

MINISTRY OF AGRICULTURE  
(DEPARTMENT OF ANIMAL HUSBANDRY, DAIRYING & FISHERIES)

DEMANDS FOR GRANTS (2011-2012)

{Action Taken by the Government on the Observations/  
Recommendations contained in the Twenty-fourth Report  
of the Committee on Agriculture (2010-2011)}

THIRTY-FIRST REPORT



LOK SABHA SECRETARIAT

*NEW DELHI*

February 2012 / Phalgun, 1933 (Saka)

THIRTY – FIRST REPORT

**COMMITTEE ON AGRICULTURE**

(2011-2012)

**(FIFTEENTH LOK SABHA)**

MINISTRY OF AGRICULTURE  
**(DEPARTMENT OF ANIMAL HUSBANDRY, DAIRYING & FISHERIES)**

**DEMANDS FOR GRANTS**

**(2011-2012)**

**(Action Taken by the Government on the Observations/  
Recommendations contained in the Twenty - fourth Report of the Committee on  
Agriculture (2010-2011)**

**PRESENTED TO HON'BLE SPEAKER, LOK SABHA ON 01.3.2012**

**PRESENTED TO LOK SABHA ON 29.3.2012**

**LAID ON THE TABLE OF RAJYA SABHA ON 29.3.2012**



***LOK SABHA SECRETARIAT***

***NEW DELHI***

February 2012 / Phalgun, 1933 (Saka)

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(i)

## COMPOSITION OF THE COMMITTEE ON AGRICULTURE (2011-12)

**Shri Basudeb Acharia - Chairman**

**MEMBERS**

**LOK SABHA**

2. **Shri Narayansingh Amlabe**
3. **Shri K.C. Singh 'Baba'**
4. **Shri Thangso Baite**
5. **Smt. Shruti Choudhary**
6. **Smt. Ashwamedh Devi**
7. **Shri Biren Singh Engti**
8. **Shri Anant Kumar Hegde**
9. **Shri Deepender Singh Hooda**
10. **Shri Sk. Nurul Islam**
11. **Shri Naranbhai Kachhadia**
12. **Shri Premdas**
13. **Shri Surendra Singh Nagar**
14. **Shri Devji M. Patel**
15. **Shri Vitthalbhai Hansrajbhai Radadiya**
16. **Shri Nripendra Nath Roy**
17. **Shri Jagdish Thakor**
18. **Shri Laxman Tudu**
19. **Shri D. Venugopal**
20. **Shri Hukmadeo Narayan Yadav**
21. **Shri Ramakant Yadav**

**RAJYA SABHA**

22. **Shri Shashi Bhusan Behera**
23. **Shri Narendra Budania**
24. **Shri Satyavrat Chaturvedi**
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26. **Shri Vinay Katiyar**
27. **Shri Mohd. Ali Khan**
28. **Shri Upendra Kushwaha**
29. **Shri Bharatsinh Prabhatsinh Parmar**
30. **Shri Rajpal Singh Saini**
31. **Shri S. Thangavelu**

## **SECRETARIAT**

1.	Shri Deepak Mahna	-	Joint Secretary
2.	Shri P.V.L.N. Murthy	-	Director
3.	Shri C. Vanlalruata	-	Deputy Secretary

(iv)

## INTRODUCTION

I, THE CHAIRMAN, STANDING COMMITTEE ON AGRICULTURE (2011-2012) HAVING BEEN AUTHORIZED BY THE COMMITTEE TO SUBMIT THE REPORT ON THEIR BEHALF, PRESENT THIS THIRTY-FIRST REPORT ON ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE TWENTY-FOURTH REPORT OF THE COMMITTEE ON DEMANDS FOR GRANTS (2011-2012) PERTAINING TO THE MINISTRY OF AGRICULTURE (DEPARTMENT OF ANIMAL HUSBANDRY, DAIRYING & FISHERIES).

2. THE TWENTY-FOURTH REPORT OF THE COMMITTEE ON AGRICULTURE (2010-2011) ON DEMANDS FOR GRANTS (2011-2012) PERTAINING TO THE MINISTRY OF AGRICULTURE (DEPARTMENT OF ANIMAL HUSBANDRY, DAIRYING & FISHERIES) WAS PRESENTED TO LOK SABHA AND LAID ON THE TABLE OF RAJYA SABHA ON 29 AUGUST, 2011. THE ACTION TAKEN REPLIES ON THE REPORT WERE RECEIVED ON 23 DECEMBER, 2011.

3. THE REPORT WAS CONSIDERED AND ADOPTED BY THE COMMITTEE AT THEIR SITTING HELD ON 21 FEBRUARY, 2012.

4. AN ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE TWENTY-FOURTH REPORT OF THE COMMITTEE IS GIVEN IN ANNEXURE- II.

NEW DELHI;  
21 February, 2012  
2 Phalgun, 1933 (Saka)

BASUDEB ACHARIA  
*Chairman,*  
*Standing Committee on Agriculture*

(v)

## **CHAPTER I**

### **REPORT**

This Report of the Committee on Agriculture deals with the action taken by the Government on the recommendations contained in the Twenty-fourth Report (Fifteenth Lok Sabha) of the Committee on Agriculture (2010-11) on Demands for Grants 2011-12 pertaining to the Ministry of Agriculture (Department of Animal Husbandry, Dairying and Fisheries) which was presented to Lok Sabha and laid on the Table of Rajya Sabha on 29 August, 2011.

1.2 The Department of Animal Husbandry, Dairying and Fisheries have furnished Action Taken Replies in respect of all the 21 Observations / Recommendations contained in the Report. These have been categorized as under :-

(i) Observations / Recommendations that have been accepted by the Government :

Recommendation Nos. 1.4, 2.30, 2.31, 2.32, 2.33, 2.34, 2.35, 2.36, 3.30, 3.31, 3.32, 3.33, 3.35, 3.36, 3.38 and 3.39

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

Recommendation Nos. NIL

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

Recommendation Nos. 3.27, 3.28, 3.34 and 3.37

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

Recommendation Nos. 3.29

**1.3 The Committee trust that utmost importance would be given to implementation of the Observations/Recommendations accepted by the Government. In cases, where it is not possible for the Department to implement the Recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons for non-implementation. The Committee desire that further Action Taken notes on the Observations/Recommendations contained in Chapter-I and Final Action Taken Replies to the Recommendations contained in Chapter-V of this Report be furnished to them at an early date.**

**1.4 The Committee will now deal with the action taken by the Government on some of the Recommendations in the succeeding paragraphs.**

#### **Annual Plan 2011-12**

**(Recommendation Para Nos. 2.30, 2.31, 2.32 and 2.33)**

**1.5 The Committee had observed that Animal Husbandry, Dairying and Fisheries sectors are contributing about 29.7% of the total value of output of agriculture and allied sectors i.e. milk's contribution is Rs.2,08,809 crore while paddy was contributing Rs.1,35,307 crore. Inspite of this fact, this sector was suffering due to the continued apathy of the planner and policy makers alike. The Committee had also noted that out of the approved allocation of Rs.8,174 crore the Department had actually been allotted Rs.5,910 crore which is about 72% of the approved allocation.**

In regard to actual utilization of funds they observed that out of Rs.4,310 crore allocated to the Department during the first four fiscals, actual expenditure was only Rs.3,677 crore and even if the Department were to utilize the entire Rs.1,600 crore allocated in the current fiscal, the actual expenditure during the Eleventh Plan would be above Rs. 5277 crore i.e. 89% of the reduced actual allocation. The main reasons attributed for this under-utilization were delay in granting approval to schemes and States retaining huge unspent balances, which as on 1 April, 2010 has reached Rs. 595 crore. Observing that the present mechanism for follow-up being practiced for liquidation of unspent balances by States was not serving the purpose and feeling that there was an urgent need to revisit this mechanism, the Committee desired the Department to initiate corrective measures in this respect well before commencement of the next Plan.

Noting that the State Governments routinely park their funds so as to help them in their ways and means position, which resulted in funds remaining unspent, the Committee recommended that a system for regular online monitoring of funds released by the Department be put in place urgently, so as to ensure that funds are utilized for the designated purposes only. To ensure the same they also desired that this issue be taken up at the highest level with all State Governments about the problems posed as a result of parking of funds for unintended purposes.

1.6 The Ministry of Agriculture (Department of animal Husbandry, Dairying and Fisheries) in their Action Taken Note have stated that the Planning Commission has constituted the Working Group of Animal Husbandry and Working Group on Fisheries for this Department for the 12<sup>th</sup> Five Year Plan.

Both Working Groups had submitted their reports to Steering Committee on Agriculture and Allied Sector. Based on the recommendations given by Steering Committee, the Department will consider the recommendations in respect of the finalization of the 12<sup>th</sup> Five Year Plan. The Department partially supports RKVY pattern in respect of implementation of schemes. However, the activities which are already funded by ongoing/existing schemes/programmes of this Department should not be funded to avoid duplication of resources and efforts. The Department is confident of full utilization of the allocated funds during the current fiscal. The department is regularly monitoring the full utilization of funds and monitoring the progress of the schemes through weekly expenditure review meetings, video conferencing with the States, State visits by the senior officers of this Department.

