coming years also.

Reply of the Government

Animal Health Sector plays a significant role in controlling the production losses as well as protecting the valuable animals belonging to the poor farmers. The Deptt. of Animal Husbandry & Dairying had therefore initially envisaged proposals worth Rs. 688.00 crores in the animal health sector out of the total plan proposals of Rs. 3150.57 crores for animal husbandry and dairying for the Ninth Plan. The cost of proposals was however, later reduced to Rs. 272.10 crores as the Planning Commission, due to resource constraints approved allocation of Rs. 1072.18 crores for the animal husbandry & dairying sector.

In accordance with the recommendation of the Committee and the potential of the animal health sector the allocation of the sector has been enhanced to Rs. 352.18 crores during Ninth Plan in SAP as against Rs. 160.88 cores during Eighth Plan (an increase of about 114%). The allocation of this Sector has also been increased from RE Rs. 20.32 crores in 1997-98 to Rs. 61.00 crores in 1998-99 (an increase of about 195%).

Efforts will be made to further enhance the allocation of the animal health sector at RE 1998-99 and coming years for realising the full potential of the sector.

Recommendation (Sl. No. 8)

National Rinderpest Eradication Programme

The Committee note that this programme has a foreign element of finance from the European Union and there is uncertainty about the availability of this finance due to possible imposition of sanctions.

The Committee feel that the disease can reoccur any time, although it has been almost eradicated, and only a few stray cases were reported in the past in South India. The Department should therefore make a concerted effort to eradicate the disease forever by allocating the necessary funds, even if foreign assistance is not forthcoming, as the country should not lose the opportunity of consolidating the gains that accrued so far to us lest the country should slide back to square one in no time due to this virulent disease.

Reply of the Government

The term of the EEC aided project has expired on 31.7.98 and the foreign assistance is not available thereafter. However, the Department has been making efforts to continue all on going programmes of the scheme by allocation of more funds for the purpose during 9th Five Year Plan to ensure eradication of the Rinderpest disease forever from the country. For this purpose, a draft centrally sponsored scheme titled "Strengthening of Veterinary Services" is being formulated within the outlay of Rs. 48 crores during 9th Five Year Plan. Consequently, all programmes pertaining to NPPE which were in existence in the States/UTs will be continued during the 9th Five Year Plan.

Recommendation (Sl. No. 10)

Creation of Disease Free Zones

The Committee have been informed that an allocation of Rs. 35 crores has been made for the 9th Plan for the Central Sector Scheme entitled "Creation of Disease Free Zones". The Committee find that only a token allocation of Rs. 0.50 crores has been made for the implementation of this programme during 1998-99. The Committee feel that this token provision even in the second year of the 9th Five Year Plan is indicative of the fact that it is doubtful that the programme

may take off during 1998-99. The Committee, therefore, recommend that a serious beginning should be made in respect of this programme in this financial year itself, and the financial allocation for this programme should be stepped up.

Reply of the Government

The scheme creation of disease free zones could not be taken up during 1997-98 because of ban on implementation of new schemes. Steps have now been initiated for obtaining the approval of the scheme of the Expenditure Finance Committee. In accordance with the recommendation of the Committee the plan allocation of the scheme has been enhanced from Rs. 35 crores to Rs. 85 crores in SAP for implementing the scheme with higher allocation at RE 1998-99 and subsequent years during Ninth Plan.

Recommendation (Sl. No. 14)

Central Frozen Semen Production and Training Institute

The Institute was set up with the objective of large scale production of frozen semen of cattle and buffaloes and for training in service candidates in frozen semen technology.

The Committee are happy to note that there is a sizeable improvement in the number of frozen semen doses produced by the Institute through the import of 21 exotic bulls. The Committee however, feel that the Department should continue the import of more number of bull calves/bulls in order to keep a buffer stock of imported young exotic bulls which may need some years to mature for production of semen.

The Committee finds that against the target of 160 persons to be trained the department could achieve the target of 135 persons during 1996-97 and 99 persons against a target of 150 during 1997-98. The shortfall in physical achievement is on account of the vacancy of the post of Assistant Research Officer which is lying vacant for the last 6 months. The Committee was informed that UPSC had advertised this post. The Committee are aware that it takes a long time to get a person recruited through UPSE. They, therefore, recommend that the vacancy may be got filled on ad-hoc basis immediately, till a regularly recruited person reports for duty.

Reply of the Government

The Department has placed order for import of 35 Holstein Friesian and Jersey bulls. 40 heifers are also being imported so that their male progeny could be utilised for semen production.