**1.7 The Committee are constrained to note that the with regard to progress made in the direction of further consideration of the report of Working Groups by the Steering Committee on Agriculture and Allied Sector is yet to see the light of the day as is evident from the reply submitted in the last week of December, 2011. This has resulted in non-finalization of the Twelfth Plan proposals of the Department. The above stated position has virtually negated their recommendation to the effect that the Department ought to complete all formalities preparatory to the implementation of Twelfth Plan and communicate the same to the line Ministries/Departments latest by Decembers, 2011. Further, they find that the reply is silent on the action taken with reference to aspects of State specific orientation of Schemes and giving flexibility in implementation which would have resulted in timely submission of**

structured proposals by States. They, therefore, reiterate that the Department on their part need to consult States/UTs before devising a particular scheme focusing on the regional diversities and giving the States/UTs some flexibility, as is currently being done under the Rashtriya Krishi Vikas Yojana.

Furthermore, they note that the Department's reply does not reveal anything new than what they know and the steps taken to revisit and revise/review the mechanism of follow up being practiced for liquidation of unspent balances by States. They, therefore, urge the Department to review this mechanism urgently and introduce correctives so as to liquidate unspent balances at the earliest. They also reiterate their earlier recommendation that clear cut instructions at the highest level be issued to States to desist parking funds meant for the Schemes of the Department to tide over their ways and means position leading to funds meant for Schemes remaining unspent. The Committee are pretty sanguine that if all concerned act upon their instant recommendation in real earnest, this sector would witness an improvement in their economic status during the next five years i.e. the Twelfth Plan period (2012-17) resulting in not only the animal husbandry, dairying and fisheries sector getting its rightful due, but also be able to standout as another sunshine sector of our economy.

#### **Schemes in Eleventh Plan**

**(Recommendation Para No. 2.34)**

1.8 The Committee observed that out of 15 Schemes proposed for implementation, three major schemes of the Department viz. National Dairy Plan, Food Safety and Traceability and Strengthening Livestock Extension and Delivery System were yet to be approved even in the terminal year of the Eleventh Plan. The Committee had recommended quick and conclusive action on all the three pending Schemes, so that as assured by the Department, the implementation proper of these Schemes begins at least in the last year of the Eleventh Plan.

1.9 The Department in their Action Taken Note have stated that the proposal for National Dairy Plan was considered by Expenditure Finance Committee (EFC) on 25.07.2011. The estimated outlay of the scheme as recommended by EFC is Rs.2242 crore comprising Rs.1584 as IDA credit, Rs.176 crore as Government of India share, Rs.282 crore as share of End Implementing Agencies (EIAs) that will implement the project in participating States and about Rs.200 crore by NDDB and its subsidiaries for providing technical and implementation support to the project. A note for Cabinet Committee on Economic Affairs is under preparation and the same will be circulated shortly.

This Department had approached FAO to devise a strategy for animal identification and traceability system in India. The FAO had sent to the Department a study proposal under technical cooperation programme on Animal Identification and Traceability (AI&T) system for India. The proposal has been accepted in the Department and accordingly now funds have been released to FAO for Government of India contribution to the project The TCP has a total outlay of Rs. 1.82 crores out of which Indian share is Rs. 1.1 crore.

An amount of Rs. 1.0 crore has already been released to FAO and the balance of Rs. 10 lakh will be released in December–January, 2011. The Technical Cooperation (TCP) has seven months duration under which FAO will draft a strategy and an action plan for an animal identification and traceability system in India. The recommendations in terms of the strategy and action plan for AI&T are expected to be available in seven months period (i.e. February, 2012) and scheme in the form of a pilot project is expected to be formulated within this financial year (2011-12) in one or two states. The scheme shall be implemented in phased manner over a period of ten years.

The EFC on Livestock Extension and Delivery Services was circulated to the appraisal agencies and comments were received from all the agencies. The proposal included creation of a large number of posts at Central and State level which was to be curtailed to a desirable level. Accordingly, a Brain Storming session was held on 16-7-2010 under the Chairpersonship of Joint Secretary (Extension). On the basis of the Brainstorming session, the number of vacancies was reduced to a more reasonable level. The revised EFC was circulated to the appraisal agencies on 31.1.2011. The meeting of the SFC/EFC was taken on 05.05.2011 in New Delhi. The representative of the Planning Commission who also attended this meeting expressed the view that being the last year of 11th Plan, no new schemes may be taken up in 2011-12. Planning Commission also advised to take this up as a part of one of the ongoing CSS scheme namely 'Intensive Dairy Development Programme'. DADF is of the view that the proposed new scheme on Livestock Extension cannot be clubbed with any of the ongoing CSS whether it is in the dairy, fishery or small ruminants sector. In order to give it a significant boost, DADF

would like to take up the new scheme as a stand-alone proposal. Discussion with Planning Commission is going on and efforts are made to launch the scheme early in 12th Plan.

**1.10 The Committee's anguish at the present system of according multi level clearances to a scheme before it gets implemented, which has been repeatedly conveyed by them to the Department as well as Planning Commission, Ministry of Finance during the course of the Eleventh Plan period seems to have fallen on deaf ears. This is epitomized by the status of the three schemes i.e. National Dairy Plan, Food Safety and Traceability and Strengthening Livestock Extension and Delivery System, conveyed by the Department through their Action Taken Notes which is not vastly different from the status intimated to them by the Department at the time of examination of Demands For Grants 2011-12. The National Dairy Plan is still stuck at approvals stage as a note for Cabinet Committee on Economic Affairs is under preparation to be circulated shortly. This is so, when the Twelfth Five Year Plan is knocking at the doors for implementation from 1 April, 2012. The fate of the scheme of Food Safety and Traceability is the same as it was proposed to be formulated within this fiscal and that too as a pilot project with a limited coverage. The scheme of Strengthening Livestock Extension and Delivery System is also likely to be launched early in the Twelfth Plan. In view of the adverse impact of this prolonged delay in granting multi level clearance to a scheme in terms of staggering of timelines, cost overruns and back loading of funds etc. the Committee once again urge**

**the Planning Commission to take up this issue seriously while deliberating upon the modalities and framework for the Twelfth Plan, so as to streamline this process and reduce the time lines for approval of a new scheme for its implementation at least in the Twelfth Plan period.**

**Allocations to the Animal Husbandry Sector**  
**(Recommendation Para No. 3.27)**

1.11 The Committee observed that the allocation of the Department in the last three financial years had been reduced at the RE stage and the Department was not even able to spend this reduced allocation. They also noted that animal husbandry sector holds immense promise and potential for the welfare of the deprived sections of our population including small and marginal farmers, the rural landless, the urban poor. More importantly, it can provide the much needed financial help to the women folk of these segments of society. They were constrained to note that the Department, in spite of being in existence for decades together have not even been able to create a sound financial base for the sector and have regularly failed to show case the sector in its full potential and dimensions to the planners and policy makers. The Committee, had therefore, desired the Department to work out a detailed roadmap to project the animal husbandry sector in its entirety so that it could claim its rightful place in the economy and the developmental process and expected all alacrity in this regard from the Department and hoped that they would do the needful when the Twelfth Five Year Plan is being formulated.

1.12 The Department in their Action Taken Note have stated that the schemes of the Department are basically intended to assist the States in the development of infrastructure and provide policy directives for promotion of

Animal Husbandry, Dairying and Fisheries sectors. Therefore, the Department constantly takes up the matter with States for quick absorption of funds and thus to spend the entire allocations. However, the Department has developed the roadmap for boosting the Animal Husbandry Sector in 12<sup>th</sup> Plan document which is to be finalized by Planning Commission.

**1.13 The Committee note with regret the tone and tenor of the Department's reply wherein they have shrugged off their responsibility on to the States/UTs by advancing the argument that the schemes of the Department are basically intended to assist the States in the development of infrastructure and provide policy directives for promotion of Animal Husbandry, Dairying and Fisheries sectors. In their considered opinion, the Department should not only give policy directives but also handhold and work in unison with the States to achieve the best possible results. They are however glad to be informed that the Department though have belatedly adopted a pro-active approach by developing the roadmap for boosting the Animal Husbandry Sector in the Twelfth Plan document which is to be finalized by the Planning Commission. They, therefore, desire the Department to get the same approved by the Planning Commission at the earliest and circulate it to all implementing agencies at the earliest so that all are in readiness to implement the Twelfth Five Year Plan from the date of its inception. They, however, would also like to be apprised of the details of the roadmap so developed at the earliest**

**UTILISATION OF ALLOCATED FUNDS IN ANIMAL HUSBANDRY SECTOR**  
**(Recommendation Para No. 3.28)**

1.14 The Committee noted the under-utilization of funds during the last three years and opined that unless the Department gear themselves up appropriately, it would again be difficult for them to spend the allocated amount and this would ultimately lead not only to reductions at the RE stage but also lead to the Planning Commission and the Ministry of Finance forming a definite opinion about the absorption capacity of the Schemes of the Department. The Committee, had therefore, desired the Department to schedule their spending and releases diligently and in close coordination with State Governments and other user agencies to ensure full utilisation of the allocated amount.

1.15 The Department in their Action Taken Note have stated that as on 12<sup>th</sup> December 2011, the Department has incurred the expenditure to the tune of Rs. 510.88 crore against the allocated sum of Rs. 874.36 crore for the Animal Husbandry Sector. The Department is confident to utilize the allocated funds during the current financial year. The Department is also monitoring the full utilization of funds through weekly expenditure review meetings, video conferencing with the States, State visits by the senior officers of this department for regular correspondence with the State Officials on implementation of the Schemes.

**1.16 The Committee do not share the confidence and the optimism of the Department of being able to utilize the entire allocation of Rs.874.36 crore for the Animal Husbandry Sector when their utilization of funds as on 12 December, 2011 is only Rs. 510.88 crore i.e. 58.43% only, thus leaving about 41% of the allocation to be utilized during the last quarter of the current fiscal. They apprehend that this level of utilization of funds**

up to 12 December, 2011 might have prompted Ministry of Finance to reduce the allocation at RE stage. Guided by the past performance of the Department of the first four fiscals, the Committee are of the firm opinion that this year too, the final utilization would be on the lines of the pattern witnessed in the years gone by, In the event, the Department are able to utilize the balance 41% during the last quarter of this fiscal, they also further apprehend adverse criticism on breach of set ceilings by Ministry of Finance in relation to last quarter/March end utilization levels. The Committee, therefore, exhort the Department to ensure that utilization of funds by the implementing agencies not only picks up, but is also evenly spread through all four quarters of a fiscal, at least in the Twelfth Five Year Plan which commences from 1 April, 2012. This will enforce financial discipline among the State/UTs and will lead to lesser reduction of BE funds at RE stage.

**Poultry Development**  
**(Recommendation Para No. 3.29)**

1.17 The Committee noted that in the Eleventh Plan, the Department had proposed the Scheme for Establishment of Poultry Estate in six estates though the EFC gave approval to only two estates viz. one broiler and one layer estate. While the broiler one is a proposal of Government of Sikkim, the layer one is a proposal of Government of Orissa. Delay in commencement of these two pilot projects is affecting the likely expansion of the Scheme in other States / areas. In view the high hopes expressed by the Department at the time of the examination of the Demands for Grants (2011-12) as also the previous one, the Committee desired that the evaluation of the Scheme be done at the

earliest available opportunity, so that the further course of action is accordingly decided.

1.18 In their Action Taken Note the Department have stated that as Desired by the Committee, the evaluation of the 'Poultry Estate' component will be initiated as soon as the estates come into operation.

**1.19 The Committee are concerned to note that the Scheme for establishment of Poultry Estate one in Sikkim and the other in Odisha, according to the action taken note are yet to be operationalised whereupon their evaluation as earlier desired by them could be initiated. The Committee at the cost of sounding repetitive, express their strong displeasure on the tardy implementation of even the curtailed scheme on a pilot basis. They, therefore, reiterate their earlier recommendation that the scheme be implemented without any further delay so as to enable its evaluation and further expansion to other States as envisaged earlier. They would like to be informed of the progress made in this direction.**

**Dairy Sector**  
**(Recommendation Para No. 3.34)**

1.20 The Department is primarily involved in promotion of dairying activities in non-Operation Flood areas where they are assisting building up of cooperative infrastructure, revitalisation of sick dairy cooperative federations and creation of infrastructure in the States for production of quality milk and milk products and are implementing four Schemes in the Dairy Sector. The Committee noted that during the last three Fiscals (upto 28 February, 2011), Dairying Sector could hardly spend Rs.250.00 crore or so primarily because

the National Dairy Plan (NDP) was in limbo all these years and this year since a sum of Rs.100.00 crore has been earmarked for NDP. The allocation has accordingly more than doubled to Rs.200.25 crore for Dairy Development. This being the terminal year of the Eleventh Plan, the Committee exhorted the Department to fully utilise this entire amount so that not only NDP is kick-started at last but sufficient funds are also made available for the Dairy Sector by the Planning Commission in the Twelfth Plan.

1.21 The Department in their Action Taken Note have stated that the Table below summarizes the financial performance of the Dairy Development schemes including Delhi Milk Scheme (DMS) Sector during the preceding three Fiscals and the BE in the current Fiscal:

(Rs. in Crore)

YEAR	BE	RE	Actual Expenditure
2008-09	98.99	99.09	97.90
2009-10	102.09	90.23	85.93
2010-11	88.75	88.75	85.15
2011-12	250.25	-	119.35*

\*upto 21st November, 2011

As against the Budget Estimate of Rs 289.83 crore during the last three years an amount of Rs 268.98 crore was released under Dairy Development schemes indicating the about 93% of the BE has been spent. During the current year 2011-12 against Budget Estimate of Rs 250.25 crore (which includes budget provision of Rs 100 crore under National Dairy Plan (NDP) the scheme is yet to be implemented) an amount of Rs.119.35 has been

released upto 21st November, 2011 indicating expenditure of 48 % of the BE( 79.4% excluding outlay of NDP) .

The proposal for approval of National Dairy Plan (NDP) was considered by Expenditure Finance Committee (EFC) on 25.07.2011. The estimated outlay of the scheme as recommended by EFC is Rs.2242 crore comprising Rs.1584 as IDA credit, Rs.176 crore as GoI share, Rs.282 crore as share of End Implementing Agencies (EIAs) that will implement the project in participating States and about Rs.200 crore by NDDB and its subsidiaries for providing technical and implementation support to the project. A note for Cabinet Committee on Economic Affairs is under preparation and the same will be circulated shortly. However, as the NDP is expected to be launched during December, 2011 the revised budget estimate proposed by Department is Rs.25.00 crore. The revised budget estimate for the Dairy Development schemes has been proposed to be Rs.216.40 crore by the Department. The revised budget for Department is yet to be finalized by the Department of Expenditure.

**1.22 The following figures were furnished by the Department on Dairy Sector Schemes at the time of examination of Demands For Grants 2011-12:**

**(Rs. in Crore)**

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual</b>
<b>2008-09</b>	<b>98.00</b>	<b>98.10</b>	<b>97.90</b>
<b>2009-10</b>	<b>101.10</b>	<b>89.24</b>	<b>85.93</b>

<b>2010-11</b>	<b>87.76</b>	<b>87.56</b>	<b>64.49*</b>
<b>2011-12</b>	<b>200.25</b>		

- **Upto 28 February, 2011**

**A closer look at the BE and RE allocations in respect of Dairy Sector Schemes as shown above vis-à-vis the figures indicated by the Department in the action taken notes reveals a very disturbing trend in that the figures under the head both in BE and RE for the years 2008-09 and 2009-10 have been changed. These changes, however, are not confined to updating the actual figures for the year 2010-11 to March, 2011 as the final figures as at the end of March, 2011 would not have been available. As their understanding of the extant procedures stands, the allocations at RE stage are final for the fiscal in respect of any scheme. What is furthermore disconcerting is that the Department has also changed the BE figures of the years 2008-09 to 2011-12. It would not be out of context to point out that based on these very figures, the performance of the Department was commented upon by them in the Twenty Fourth Report. The attempt by the Department to negate and nullify their recommendation by this methodology is disconcerting and a highly deplorable practice. They, therefore, unequivocally condemn this practice aimed at shoring up their spending performances of the years gone by. The present action is a serious matter and they would like the Planning Commission and Ministry of Finance to probe the matter further and submit a detailed Report to them through the Department. They further desire the Department not to club the report sought by them from Planning Commission and Ministry of Finance with replies to other**

**recommendation contained in this report on which no action from them is called for.**

**1.23 The repeated procrastination on the part of the agencies involved in granting clearance to the National Dairy Plan Scheme causes them deep anguish. The development of Dairy Sector in spite of its better performance is being hindered by bureaucratic delays reflects very poorly on the Government and is bewildering. They further shudder to contemplate the fate of those schemes whose performance is below par. No wonder, the overall utilization of funds by the Department during the course of the Eleventh Five Year Plan has been found wanting. Keeping in view the fact that India is a world leader in milk production, the Committee impress upon the Department to get the National Dairy Plan implemented at the earliest to not only ensure optimum utilization of funds, but also strive for increased allocation for the Dairy Sector during the Twelfth Plan period to maintain India's status as a world leader in milk production.**

#### **Delhi Milk Scheme**

**(Recommendation Para No. 3.37)**

**1.24 The Committee had noted that due to mismanagement, continued neglect of affairs of the Organisation, obsolescence of plant and machinery, the DMS continued to make losses year after year and though the Government have been toying with the idea of corporatization of DMS for quite sometime now, they have not achieved any success. Resultantly, DMS continues to suffer and is not able to function at its optimal best in stark contrast to other**

players in milk and dairy products market. The Committee had felt that the approach of the Government with regards to handling the problems faced by DMS is far from reality. Instead of the time consuming process of corporatization, the Committee felt that DMS can be turned around by a one time infusion of capital for acquisition of State-of-the-art machinery and equipment and reiterated that needful be done by the Government at the earliest so as to ensure that DMS is restored to a flourishing, profit making entity like Mother Dairy and others.