The Assistant Research Officers post is to be filled up through the Union Public Service Commission. The vacancy was reported to the Commission on 21.2.98. The Commission has advertised the post on 13.6.98. The Director, CFSP&TI has been asked to fill up the post on *ad-hoc* basis through Employment Exchange on an interim basis.

Recommendation (Sl. No. 16)

Progeny Testing

The Committee has been informed that the State Departments are not capable of running this programme as the priorities are different, and they do not understand this scheme. The whole scheme needs re-orientation. In the new scheme some good milk cooperatives will be given the task of progeny testing because they have good farmer contact and will know which farmer has the proper bulls and cows. Breeders associations already functioning in Saurashtra, Bangalore etc. are capable of undertaking this work.

The Committee therefore, recommend that the scheme may be modified in shape and implemented in the shortest possible time. At the same time the Department should be careful that breeders association and the cooperatives do not exploit the poor farmers. Funding pattern should be such that good cooperatives do not make it a source of profit and direct the funds to other fruitful ones.

Reply of the Government

A modified scheme has been circulated for comments of appraisal agencies and will be placed for consideration and approval of Expenditure Finance Committee shortly. It will be ensured that the Breeders' Associations and Cooperatives involved in the Progeny Testing Programme provide adequate representation to breeders and farmers so that their interests are protected. Close monitoring and evaluation of the progeny testing projects will be carried out so as to

preclude the possibility of diversion of funds meant for Progeny testing for other purposes.

Recommendation (Sl. No. 18)

Piggery Development

The Committee note that in the last five years the department could achieve a target of import of only 90 pigs. The Committee also note that the Department has set a target of import of 1000 pigs during 1998-99. The Committee are very much surprised at the high target of import of 1000 pigs for 1998-99 when only 90 pigs could be imported during the whole Eighth Plan.

The Committee during the evidence session were informed that the cost of pigs imported from white yorkshire, United Kingdom is Rs. 25,000. In view of the requirement of cross breeds & exotic breeds there is need to produce more exotic pigs to meet the requirements of the poor farmers. The expenditure on this programme during first two years of 9th plan is expected to be Rs. 9 crores out of total allocation of Rs. 20 crores.

The Committee feel that the outlay of Rs. 20 crores during the 9th plan will not be adequate. The Committee in their 21st report on Demands for Grants (1995-96) & 3rd report on Demands for Grants (1996-97) have been recommending for higher allocations for this sector. The Committee have been informed that the question of higher allocations whereby they have replied that the position will be reviewed in the mid-term appraisal of the plan. The Committee is very much disappointed at their reply and desire that the higher allocations should be made right now instead of waiting for two more years, as obviously more funds are required in view of the cost of imported piglets. Therefore, the Committee recommend a suitably higher allocation for this programme in the coming years.

Reply of the Government

For the 9th Plan, the guidelines for Piggery Development have been revised, and the scheme for Integrated Piggery Development now provides for Rs. 14 lakhs for the import/purchase of pigs for each of the existing state pig breeding farms as against Rs. 6 lakhs allocated for this purpose during the 8th Five Year Plan. The budgetary allocation for this scheme has also been raised from Rs. 10 crores in the 8th Plan

to Rs. 20 crores in the 9th Plan. The demand for import of 1000 pigs was based on the response received from the State Governments which indicate a total import requirement of 1321 pigs. As per the guidelines of this scheme, the State Governments are given the option of procuring pigs through a centralised system of import through the Central Government by depositing the approximate amount for import of pigs with this Department. Despite their earlier projections of requirements, so far 6 State Governments have responded by depositing Rs. 67 lakhs for the import of approximately 268 pigs. The States of Nagaland and Mizoram have informed that they would undertake the import of pigs on their own initiative.

As such, the existing budgetary allocation appears to be sufficient and adequate for meeting the demand for imported exotic pigs as reflected in the proposals received from the State Governments. However, in accordance with the recommendations of the Committee, the allocation of the scheme 'Assistance to States for integrated piggery development' has been increased from Rs. 20 crores to Rs. 44 crores. in the SAP for the Ninth Plan.