**1.25** The Department in their Action Taken Note have stated that a Cabinet note on Corporatization of DMS is under finalization with the Department. The proposed corporatization would enable the DMS to run its affairs on commercial lines with flexibility in decision making.

For continuity of operations of DMS for processing of milk and manufacturing of milk products and Upgradation and modernization of DMS plant/acquisition of state of the art machinery and equipments, the funds are required for purchase / replacement machinery& equipments, construction of booths, civil & electrical works and product diversification activities to the extent of Rs. 100 crore approximate.

**1.26 The Committee are shocked at the shoddy treatment being meted out to Delhi Milk Scheme by the Department as well as absence of urgent measures to help turn around the fortunes of DMS. What aggravates them further is the fact that while DMS is languishing presently, the dairy sector is witnessing a period of high growth as is evident from the diversification of dairy products that are being offered by the other players in this sector. The ever increasing brand value of Mother Dairy is**

a poignant example. The stand of the Ministry that a Cabinet note on corporatization of DMS is under finalization with the Department does not pass muster as in their considered opinion this process has not only become time consuming but also has not been able to deliver the desired results in quick time. They again impress upon the Department to break free from their rigid mindset in devising a viable turnaround plan for DMS and act upon their instant recommendation of one time infusion of capital for acquisition of State-of-art machinery and equipment. They are of the firm opinion that once this is done DMS would definitely be able to establish its brand identity and develop a brand equity in the dairy sector in the long run.

## CHAPTER II

### **OBSERVATIONS / RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **IMPLEMENTATION OF THE COMMITTEE'S RECOMMENDATIONS**

**(Recommendation Para No. 1.4)**

The Committee note that the Action Taken Notes regarding the action taken by the Government on Recommendations contained in the Seventh Report of the Committee were furnished by the Government within the stipulated three months. Similarly the statement of the Minister under Direction 73 A was made within the stipulated six months period. The analysis of the action taken by the Government reveals that 78% Recommendations have been implemented. 11% Recommendations have not been implemented and an equal percentage of Recommendations are in various stages of implementation. The Committee desire the Government to take conclusive action in respect of the six Recommendations commented upon in their Eighteenth Report and furnish further action taken notes to the Committee expeditiously.

### **REPLY OF THE GOVERNMENT**

The Department is now implementing the schemes on National Animal Disease Reporting System (NADRS), National Control Programme of Peste des Petits Ruminants (NCPPPR), Strengthening of Existing Hospitals /

Dispensaries and National Control Programme of Brucellosis (NCPB) as part of the Centrally Sponsored Scheme “Livestock Health & Diseases Control” with effect from August, 2010.

As regards Food Safety and Traceability, the recommendations in terms of the strategy and action plan for Animal Identification and Traceability (AI&T) are expected to be available in seven months period (i.e. February, 2012) and scheme in the form of a pilot project are expected to be formulated within this financial year (2011-12) in one or two states. The scheme shall be implemented in phased manner over a period of ten years.

The EFC on Livestock Extension and Delivery Services was circulated to the appraisal agencies and comments were received from all the agencies. The proposal included creation of a large number of posts at Central and State level which was to be curtailed to a desirable level. Accordingly, a Brain Storming session was held on 16-7-2010 under the Chairpersonship of Joint Secretary (Extension). On the basis of the Brainstorming session, the number of vacancies was reduced to a more reasonable level. The revised EFC was circulated to the appraisal agencies on 31.1.2011. The meeting of the SFC/EFC was taken on 05.05.2011 at 3.00 PM at Krishi Bhavan, New Delhi. The representative of the Planning Commission who also attended this meeting expressed the view that being the last year of 11th Plan, no new schemes may be taken up in 2011-12. Planning Commission also advised to take this up as a part of one of the ongoing CSS scheme namely 'Intensive Dairy Development Programme'. DADF is of the view that the proposed new scheme on Livestock Extension cannot be clubbed with any of the ongoing CSS whether it is in the

dairy, fishery or small ruminants sector. In order to give it a significant boost, DADF would like to take up the new scheme as a stand-alone proposal. Discussion with Planning Commission is going on and efforts are made to launch the scheme early in 12th Plan.

Additional funds were not sought at RE stage under “Rural backyard Poultry Development” component of “poultry Development” scheme in 2010-11 as most of the States who were given the nearly 50% of the sanctioned amount as first installments as per Integrated Finance’s direction could not furnish the utilization Certificates in time. As neither the second installments were released for most proposals sanctioned in 2010-11 nor were any suitable proposals left to be considered, therefore, there was no scope for enhanced allocation.

Regarding utilization of funds provided under MPLAD Scheme for construction of new dispensaries, the Ministry of Statistics and Programme Implementation has clarified that construction of veterinary hospitals is permissible under MPLAD funds subject to MPLAD guidelines. Accordingly, States have been informed to take up/dovetail this activity with the MPLAD funds.

This Department had approached FAO to devise a strategy for animal identification and traceability system in India. The FAO had sent to the Department a study proposal under technical cooperation programme on Animal Identification and Traceability (AI&T) system for India. The proposal

has been accepted in the Department and accordingly now funds have been released to FAO for Government of India contribution to the project The TCP has a total outlay of Rs. 1.82 crores out of which Indian share is Rs. 1.1 crore. An amount of Rs. 1.0 crore has already been released to FAO and the balance of Rs. 10 lakh will be released in December–January, 2011. The Technical Cooperation (TCP) has seven months duration to draft a strategy and an action plan for an animal identification and traceability system in India. The project agreement has been entered into between GOI and FAO. FAO has started work on the project by initiating the recruitment of International Consultant with the approval of Ministry of External affairs. The process for recruitment of domestic consultants is under way. The action plan for Avian Influenza and Traceability (AI&T) under the project is this expected by July, 2012 and scheme in the form of a pilot project is expected to be formulated within this financial year (2012-13) in one or two states. The scheme shall be implemented in phased manner over a period of ten years.

In order to run DMS as a commercial entity and make it financially viable, the Union Cabinet has given ‘in principle approval’ to the Department’s proposal for corporatization of DMS. The Department has entrusted National Dairy Development Board (NDDB) with the task of finalization of modalities for corporatization of DMS. The NDDB in turn have engaged M/s IDBI Capital to conduct a feasibility study and submit a draft assessment report. The Department will bring a comprehensive proposal on corporatization of DMS before the Union Cabinet for formal approval.

**[Letter No.25-5(1)/2011-AHD (Coord) dated 23.12.2011.]**

## **Annual Plan 2011-12**

### **(Recommendation Para Nos.: 2.30, 2.31, 2.32 and 2.33)**

The Committee note that the Department of Animal Husbandry, Dairying and Fisheries is entrusted with the task of livestock production, preservation, protection and improvement of stocks, dairy development, matters relating to Delhi Milk Scheme, the National Dairy Development Board, Fisheries and the National Fisheries Development Board. In the light of the crucial role that the animal husbandry, dairying and fisheries sectors play in the socio-economic development of the Country and more importantly the sustenance of the majority of rural populace, the job of the Department is clearly laid out. They have to work out well thought off Schemes for holistic development of these three sectors and implement them in tandem with the State Governments with the aim of creating sustainable livelihoods for the rural populace and fringe elements in the urban and semi urban areas; socio-economic development, ensuring availability of affordable nutrition to public at large, etc. The animal husbandry, dairying and fisheries sectors are contributing in significant measure to the total value of output of agriculture and allied sectors. In fact their contribution in the recent past in this regard has been 29.7 percent of the total value. The fact that milk at Rs.2,08,809 crore is contributing far more than the contribution of paddy at Rs.1,35,307 crore ought to be an eye-opener to the planners and policy makers. In such an encouraging situation, the development of animal husbandry, dairying and fisheries sectors would have been a win-win situation for all. However, as the subsequent narrative will prove this could be sunshine sector has suffered due to continued apathy of the planners and policy makers alike.

The Committee note that the Department were allocated a sum of Rs.8,174.00 crore for the Eleventh Plan against Rs.17,695.00 crore proposed by them. Based on their expected requirements, the Department have sought a sum of Rs.8,998.00 crore during the five years of the Eleventh Plan. Unfortunately, however, they have been allocated only Rs.5,910.00 crore for the purpose. This is 72% of the approved allocation and less than 66% of the funds sought over the five years of the Plan by the Department. Thus, the Department instead of an average allocation of Rs.1,635.00 crore in each year of the Plan got sums of Rs.910.00 crore, Rs.1,000.00 crore, Rs.1,100.00 crore, Rs.1,300.00 crore and Rs.1,600.00 crore as outlay in the five years of the Eleventh Plan. It is thus apparent that they have barely touched the average annual allocation of Rs.1,635.00 crore only in the last year of the Plan.

As if the treatment meted out by the planers was not enough, the Department on their part, have also not acquitted themselves well in the matter. Out of the Rs.4,310 crore allocated to them during the four completed years of Eleventh Plan, they have been able to spend a sum of Rs.3,677 odd crore only. Even if they are able to spend the entire Rs.1,600.00 crore allocated to them this year they would be able to touch only 89% of the drastically reduced actual allocation of Rs.5,910.00 crore. The Committee understand that the delays in clearance of the Schemes of the Department meant for Eleventh Plan was an important factor in the underutilization of the earmarked funds. However, they are not convinced by the other reasons extended by the Department for the less expenditure. It is a well known fact since the planning process commenced decades ago that release of funds cannot be evenly distributed throughout the year. The Department have to,

therefore, time the availability and release of funds keeping in view these almost permanent constraints. Besides, they have to also ensure that the various Schemes being implemented by them are also devised in such a way that they continue unimpeded in the given scenario. The second reason extended by the Department about the States retaining huge unspent balances, thereby, forcing the current financial arrangements go awry, is also not an insurmountable problem. The unspent balances with the States amounted to Rs.518 crore plus on 1 April, 2009 and rose sharply to Rs.595 odd crore as on 1 April, 2010. It is disconcerting to observe that unspent balances amount to half the annual allocation of the Department in the first four years of the ongoing Plan and is definitely a matter of grave concern. It is apparent that the present mechanism for follow-up being practiced by the Department for liquidation of unspent balances by the States has not served the intended purpose. The Committee feel that there is an urgent need to revisit this mechanism and introduce necessary correctives at the earliest so that the States are persuaded to liquidate the unspent balances in a time bound manner and further release of funds from the Department continues unhindered. They, therefore, desire the Department to initiate corrective measures in this respect well before the next Plan commences to avoid its recurrence and apprise them of the action taken in the matter.

Another difficulty being faced by the Department is that the State Governments routinely park their funds so as to help them in their ways and means position. This also leads to funds remaining unspent. Though a matter of concern, the Committee feel that this situation can also be overcome by regular online monitoring of the funds released by the Department so that they

are utilized only for the designated purposes. While recommending such a system be put in place, post haste the Committee also desire the Department to also issue unambiguous instructions at the highest level to all State Governments pointing out how the unspent balances, ultimately lead to the curtailing of their further funding and for desisting them from parking of the funds released by the Department for implementation of their Schemes.

Another reason the Department attributed for less expenditure was late receipt of proposals and their not being structured as per the requirements of the Department. The Committee, however, do not tend to agree with the Department on this count also. Sufficient advance planning as well as State specific orientation of the Schemes to some extent alongwith some flexibility in implementation would in their considered opinion go a long way in streamlining the timely submission of properly structured proposals. Both for their Central Sector Schemes and Centrally Sponsored Schemes, the Committee would like the Department to seriously consider whether a structure akin to Rashtriya Krishi Vikas Yojana would be a better option than the existing strait jacket pattern which doesn't provide the desired leeway to the executing agencies.

The Committee also note that for the ongoing Fiscal, the Department have been allocated a sum of Rs.1,600 crore against Rs.1,953 crore (approx) sought by them. With a view to ensure that maximum possible funds are utilized during the year, the Department have taken a slew of measures including closer coordination with State Governments and other implementing agencies; regional review meetings, visits by officers to States to monitor progress of Schemes, etc. The Committee are sure that these measures alongwith those recommended by them would enable the Department to not

only utilize the allocated amount fully but also help them in obtaining additional funds at the RE stage as well as for the Twelfth Plan.

### **Reply of the Government**

Planning Commission has constituted the Working Group of Animal Husbandry and Working Group on Fisheries for this department for the 12<sup>th</sup> Five Year Plan. Both working has submitted the report to Steering Committee on Agriculture and Allied Sector. Based on the recommendations given by Steering Committee, the department will consider the recommendations in respect of the finalization of the 12<sup>th</sup> Five Year Plan. The Department is partially support to RKVY pattern in respect of implementation of schemes. However, the activities which are already funded by ongoing/existing schemes/programmes of this Department should not be funded to avoid duplication of resources and efforts. The Department is confident of full utilization of the allocated funds during the current fiscal. The department is regularly monitoring the full utilization of funds and monitoring the progress of the schemes through weekly expenditure review meetings, video conferencing with the States, State visits by the senior officers of this department.

**[Letter No.25-5(1)/2011-AHD (Coord) dated 23.12.2011.]**

### **Comments of the Committee**

For comments of the Committee please refer to Para No.1.7 of Chapter I of this Report.

## **Schemes in Eleventh Plan**

### **(Recommendation Para No. 2.34)**

During the course of the examination of the Demands for Grants (2011-12) the Committee were informed that several Schemes of the Department have been scaled down due to paucity of funds. Moreover, out of the 15 Schemes proposed by the Department for implementation during the Eleventh Plan 3 are yet to be sanctioned. The Department, however, expects to roll out these Schemes to take place in the Eleventh Plan, itself. The Committee are really dismayed with the manner in which planning and approval of Schemes has been handled by the planners and the Government in the Eleventh Plan. They have extensively commented upon this aspect in almost all their previous Reports on the Demands for Grants from the year 2009-10 onwards pertaining to the Ministries / Departments under their jurisdiction. To recapitulate, the Eleventh Plan Document was released in May, 2008, whereas, the Plan had already commenced from 1 April, 2007. This led to disastrous consequences, as planning and approvals got staggered causing severe delays in actual implementation of the Schemes. The very same reason has manifest itself in the instant case, when three major Schemes of the Department viz. National Dairy Plan, Food Safety and Traceability and Strengthening Livestock Extension and Delivery System are yet to be approved when we are in the terminal year of the Plan. Having been witness to what happened to the developmental process during the Eleventh Plan, the Committee recommend quick and conclusive action on all the three pending Schemes, so that as assured by the Department, the implementation proper of these Schemes begins at least in the last year of the Eleventh Plan.

## **Reply of the Government**

The proposal was considered by Expenditure Finance Committee (EFC) on 25.07.2011. The estimated outlay of the scheme as recommended by EFC is Rs.2242 crore comprising Rs.1584 as IDA credit, Rs.176 crore as Government of India share, Rs.282 crore as share of End Implementing Agencies (EIAs) that will implement the project in participating States and about Rs.200 crore by NDDB and its subsidiaries for providing technical and implementation support to the project. A note for Cabinet Committee on Economic Affairs is under preparation and the same will be circulated shortly.

This Department had approached FAO to devise a strategy for animal identification and traceability system in India. The FAO had sent to the Department a study proposal under technical cooperation programme on Animal Identification and Traceability (AI&T) system for India. The proposal has been accepted in the Department and accordingly now funds have been released to FAO for Government of India contribution to the project. The TCP has a total outlay of Rs. 1.82 crores out of which Indian share is Rs. 1.1 crore. An amount of Rs. 1.0 crore has already been released to FAO and the balance of Rs. 10 lakh will be released in December–January, 2011. The Technical Cooperation (TCP) has seven months duration under which FAO will draft a strategy and an action plan for an animal identification and traceability system in India. The recommendations in terms of the strategy and action plan for AI&T are expected to be available in seven months period (i.e. February, 2012) and scheme in the form of a pilot project is expected to be formulated within

this financial year (2011-12) in one or two states. The scheme shall be implemented in phased manner over a period of ten years.

The EFC on Livestock Extension and Delivery Services was circulated to the appraisal agencies and comments were received from all the agencies. The proposal included creation of a large number of posts at Central and State level which was to be curtailed to a desirable level. Accordingly, a Brain Storming session was held on 16-7-2010 under the Chairpersonship of Joint Secretary (Extension). On the basis of the Brainstorming session, the number of vacancies was reduced to a more reasonable level. The revised EFC was circulated to the appraisal agencies on 31.1.2011. The meeting of the SFC/EFC was taken on 05.05.2011 at 3.00 PM at Krishi Bhavan, New Delhi. The representative of the Planning Commission who also attended this meeting expressed the view that being the last year of 11th Plan, no new schemes may be taken up in 2011-12. Planning Commission also advised to take this up as a part of one of the ongoing CSS scheme namely 'Intensive Dairy Development Programme'. DADF is of the view that the proposed new scheme on Livestock Extension cannot be clubbed with any of the ongoing CSS whether it is in the dairy, fishery or small ruminants sector. In order to give it a significant boost, DADF would like to take up the new scheme as a stand-alone proposal. Discussion with Planning Commission is going on and efforts are made to launch the scheme early in 12th Plan.

**[Letter No.25-5(1)/2011-AHD (Coord) dated 23.12.2011.]**

#### **Comments of the Committee**

For comments of the Committee please refer to Para No.1.10 of Chapter I of this Report.