Recommendation (Sl. No. 19)

Milk Production in Non-operation Flood Areas

The Committee note that the Planning Commission and the Ministry of Finance have not provided higher allocation for the implementation of the scheme meant for the development of dairies in Non-operation Flood Areas and hilly and backward areas, although the Committee have been making recommendations to this effect year after year. In the 9th plan the provision has been kept at Rs. 200 crores for this central sector project and as such there is no increase over the 8th plan allocation of Rs. 200 crores. Taking into consideration the inflation and the loss of purchasing capacity of rupee, this allocation is in fact less than what was allocated during the 8th plan. Even annual allocations in the 9th plan are only Rs. 25 crores per annum, whereas it should be at least Rs. 40 crore per annum. The Committee are also not happy with the continued poor physical performance under the scheme. The Committee, therefore, feel that it is absolutely necessary for hiking up the 9th plan outlay and the annual plan outlay for this scheme in order to ensure the improvement of the nutritional and economic status of the residents of these disadvantaged areas. The

Committee recommended that necessary increase in allocations should be made in the revised estimates for 1998-99 and in the budget estimates in future for this programme.

Reply of the Government

Physical performance of the projects is improving slowly but steadily. This is mainly because of the fact that projects are in the most backward and hilly areas where infrastructural facilities like road transport and connecting roads to villages are either not available or are very poor. Despite that concerted efforts are being made by the implementing agencies to speed up the progress of various project activities. Upto the year 1997-98 about 4800 Dairy Cooperative Societies (DCS) have been formed in the project areas. These societies had a farmer membership of about 3.73 lakh. These societies procured on an average about 2.2 lakh litres of milk per day. Assuming an average procurement price of Rs. 9 per liter of milk. This procurement would mean pumping in of about Rs. 20 lakh into the rural economy from the urban areas per day.

Keeping in view the earlier recommendations of the Committee in this regard the Department has been making all efforts to secure higher allocations of funds scheme. Efforts would again be made at the time of preparation of Revised Estimates for the year 1998-99 and the Budget Estimates 1999-2000 to obtain higher allocations for this project.

Recommendation (Sl. No. 21)

Diversification in Delhi Milk Scheme

The Committee have been informed during their visit to DMS that the capacity utilisation is not full and the idle capacity can be used for production of mineral water and such a diversification of activity by DMS would help in the generation of internal resources. The Committee, however, find that the activity could be taken up only if the quantum of municipal water supply is increased and the Municipal Corporation of Delhi has not been supplying the required quantity of water to DMS due to which the normal operations of DMS have been affected. The Committee also find that there is no provision for uninterrupted supply of power by Delhi Vidyut Board (DVB) to DMS by a separate supply line and this has hampered the production in

the unit. The Committee, therefore, recommend that urgent action should be taken to sort out the problem and it should be ensured that DMS gets assured power supply and water supply.

Reply of the Government

The issue regarding water and power supply shortage in DMS was taken up with the Chief Engineer, System Control, Delhi Vidyut Board and the officers of Delhi Jal Board. Delhi Vidyut Board helped DMS in providing better power supply during summer 1998. The Delhi Jal Board also came to help by changing the water distribution system in the area in summer 1998, as a result of which the supply of potable water to DMS has improved.

The capacity utilisation of DMS is restricted due to limitations of net budgetary support that is required on account of the selling price being kept below the production cost. Efforts will however be made to utilise the capacity to a fuller extent. As regards, the utilisation of extra capacity of DMS for the production of mineral water, it can be done only after making modifications in the existing plant which will need further investments.

Recommendation (Sl. No. 22)

Synthetic Milk

The Committee are very much concerned about the adulteration of milk with the so called 'Synthetic Milk' in large scale all over the country and its possible consequences on human health. The Committee desire that the Department should take up the matter with the Ministry of Health. The Department should direct Co-operative Dairies to adopt suitable measures to check supply of such adulterated milk.

Reply of the Government

As directed by the Committee the Ministry of Health has been alerted to take strict measures to check the adulteration of milk with the non milk constituents to produce what is called synthetic milk. That Ministry has issued instructions in this regard to all the State

Health Authorities to intercept such milk and take action to destroy such milk and proceed against the milk handlers concerned under the provisions of the Prevention of Food Adulteration Act, 1954.

Cooperative Dairy Federations in all the States have been directed to adopt suitable measures to institute checks to prevent the possible supply of adulterated milk in the dairies under their control. Directions have also been issued to the State Governments to see that cooperative dairies do comply with these instructions.

Similar instructions have been issued to the Delhi Milk Scheme also.

CHAPTER III

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

Recommendations to be included in Chapter III are nil.