## **Twelfth Plan – Systemic Improvements**

### **(Recommendation Para Nos.: 2.35 and 2.36)**

In view of the glitches faced during the Eleventh Plan in implementation proper of the various Schemes of the Government, the Committee had recommended a slew of measures in their Second Report on the Demand for Grants (2009-10) of the Department. The Planning Commission were also in full agreement with the Recommendations of Committee about going for a complete overhaul of the extant system of planning and approval of the Schemes. The Committee note with satisfaction that this time the Planning Commission have already prepared the Approach Paper for the Twelfth Plan and the same has been presented in a meeting of the full Planning Commission chaired by the Prime Minister on 21 April, 2011. Eleven Working Groups have also been constituted on various aspects of agriculture and allied sectors for formulation of Twelfth Plan. Two of these Groups are for the Department of Animal Husbandry, Dairying and Fisheries. The Committee further note that these Groups will submit their reports by 30 September, 2011. Their reports will be considered by a Steering Committee, whose report will be the basis for the formulation of the Twelfth Five Year Plan. The Committee have also been apprised that the Planning Commission have constituted a Committee under the Chairmanship of one of their Member to suggest ways to reduce the number of Centrally Sponsored Schemes.

The Committee feel that good progress has been made in the direction of preparation of the Twelfth Plan. They are happy that there is a concerted

effort being made to reduce the number of Centrally Sponsored Schemes. The Committee are in full agreement that a smaller number of Schemes with larger allocation and broader objective will expedite sanctioning procedure as compared to larger number of Schemes with smaller allocations. The Committee are confident that with the present speed of preparations, the Twelfth Plan will be finalized and got approved from the National Development Council in the coming months. They are also confident, that as recommended by them in their previous Reports and as reiterated here, the Twelfth Plan will be intimated to the line Ministries / Departments at the most by December, 2011 so that all preparation are made by them with a view to implement the Plan from 1 April, 2012 positively and effectively. The Committee also expect the Department to complete all formalities preparatory to implementation of the Twelfth Plan well in advance so that not even a day is lost from 1 April, 2012 on planning and approvals and the Schemes get full five years for their implementation. They desire to be apprised of the progress made in this direction at the earliest.

#### **Reply of the Government**

Noted for compliance.

**[Letter No.25-5(1)/2011-AHD (Coord) dated 23.12.2011.]**

#### **Central Sector Schemes**

##### **(Recommendation Para No. 3.30)**

The Committee are concerned to note that in most of the Centrally Sponsored Schemes, the performance of the Department has not been upto the mark during 2010-11. In fact in at least six out of twelve Schemes analysed by the Committee, there have been drastic cuts in the allocations at

the RE stage. In most of these cases, the Department have attributed low demand for funds by various agencies as the reason for the lower utilisation. The Committee, however, strongly feel that the lower demand for funds perhaps does also reflect on some shortcomings in the structuring of the concerned Schemes and planning. The Department can, therefore, not escape some responsibility in this regard. The BE of Rs. 18.50 crore for Livestock Census was almost halved to Rs. 9.36 crore; Control and Containment of Avian Influenza witnessed a spiralling down from BE of Rs. 56.00 crore to RE of Rs.10.53 crore which is more than five times down sizing; Integrated Development of Small Ruminants and Rabbits Scheme was allocated Rs. 42.00 crore as BE which was curtailed at the RE stage to Rs. 8.48 crore; the BE of Rs. 3 crore for Piggery Development was slashed to Rs. 1.86 crore at the RE stage; the Scheme for Salvaging and Rearing of Male Buffalo Calves saw its BE of Rs. 27.70 crore getting reduced to Rs. 5.51 crore; and the BE of Rs. 3.00 crore for Food Safety and Traceability Scheme was also more than halved to Rs. 1.10 crore at the RE stage.

The above narrative speaks volumes of the Department's capacity to plan and manage their finances prudently. While the user agencies may not be generating adequate demand, it is also incumbent on the Department to anticipate and plan in a manner that such drastic cuts are avoided to a large extent. The Committee hope the Department will, in view of the experience gained over the years, improve upon this aspect of financial planning, so as to ensure that funds are managed in a more professional manner and such drastic cuts at the RE stage are avoided.

## **Reply of the Government**

### **1. Livestock Census**

- a) At the BE stage (2010-11), compulsory allocation of Rs.2.39 crore was made for North-Eastern States
- b) Less requirement of funds was received from States during 2010-11.

Efforts are being made to propose realistic BE for the 12<sup>th</sup> Five Year Plan on the basis of past trend of expenditure.

### **2. Control and Containment of *Avian Influenza*:**

As regards to reduction of BE from Rs.5467.00 crore to RE of Rs.10.53 crore during 2010-11, it is stated that the funds were to be released to the United Nations Office for Project Services (UNOPS), for the construction of two Bio-Safety Level - 3 (BSL-3) laboratories one each at Guwahati and Pune. The funds could not be released to UNOPS for the purpose as the drawing and design for the laboratories were not ready. Now the funds would be released during 2011-12. The Department is awaiting the demand of funds from UNOPS which is the executive agency for two constructed BSLIII Laboratory..

### **3. *Integrated Development of Small Ruminants and Rabbits, Pig Development and Salvaging and rearing of Male Buffalo Calves:***

Reduction of allocation of the Schemes Integrated Development of Small Ruminants and Rabbits, Pig Development and Salvaging and rearing of Male Buffalo Calves at RE stage is to be seen as part of the planning process whereby precious Government funds are re-channelized to schemes which have higher potential to use them in a particular year.

As per NABARD's considered view, credit linked schemes have longer take off time than grants-in-aid or subsidy oriented schemes. After intensive

review of these schemes with NABARD, State-wise targets have been assigned which is showing promising results.

#### **4. *Food Safety and Traceability:***

This Department had approached FAO to devise a strategy for animal identification and traceability system in India. The FAO had sent to the Department a study proposal under technical cooperation programme on Animal Identification and Traceability (AI&T) system for India. The proposal has been accepted in the Department and accordingly now funds have been released to FAO for Government of India contribution to the project. The TCP has a total outlay of Rs. 1.82 crores out of which Indian share is Rs. 1.1 crore. An amount of Rs. 1.0 crore has already been released to FAO and the balance of Rs. 10 lakh will be released in January, 2012. The Technical Cooperation (TCP) has seven months duration to draft a strategy and an action plan for an animal identification and traceability system in India. The project agreement has been entered into between GOI and FAO. FAO has started work on the project by initiating the recruitment of International Consultant with the approval of Ministry of External affairs. The process for recruitment of domestic consultants is under way. The action plan for Animal Identification and Traceability (AI&T) under the project is thus expected in second half of 2012 and scheme in the form of a pilot project shall be formulated in the financial year (2012-13) in one or two states in a phased manner over a period of ten years.

**[Letter No.25-5(1)/2011-AHD (Coord) dated 23.12.2011.]**

#### **Livestock Health and Diseases Control Programme (Recommendation Para No. 3.31)**

The Livestock Diseases and Health Control Programme consisted hitherto of four components viz. (a) Assistance to States for Control of Animal Diseases (b) National Project on Rinderpest Eradication (c) Professional

Efficiency Development and (d) Foot and Mouth Disease Control Programme. However, the Committee find that four new components viz. (a) National Animal Disease Reporting System (b) National Control Programme on Peste des Petits Ruminants (c) Brucellosis and (d) Establishment and Strengthening of Veterinary Hospitals and Dispensaries were added to it in August, 2010. The Committee observe that this important Scheme was allocated a sum of Rs. 1300.00 crore for the Eleventh Plan out of which, a sum of Rs. 766.56 crore only i.e. about 59% has been spent during the first four years of the Eleventh Five Year Plan. The Committee, even while sharing the optimism of the Department about being able to spend the entire amount of Rs.395.00 crore earmarked for the terminal year of the Plan, know that only 89% of the earmarked allocation will be spent. This is not a healthy sign, more so when these funds are meant for eight most vital aspects of the animal husbandry sector. The Committee, therefore, recommend, the least the Department can do is to utilise funds far more promptly and gainfully so that additional funds are sought at the RE stage with a view to utilise as much allocated amount as possible.

### **Reply of the Government**

Total allocation for Livestock Health & Disease Control Scheme for 11<sup>th</sup> Five Year Plan was Rs 1300.00 crore. However, actual B.E. allocated for the Scheme was only 1099.93 crore. The year wise is as under:

**11<sup>th</sup> Plan: Allocation, Expenditure and the % of Expenditure:****(Rs in Crore)**

<b>Year</b>	<b>BE</b>	<b>Actual Expenditure( as on 30.9.2011)</b>	<b>% of Exp. Against BE</b>
<b>2007-08</b>	82.96	122.19	147.29
<b>2008-09</b>	120.00	147.14	122.62
<b>2009-10</b>	128.07	139.77	109.14
<b>2010-11</b>	373.90	353.43	94.53
<b>2011-12</b>	395.00	212.55	53.81
<b>11<sup>th</sup> Plan</b>	1099.93	975.08	88.65

As against the BE of Rs. 1099.93 crore, a sum of Rs. 975. 08 crore has been spent. The actual expenditure is always more than the BE in all the years. During the current financial year a sum of Rs. 212.55 crore has been released against the BE of Rs. 395.00 crore (51.84 %) in the first 6 months of the year. Additional funds will be sought at RE stage depending on the absorption capacity/requirement of the States/UTs.

**[Letter No.25-5(1)/2011-AHD (Coord) dated 23.12.2011.]**

**Inadequacy of Veterinary Infrastructure**  
**(Recommendation Para Nos. 3.32, 3.33)**

It is common knowledge that the Veterinary Infrastructure and services in the Country are in a pathetic state. There are only 8732 veterinary hospitals and 18830 veterinary dispensaries in the Country. Most of them even lacking in basic facilities and infrastructure. As admitted by Secretary, Department of Animal Husbandry, Dairying and Fisheries against the prescribed one veterinary doctor for every 5000 cattle units there is actually one for 14240

cattle units. In such a bleak scenario, the Committee had recommended in their Seventh Report, which was presented to the Parliament on 24 April, 2010 that the Government should start a 100% Central Scheme for the purpose. They had also recommended that to begin with one veterinary dispensary be established under this Scheme in each block of the Country. The Department it seems had made a presentation before the Planning Commission for providing 100% central assistance for the proposed Establishment and Strengthening of Veterinary Hospitals and Dispensaries component of the Livestock Health and Disease Control Scheme. However, the Planning Commission modified the funding pattern for the component on 75:25 basis Central/State sharing except in the NE States where the proportion was 90:10. This new component is being implemented since August, 2010. The Department on repeated probing has also suggested that the States can also avail funds for the purpose under the Rashtriya Krishi Vikas Yojana.

The Committee further note that during the year 2010-11 against a BE of Rs. 69.00 crore a sum of about Rs. 97.00 crore was provided to the States/UTs under the new component. Furthermore, a sum of Rs. 90.00 crore has been earmarked as BE for the component during 2011-12. Notwithstanding the figures doled out and the circumstances explained by the Department, the Committee are still of the firm opinion that if the veterinary infrastructure and services are to be improved in the Country the Central Government has to take the lead admittedly though the veterinary services are primarily the responsibility of the State Governments. The Committee strongly feel that the augmentation of veterinary infrastructure and services cannot be achieved in a piecemeal manner as the State Governments cannot ensure a

focussed and integrated pan-India implementation of any Scheme meant for the purpose which has some or the other level of contribution from the State Government side. It is, therefore, imperative that the Scheme be implemented in a 100% central assistance pattern. The Committee, therefore, reiterate their Recommendation about having a 100% Central Scheme for the purpose in which to begin with one dispensary be established in each block of the Country. This time around the Committee expect the Department to put forth their case before the Planning Commission in a more forceful and purposeful manner so that the Scheme as envisaged by them becomes a part of the Twelfth Five Year Plan.

### **Reply of the Government**

In order to address the need for new veterinary hospitals and dispensaries and to strengthen/ equip the existing ones suitably, the Department has initiated a new component namely; Establishment/ Strengthening of Veterinary Hospitals and Dispensaries (ESVHD) as part of Centrally sponsored Scheme ‘Livestock Health & Disease Control (LH&DC)’ since August, 2010. Financial assistance is provided to States/ UTs on 75:25 sharing basis between the Centre and States except NE States, where the grants are provided on 90:10 (Centre and States) basis.

Regarding implementation of scheme on a 100% Central Share, it may be stated that the Working Group on Animal Husbandry & Dairying will be requested to include the proposal for 100% Central Assistance for this component in their recommendations for the 12<sup>th</sup> Plan. The Scheme has been well accepted by the States and during 2010-11, as against the BE of Rs.6890.00 lakhs, a sum of Rs.9726.50 lakhs has already been released to the

States/UTs for new construction/strengthening of veterinary hospitals/ dispensaries under this component. During 2011-12 under this component, provision of Rs 90.00 crore has been kept at B.E. stage and expenditure of Rs 5725.11 lakhs has already been incurred till 30.9.2011. No State Government has communicated any problem in providing State matching Share under the component. However, the scope of the scheme will be enlarged in 12<sup>th</sup> Plan for further facilities in the hospitals for better healthcare of animals.

Regarding, establishment of one dispensary at least in each block, it is stated that establishment of veterinary hospitals, dispensaries, polyclinics etc. are the mandate of the States/ Union Territory Governments depending upon the livestock population in a particular area and availability of resources. However, to address the needs, revamped RKVY scheme namely National Agriculture Infrastructure and Assets Development Programme (NAIADP) will also fund the establishment of hospitals and dispensaries which is an essential infrastructure for animal health services. This will be over and above the funding by this department for ESVHD. The State can also avail the MPKLAD funds for establishment of veterinary hospitals and dispensaries which have already been clarified to the States. These various avenues are now opening up for this vital infrastructure in Animal Husbandry Sector.

**[Letter No.25-5(1)/2011-AHD (Coord) dated 23.12.2011.]**

#### **Incentivising Milk Production** **(Recommendation Para Nos. 3.35, 3.36)**

The demand of milk and milk products is not only growing for internal consumption but their exports are also growing at a steady rate. To keep pace

with these growing requirements it is but essential that the production of milk stays ahead of the demand. The production of milk has been growing at the rate of about 4 million tons per annum but this is not good enough. The Committee, however, are disappointed to note that the present environment is not conducive for the dairy sector to grow. As the dairying business is mostly the vocation of small and marginal farmers and rural landless labour any increase in input costs discourages them from going beyond their own requirement and a little more to sell. With almost 70% of the cost of milk being attributed to cost of feed and fodder, this attitude is but understandable. The situation is further compounded by the fact that 70% of milch animals are low input, low output one. And more than 70% farmers who are involved in dairying activities have hardly one to three animals. In such a scenario a two pronged approach is very essential for ensuring a decent remuneration to the farmers involved in dairying activities. The availability of feed and fodder has to be improved manifold from the present levels. And Schemes that place such facilities at the disposal of farmer which encourage him to produce more and more good quality milk are to be devised and implemented with due promptitude. With the Twelfth Plan on the anvil, the Committee desire that a distinct roadmap for the purpose may be immediately worked out by the Department so that the extant shortcomings on both the counts are attended to in the Twelfth Plan.

While on the issue of increasing productivity and production of milk, the Committee would also like to touch upon the aspect of having a minimum support price for milk. The representative of the Department informed them that as of now there appears to be no thinking on the part of the Government

to have a support price for milk. However, he was one with the Committee on the need of ensuring that the farmer is not only adequately compensated for whatever he produces but is also able to make a satisfactory profit on it. Though the idea is at the moment at the very nascent stage, the Committee would like the Department to consider it in all its ramifications in consultation with all agencies concerned and revert to the Committee with their views within three months of presentation of this Report to Parliament.

### **Reply of the Government**

As desired by the Committee the Department has consulted the National Dairy Development Board (NDDB) on the matter. NDDB has made the observation that in case of crops, announcing a minimum support price at the beginning of the season helps ensure that farmers are provided the confidence to sow, so that they receive an assured minimum price for their produce. This also helps in contributing to stability at the regional and national level, as it helps in maintaining acreages over successive seasons.

Unlike crops, milk is produced by animals round the year. It is highly perishable and needs to be sold by the milk producer twice a day. Where milk producers are directly linked to an efficient institutional structure, they receive a major share of the price realised from the market. Milk producers are periodically compensated for increase in cost of production through increase in the milk procurement price by the institutional networks to which they are affiliated with. Since April 2009, the milk procurement price has been increased by as much as Rs. 9 per litre. Also, in the case of quite a few cooperatives and some private dairies, milk producers receive technical inputs in the form of cattle feed AI delivery services, animal health care services etc.

As milk is highly perishable and needs to be processed within a few hours from milking of the animals, implementing a minimum support price would require establishment of a large network of milk handling /processing facilities involving millions of milk cans, hundreds of silos to store millions of litres of milk, thousands of tankers to transport milk etc for handling the milk offered by the producers if they decide to supply it to the agency implementing a minimum support price.

The organised sector currently handles only about a third of the marketable surplus of milk. Therefore there would be difficulties in enforcing a minimum support price, especially for the milk being handled by the unorganised sector which includes millions of milk vendors.

In view of the above, there would be significant practical difficulties in implementing a nation-wide minimum support price for milk and it would also introduce an element of distortion in the market if it is implemented.

India's milk production has been growing at nearly twice the rate of growth in world's milk production, resulting in not only it becoming the world's largest milk producing country but also milk becoming the country's largest agricultural commodity in terms of value of output.

However in order to further incentivise milk production, the dairy sector needs to be strengthened through a series of activities such as a) Production of high genetic merit bulls; b) Strengthening of existing semen stations/ starting new stations to produce high quality disease free semen doses; c) Setting up viable doorstep AI delivery services based on Standard Operating Procedures through a professional service provider, d) Ration Balancing Programme; e)

Demonstrations for fodder development; f) Village based milk procurement systems and; g) Capacity building and training.