CHAPTER IV

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

Recommendation (Sl. No. 5)

Setting up of Separate Ministry and Indian Council of Veterinary Research

The Standing Committee, in its Demands for Grants 1997-98 felt that total allocation made in favour of the entire agriculture and allied sector has been on the declining trend over the years. No proper attention is being paid towards this economically important sector by the Government.

The Committee, therefore, recommended that the Government should immediately create an independent Ministry of Animal Husbandry and Dairying and advise the State Governments to have an independent Ministry of Animal Husbandry and Dairying in each State with a separate budget and the nomenclature may be changed to refer as "Ministry of Animal Husbandry and Dairy Development, both at the Centre and the States where it has been done.

The Committee also recommended for a separate veterinary University for Veterinary Animal Sciences in each State to function independently.

The Committee felt that the allocation in the Central Budget in favour of the Department should be substantially increased to the extent recommended by the working group set up in financing the sectoral plan for the 9th Plan.

Animal Sciences sector are within the purview of the Department of Agricultural Research and Education. The Committee felt that these institutions should be brought under the purview of the Department of Animal Husbandry and Dairying so that fruitful results could be achieved in the field of research, Education and extension in a well coordinated manner. The Committee recommended that the

Government should seriously consider setting up of the Indian Council of Veterinary Research and Education to be set up under the Department.

Action needed:—

- (i) An immediate action is needed to appoint a Minister of Cabinet rank with full power to look after the interests of the Animal Husbandry & Allied Sector.
- (ii) A Cabinet decision to finalise the formalities for establishment of ICVR under Department of Animal Husbandry and Dairying.
- (iii) A potential and administrative decision to amalgamate Animal Husbandry, Dairying and Fisheries with other related sections like Animal Welfare, quality control of food for animal origin, etc. to elevate to an independent Ministry with a Cabinet rank Minister.
- (iv) Provide funds, as promised by Former Prime Minister.

It is unfortunate that this urgent need has been neglected during the last 50 years and to gear it up for Human Development in the country during the 9th Five Year Plan. Millions of people so long deprived will find their livelihood through this sector.

Reply of the Government

- (i), (ii) and (iii) The Fifth Pay Commission has recommended amalgamation of the Department of Animal Husbandry & Dairying with the Department of Agriculture and cooperation. The merger recommendation is under the consideration of Government.
- (iv) Planning Commission has informed that the Ninth Plan allocation of the Deptt. of Animal Husbandry & Dairying has been enhanced from Rs. 1677.88 crores to Rs. 2490.00 crores in view of the special action plan for doubling the food production in next 10 years. The allocation for 1998-99 has also been stepped up to Rs. 381.90 crores from the RE level of Rs. 224.97 crores in 1997-98 (an increase of about 70%).

Recommendation (Sl. No. 7)

National Veterinary Biological Products Quality Control Centre

The Committee note that the Government have been making budget estimates from the year 1992-93 onwards for setting up the National Centre which would help in making available quality biologicals in the country which in turn will help the control of animal diseases effectively in time, thus making the live-stock development programme a success. The Committee are disappointed to note that on this scheme so far only Rs. 10 lakhs have been spent in the last six years and even in 1997-98 very insignificant sum was spent on this project. It was earlier explained to the Committee that the land meant for this project was by mistake allotted to ICAR and it took time to sort out the issue. At last when the scheme started in 1995-96, there was an expectation that the scheme would come up early. The project cost was Rs. 130 crores in 1996-97. The Committee were further informed that the European Economic community was approached in November, 1996 for assistance. In early January, 1997, the Government decided to reassess the feasibility of establishing the centre at Bhubaneswar for which a high level Committee was to visit Bhubaneswar.

The Committee are disappointed to note that no progress has since then taken place in the matter although every year a sum of Rs. 1 crore is earmarked for this plan scheme. The Committee observe that there can be no worse example than this for illustrating the fact that precious foreign assistance that is offered on a platter is many a times kicked away by indulging in condemnable inaction. The Committee desire immediate further action in the matter so that the National Centre is set up in the current financial year itself.

Reply of the Government

The establishment of such a Quality Control Centre requires extensive Planning consultation and expert services. The department has already initiated action to identify consultant for drawing out the action plan for establishment of National Veterinary Biological Products Quality Control Centre at Bhubaneswar.

Recommendation (Sl. No. 11)

Preservation of Traditional Medical Practices for Animal Health

The Committee in their last report on the Demands for Grants 1997-98 have observed that there is an urgent need to carefully collect and document information on various traditional medical practices being followed in the rural areas for combating various animal diseases, as there is a danger of losing the knowledge of time tested traditional methods in the normal passage of time. The Committee recommended that a separate central plan scheme should be drafted to gather knowledge in this regard with adequate budgetary provisions. The Committee understand that an expert Committee has been set up under the chairmanship of Vice-Chancellor of Hamdard University, Delhi for preparing an inventory of the traditional Indian Medical Practices for animal health. The Committee expect immediate action on the report of the Expert Committee so that further effective action is taken in the matter to collect and consolidate a traditional wisdom at the earliest. The Committee expect proper budgetary allocations for this central scheme in this current financial year itself.

Reply of the Government

The matter is being pursued actively by the department to obtain recommendation of the Expert Committee so that the department can initiate further action in this subject as decided by the Standing Committee as early as possible.

Recommendation (Sl. No. 15)

Artificial Insemination Centres under EFST Scheme

Against the target of setting up 3500 Artificial Insemination Centres in the 8th Plan, the achievement was 2785. The reason for shortfall was that the setting up of centres is directly related to the provision of ancillary facilities like semen banks/storage depot for frozen semen, liquid nitrogen supply etc. As the infrastructural facilities have now been provided the target of 3000 Artificial Insemination Centres for 1997-98 had been surpassed and 3403 Artificial Insemination Centres had been set up.

Liquid nitrogen storage and distribution system is the essential for the functioning of the Artificial Insemination Centre. These systems

are targeted at 286 for the Ninth Plan and the annual target is 10. The target of 286 can never be achieved in this fashion. The Committee was informed that the practice in the Department till date was to provide the system but this is very costly. Hence the Department is now planning not to produce liquid nitrogen themselves but to buy liquid nitrogen from industrial gas manufacturers in the private sector.

The Committee feels that the Department is short sighted and wishes to be a good meal for the private manufacturers. Artificial creation of shortages has been the practice of private manufacturers to hike prices and to blackmarket.

The setting up of liquid nitrogen systems through own efforts may be a costly venture now but may prove to be a boon in the later years especially when the requirement is high.

The Committee therefore recommend that the available technology with the department may be upgraded and if need be specialists service may be obtained from institutes like ICAR, CSIR etc. to make the venture cost effective.

As regards the Artificial Insemination mobile units the Committee feel that it is the best way to reach to the poorest of the poor farmer and the farthest of the far corner of India. The Committee therefore, recommend that the programme should be given more thrust and greater initiative to see that actual targets are achieved.

Reply of the Government

11 such systems were sanctioned in 1997-98. The target for 1998-99 has been revised at 30 and that for the next three years will be 80, 80 and 85 so that total Ninth Plan target of 286 is achieved.

The state departments of animal husbandry in the country already own some 180 small captive LN₂ plants and they together have a capacity to produce 10 million litres of liquid nitrogen per year.

These plants are all imported plants, are expensive and spare parts for them are difficult to access. At any point of time more than 50 per cent of these plants are out of operation for want of spares or for reasons of inadequate maintenance.

Annual production together from these plants is only some 4 to 5 million litres. Invariably the plants are not operational regularly and this is one of the major reasons for interruptions in supply of LN2 to AI Centres.

The cost of production of LN2 from these plants is very high as they are energy intensive and often produce quantities far below their rated capacity because of interruptions in production, poor quality power supply and poor management.

The cost of production per litre now works out to some Rs. 45 and goes even upto Rs. 60 in some cases. On the other hand bulk supply of LN2 delivered at destination by the suppliers, costs only between Rs. 10 and Rs. 20, depending upon the quantities delivered annually and distances involved. But for this the infrastructure for bulk storage and bulk delivery are needed.

The total annual requirement of LN2 for the AI network planned under the 9th Plan is 25 million litres. Regular production and supply of such large quantities round the year, using these types of plants, is not feasible both economically and technically.

The plan, therefore, is to base procurement substantially from large industrial gas manufacturers, in the public and private sectors though not entirely. There are about 100 large industrial gas manufacturers spread out in the country providing ready access to most States. About 25 of these manufacturers are public sector corporations primarily manufacturing fertilizers, petrochemicals, steel and heavy machinery.

Many of the State Governments are already buying large quantities of LN2 from industrial scale manufacturers. For example : the Haryana Government buy annually 60000 litres from bulk manufacturers. Their requirement under the 9th Plan is likely to go up to 0.50 million litres by 2002; Madhya Pradesh Government is buying 6.0 lakh litres from bulk suppliers and their demand will go up to 2.00 million litres by 2002.

Some State Governments which do not have ready access to bulk manufacturers on account of distances or because the manufacturers do not have surpluses will continue to use captive plants like Kerala and States in North East.

In addition to the advantage of economy of scale, dependence on bulk manufacturers would be unavoidable because of the quantities involved (25 million litres annually), which is completely outside the scope of the captive plants. A crisis in supply is unlikely on account of the following reasons:

- (i) There are today some 136 million litres of Excess Installed Capacity in the gas manufacturing industry. They are in a buyers market and the demand of 25 million litres created by the expanded AI coverage is not large enough to change the market dynamics.
- (ii) The 25 or so large public sector gas manufacturers, logistically favourable to most regions of the country, will be an effective safe guard against any "Game Plan" by the private sector.
- (iii) The 180 or so captive plants with the State Government, will continue to be stand by plants in the states, ready to step in, if market conditions so demand.

Recommendation (Sl. No. 17)

Fishery Survey of India

The Committee are aware that the Fishery Survey of India has been crippled in their working due to the frequent break down of their survey vessels. The Committee have been informed that there is a programme of purchase of new vessels in phases to replace the ineffective old ones which are more than 15 to 19 years old. The Committee recommend that the repair of old vessels is causing a recurring expenditure of around Rs. 3 crores every year and only Rs. 7 crores have been allocated this year to make part payment for acquisition of the new vessels. The Committee are of the opinion that it would be prudent to make the purchase of all the vessels at one time with one block grant, as this would help to eliminate the recurring expenditure on the repair of vessels year after year. The Committee, therefore, recommend that immediate steps should be taken to acquire all the vessels in this year itself so that all the staff could be deployed for undertaking survey as planned. The Committee, therefore, expect higher allocations for this purpose in the Revised Estimates for this year.

Reply of the Government

At the outset it may be stated that dry-docking and overhaul of the vessel at regular intervals, is a mandatory requirement. As such every year, expenditure has to be incurred on dry-docking and overhaul of vessels irrespective of whether they are new or old. Thus acquisition of new vessels would not help to eliminate the recurring expenses on the repairs of vessels every year. As regards the question of making purchase of all the vessels at one time within one block grant, it may be stated that vessels required by FSI for survey work are different from commercial fishing vessels. These vessels have to be built as per the specifications and requirement peculiar to the FSI. Some of these vessels may be procured indigenously while others may have to be procured from foreign suppliers. Moreover, the machinery that would be installed on board may have to be acquired from various global sources. As such it may not be feasible to acquire the vessels within one year and the process of acquisition of vessels may take minimum of two to three years since after advertising through global tenders, selected shipyards would also require some time to construct the vessel according to the requirement of FSI. Also the budgetary requirement would depend upon the delivery schedule as per the terms and conditions of the contract entered into with the shipyard(s). The payment is, therefore, likely to be made in different instalments depending upon the progress of work. Every effort will be made to provide the necessary budgetary support to FSI in accordance with the terms of the contractual obligation by providing additional funds at the RE stage, if need be.

CHAPTER V

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

Recommendation (Sl. No. 9)

Mobile Veterinary Clinics

The Committee have been recommending in the past that suitable budgetary provisions should be made for having sufficiently large number of Mobile Veterinary Dispensaries/Clinics to cover the whole length and breadth of this country. The Department of Animal Husbandry and Dairying promised that the feasibility of making a beginning in mobile veterinary service either through redesigning the existing scheme or through a new scheme altogether and connected modalities would be examined. The Committee are disappointed to find that nothing has been done in this respect in the 9th Plan of the Department or in the annual Plans of 1997-98 and 1998-99. No specific allotment has been made for this programme in the budget for 1998-99. The Committee, therefore, recommend that the Ministry should prepare a fresh proposal exclusively for setting up Mobile Veterinary Dispensaries/Clinics all over the country with a special component for inaccessible and hilly areas this year and make suitable allocations at the revised estimates stage after obtaining necessary approvals.

Reply of the Government

Provision of veterinary services (*viz.* establishment of veterinary hospitals, dispensaries, poly-clinics, first aid centres including mobile dispensaries etc.) is the responsibility of the State Govts. According to the latest available information network of 21988 veterinary hospitals/dispensaries/poly-clinics, 23682 veterinary aid centres including mobile dispensaries, 250 disease diagnostic laboratories and 26 veterinary vaccines production centres has been functioning in the States throughout the country and providing health care services. The Deptt. of

Animal Husbandry & Dairying has been supplementing the efforts of the State Govts. through the scheme assistance to State for systematic control of livestock diseases of national importance and foot and mouth disease control. The allocation of the scheme has been enhanced from Rs. 40 crores during Eighth Plan to Rs. 110 crores in the SAP during Ninth Plan for effective implementation of the scheme.

Keeping in view the recommendations of the committee, the department has however provided 48 mobile dispensaries in the States during 1997-98. The department has been assessing the performance and utility of these mobile dispensaries in consultation with the State Govts. before taking up a new scheme for strengthening such facilities in the States.

Recommendation (Sl. No. 12)

Bare foot Veterinary Attendants

The Committee find that the network of Veterinary Dispensaries all over the country is hardly sufficient to render proper basic medical care and attention to the animal population spread in the various nooks and corners of the country. In most of the areas the lives of cattles are lost for want of suitable qualified Doctors in the close proximity of the villages and due to non-availability of medicines in time. Even where the medicines are available, they are always not of good quality and are very costly. The Committee, therefore recommend that the Central Government should come up immediately with a plan to organise short-term training courses whereby a large number of bare-foot veterinary attendants could be trained for deploying all over the country in order to make available animal health care within a short distance. The Committee recommend that suitable budgetary provisions should be made for this purpose in the budget of 1998-99 at the revised estimates stage.

The Committee further recommend that the Government should take suitable steps to increase the number of manufacturing units for the production of low cost drugs. The Committee also recommend that there is need to provide subsidy on the medicines as they are very costly and the poor farmers unable to buy them.

Reply of the Government

The matter has been referred to the Veterinary Council of India (VCI) and Indian Council of Agricultural Research (ICAR) for their comments.

Recommendation (Sl. No. 13)

Animal Disease Surveillance Scheme

The Committee recommend that the Animal disease surveillance Bulletins giving information about the major diseases should be available in the local languages also. The Committee suggest that the help of the State Directorate should be taken for making the publications available in local languages so that the dissemination of information is spread to wider ranges of the country.

Reply of the Government

The action is being initiated as per recommendation of the Standing Committee.

Recommendation (Sl. No. 20)

Security in Delhi Milk Scheme

The Committee during their study visit to the Delhi Milk Scheme found that the DMS did not have CISF personnel deployed there for the purpose of security as has been normally provided for in the other industrial establishments. The Committee feel that heavy losses have been written off only because the security mechanism is not functioning properly and only the in-house personnel are manning the security points. The Committee made a study report in this matter and sent it for appropriate action to the Department of Animal Husbandry and Dairying. The Committee are disappointed to note that no action has so far been taken in the matter. The Committee desire that immediate action should be taken in the matter within one month of the presentation of this report.

Reply of the Government

Based on the recommendation of the Committee, the Department of Animal Husbandry and Dairying approached the Ministry of Home Affairs for facilitating induction of CISF in Delhi Milk Scheme. Ministry of Home Affairs advised that the matter has first to be assessed by a joint survey team of CISF/DMS and the Department of Animal Husbandry and Dairying. Accordingly, the Director General, CISF, *vide* his letter dated 17.7.98 has forwarded a proposal for the joint survey. The proposal is being examined.

Recommendation (Sl. No. 23)

Recruitment of Veterinary Scientists

The Committee recommend that the Government should set up a separate Animal Scientists Recruitment Board (ASRB) on the lines of the Agricultural Scientists Recruitment Board soon after the constitution of the proposed Indian Council of Veterinary Research and Education. It is necessary to recruit required personnel through ASRB as the present system of recruiting senior technical and scientific personnel through UPSC is a very long time consuming affair and several posts have remained vacant as a result thereof. The Committee during their study tours have found that the scales of pay given to the Scientists of the Veterinary Institutions under the Department of Animal Husbandry and Dairying are far below the scales of pay for Scientists with the same qualifications under the ICAR. The Committee feel that this has acted as disincentive to the Animal Scientists and other technical personnel employed in the various Veterinary Institutions under the Department of Animal Husbandry and Dairying to put in their best efforts. The Committee, therefore recommend that the scientific and technical personnel employed under the Department of Animal Husbandry and Dairying should be offered the same scales of pay and other benefits as are available for the Scientists and technical personnel recruited by the Agricultural Scientists Recruitment Board and employed under the ICAR.

The Committee strongly recommend the constitution of Central Animal Scientists service under the Union Government for the proper development and motivation of Animal Scientists so that the country could benefit from their expertise. The Committee recommend that a decision on all the aforesaid matters should be taken within the next three months and a special report should be submitted to the Committee in this regard.

Reply of the Government

The Fifth Pay Commission has recommended constitution of a central veterinary service incorporating veterinarians serving under different organisations. Action is being taken to seek concurrence of different organisations. As such issues relating to method of recruitment, pay scales and other benefits can be attended to only after a decision is taken to constitute such a service.

NEW DELHI;
2 March, 1999

1 Chaitra, 1920 (Saka)

KINJARAPU YERRANNAIDU,
Chairman,
Standing Committee on Agriculture.

APPENDIX I

MINUTES OF THE TWENTY THIRD SITTING OF THE STANDING COMMITTEE ON AGRICULTURE HELD ON MONDAY THE 22ND MARCH 1999 FROM 11.15 HRS. TO 13.15 HRS. IN COMMITTEE ROOM 'E', PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 11.15 hrs. to 13.15 hrs.

PRESENT

Shri Kinjarapu Yerrannaidu — *Chairman*

MEMBERS

Lok Sabha

2. Shri D.C. Sreekantappa
3. Shri Baliram Kashyap
4. Shri Maganti Venkateswara Rao
5. Shri Uttamrao Deorao Patil
6. Kum. Vimla Verma
7. Shri Mahboob Zahedi
8. Shri Mitrasen Yadav
9. Shri Anup Lal Yadav
10. Shri Bashist Narayan Singh
11. Dr. Sushil Kumar Indora

Rajya Sabha

12. Maulana Habibur Rahman Nomani
13. Shri Devi Prasad Singh
14. Shri Ramnarayan Goswami
15. Shri H.K. Javare Gowda
16. Dr. Ramnendra Kumar Yadav (Ravi)
17. Shri Sangh Priya Gautam

SECRETARY

- | | | |
|------------------------|---|-----------------------------|
| 1. Shri G.C. Malhotra | — | <i>Additional Secretary</i> |
| 2. Shri Joginder Singh | — | <i>Joint Secretary</i> |
| 3. Shri S. Bal Shekar | — | <i>Deputy Secretary</i> |
| 4. Smt. Anita Jain | — | <i>Under Secretary</i> |
| 5. Shri K.L. Arora | — | <i>Assistant Director</i> |

Chairman (AC) took the Chair and welcomed the Members. Thereafter, the Committee took up for consideration the draft Memoranda 1 to 5 on Action taken by the Government in respect of the recommendations/observations contained in the following reports:

1. 7th Report on Demands for Grants (1998-99) relating to Ministry of Agriculture (Department of Agriculture and Co-operation).
2. 8th Report on Demands for Grants (1998-99) relating to Ministry of Agriculture (Department of Agricultural Research and Education).
3. 9th Report on Demands for Grants (1998-99) relating to Ministry of Agriculture (Department of Animal Husbandry and Dairying)
4. 10th Report on Demands for Grants (1998-99) relating to Ministry of Water Resources.
5. 11th Report on Demands for Grants (1998-99) relating to Ministry of Food Processing Industries.

2. The Committee considered the memoranda 1 to 5 and adopted the chapterization. The Committee also adopted the draft comments for inclusion in Chapter I with minor additions.

3. The Committee, then, authorised the Chairman to present all the Five Action Taken Reports (1998-99) of the Committee to the House on a date and time convenient to him.

4. ***** ***** *****

The Committee then adjourned to meet again on 30th March, 1999.

APPENDIX II

(Vide Para 4 of Introduction of the Report)

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE 15TH REPORT OF STANDING COMMITTEE ON AGRICULTURE (11TH LOK SABHA)

(i) Total Number of Recommendations

(ii) Recommendations/Observations which have
been accepted by the Government :

Serial Nos. 1, 2, 3, 4, 6, 8, 10, 14, 16, 18,
19, 21, 22

Total 13

Percentage 56.54

(iii) Recommendations/Observations which the
Committee do not desire to pursue in view
of the Government's replies:

Serial Nos. Nil

Total Nil

Percentage Nil

(iv) Recommendations/Observations in respect of
which replies of the Government have not been
accepted by the Committee:

Serial No. 5, 7, 11, 15 & 17

Total 5

Percentage 21.73

(v) Recommendations/Observations in respect of
which final replies of the Government are
still awaited :

Serial No. 9, 12, 13, 20 & 23

Total 5

Percentage 21.73