These activities are being envisaged for funding under the National Dairy Plan – Phase I (NDP – I) which is in the process of approval.

**[Letter No.25-5(1)/2011-AHD (Coord) dated 23.12.2011.]**

### **Fisheries Sector**

#### **(Recommendation Para No. 3.38)**

The Fisheries sector provides livelihood to a large section of economically weaker sections in the Country. Approximately, 14.5 million people are dependent on this Sector which is not only an important income and employment generator but also stimulates growth of a number of subsidiary industries. However, as in the case of the other two sectors under the jurisdiction of the Department of Animal Husbandry, Dairying and Fisheries, the Fisheries Sector has also not received the necessary impetus so that its full potential is exploited. As admitted by the Department before the Committee, there are several challenges facing the sector including need to develop sustainable technologies for fin and shell fish culture, fish seed certification, yield optimization, infrastructure for harvest and post harvest operations to cite a few. Unfortunately, however, as in the case of animal husbandry and dairying, the fisheries sector too has received only a pittance as allocations. Albeit, the Department have not been able to utilize even these nominal funds in any of the last three years. Against the BE of Rs. 215.00 crore, Rs. 298.50 crore and Rs. 262.44 crore respectively in 2008-09, 2009-10 and 2010-11, the Department was able to spend Rs. 178.53 crore, Rs. 272.51 crore and Rs. 195.25 crore (upto 28 February, 2011) only. The

Committee, however, are satisfied to note that for the ongoing Fiscal, the Department intend to focus on enhancement of fish production and productivity for ensuring sustainability in aquaculture sector, adoption of culture based capture fisheries in reservoirs and under-utilized larger water bodies, etc. They are also confident that, if these issues are managed in a professional manner, the Department would definitely be able to optimally utilize the allocation of Rs. 298.00 crore earmarked for the current Fiscal.

### **Reply of the Government**

The Department has utilized funds in increasing order for the last three years. The expenditure figure at the end of the financial year 2010-11 has gone up to Rs.290.12 crore which is more than the amount spent in the previous years. The Department of AHD & Fisheries has taken steps to enhance fish production and productivity in the manner of sustainable aquaculture. A recently launched scheme 'National Mission for Protein Supplements' in which culture based capture fisheries in reservoirs and under-utilized larger water bodies, fish and fish products would play major role. In addition to meeting the domestic demand, we wish to explore ways to enhance our export earning potential in terms of value added products and ornamental fish trade.

The Department has already been utilized, Rs. 169.92 Crore up to 31-10-2011 i.e. more than 50% of funds during the current financial year 2011-12. Further the Department would manage all the challenges in a sustainable manner and definitely be able to optimally utilize the allocation of Rs. 298.00 crore earmarked for the current Fiscal.

**National Institute of Fisheries Post Harvest Technology and Training,**

**Kochi**

**(Recommendation Para No. 3.39)**

The National Institute of Fisheries Post Harvest Technology and Training (NIFPHATT), at Kochi envisages processing, popularization and test marketing of unconventional varieties of fish. The project also has a Centre at Visakhapatnam. The Committee have been informed that during 2009-10, 146.23 tonnes of fish were processed and 103.27 tonnes were marketed. In 2010-11 (upto January, 2011) the Institute processed 128.33 tonnes of fish including job work for outside parties and sold 89.07 tonnes of fish and fish products valued at Rs. 47 lakh through stalls, mobile units, contractor sales, etc. The Institute has imparted 8009 trainee days for self help groups and students in various disciplines during the year 2010-11. The Committee during their programme of Study Visit in June-July, 2011 had also visited the Institute at Kochi. They observed that the Institute is contributing a lot towards processing and popularization of unconventional varieties of fish. They, therefore, recommend that the Department should immediately conduct an exercise to identify areas with sizable availability on unconventional varieties of fishes and open regional Centres of NIFPHATT, Kochi in coastal States in the first instance, if not in all States, for the benefit of self help groups and students. They would like to be apprised of the action taken in the matter.

**Reply of the Government**

The National Institute of Fisheries Post Harvest Technology and Training (NIFPHATT) envisages the promotion of the best post harvest fish utilization and consumption with the least post harvest losses and delivery of

the best quality fish and fish products in all states of India through the proactive participation and partnership of NIFPHATT with all state fisheries departments of the country. The aim of the project is operational strengthening and the capacity building of cooperatives involved in the value chain in the marine and freshwater fisheries sectors in coastal and (North-Eastern States) to ensure its compliance with food safety and quality standards, thus expanding domestic market and export opportunities, and at the same time ensuring higher local consumer protection.

Nearly one third of the fish landings are wasted due to the lack of awareness in the post harvest handling of fish both at sea and at shore, its preservation and transport. Lack of infrastructure facilities is also a setback in tapping the resources at optimum level. The catches are at present marketed either in fresh form in local markets or in chilled/iced form in surrounding markets. It is in this context the development and implementation of advanced methods of complete utilization assumes importance. To achieve these aims, it is necessary to impart proper training preferably in the co operative sector giving preference to fisherwomen. This training can be given at two levels. Those who are having minimum educational qualifications can be trained as Master Resource Persons; who in turn, can transfer the knowledge so gained to the field level. Fisherwomen working at field level also may be considered for training of appropriate duration with emphasis on practical aspects.

The Committee during their programme of Study Visit in June-July, 2011 had also visited the Institute at Kochi. They observed that the Institute is contributing a lot towards processing and popularization of unconventional

varieties of fish. They, therefore, recommend that the Department should immediately conduct an exercise to identify areas with sizable availability on unconventional varieties of fishes and open regional Centers of NIFPHATT, Kochi in coastal States in the first instance, if not in all States, for the benefit of self help groups and students. They would like to be apprised of the action taken in the matter.

In order to contribute towards processing and popularization of unconventional varieties of fish, it is suggested that to start with, one of the two states viz., Gujarat or Tamil Nadu may be considered for setting up this Regional centre. A proposal has already been received and the same is under process. As per the proposal, the preliminary estimated cost of the Regional centre is around Rs 500 lakhs including land and building.

**[Letter No.25-5(1)/2011-AHD (Coord) dated 23.12.2011.]**

## **CHAPTER III**

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

**-Nil-**

## CHAPTER IV

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

#### Allocations to the Animal Husbandry Sector (Recommendation Para No.3.27)

The Committee observe that the Department have been allocated sums of Rs.481.00 crore, Rs.558.29 crore and Rs.792.15 crore respectively in the last three Financial Years. However, in all the three years there have been reductions at RE stage. In 2008-09 RE was reduced by Rs.20.00 crore or so; in 2009-10 by almost Rs.100.00 crore and in the last Fiscal by about Rs.16.00 crore. The Department has not even been able to spend these reduced amounts. The actual expenditure being Rs.444.54 crore, Rs.435.84 crore and Rs.717.35 crore respectively in these three years. The Department have justified the lesser utilisation on the plea that in percentage terms they have acquitted themselves reasonably. The Committee are, however, concerned on an altogether different plane. The animal husbandry sector holds immense promise and potential for the welfare of the deprived sections of our population including small and marginal farmers, the rural landless, the urban poor. More importantly, it can provide the much needed financial help to the women folk of these segments of society. And the Department, in spite of being in existence for decades together have not even been able to create a sound financial base for the sector. Still being content with a budgetary allocation in hundreds of crore, which the Committee consider is a pittance, the Department have regularly failed to show case the sector in its full potential and dimensions to

the planners and policy makers. The Committee, therefore, desire the Department to deeply introspect in the matter and work out a detailed roadmap to project the animal husbandry sector in its entirety so that it could claim its rightful place in the economy and the developmental process. The Committee expect all alacrity in this regard from the Department and hope that they would do the needful this right now when the Twelfth Five Year Plan is being formulated.

### **Reply of the Government**

The schemes of the Department are basically intended to assist the States in the development of infrastructure and provide policy directives for promotion of Animal Husbandry, Dairying and Fisheries sectors. Therefore, the department constantly take up the matter with States for quick absorption of funds and thus to spend the entire allocations. However, the Department has developed the roadmap for boosting the Animal Husbandry Sector in 12<sup>th</sup> Plan document which to be finalized by Planning Commission.

**[Letter No.25-5(1)/2011-AHD (Coord) dated 23.12.2011.]**

### **Comments of the Committee**

For comments of the Committee please refer to Para No. 1.13 of Chapter I of this Report.

### **Allocations to the Animal Husbandry Sector** **(Recommendation Para No.3.28)**

The Committee also note that this year the Department have been allocated a sum of Rs.874.36 crore for the Animal Husbandry Sector. From

their past performance of three years, the Committee feel that unless the Department gear themselves up appropriately, it would again be difficult for them to spend this amount. Such an unfortunate eventuality would ultimately lead not only to reductions at the RE stage but also to the Planning Commission and the Ministry of Finance forming a definite opinion about the absorption capacity of the Schemes of the Department, a situation the Department can ill afford at this juncture. The Committee, therefore, desire the Department to schedule their spending and releases diligently and in close coordination with State Governments and other user agencies to ensure full utilisation of the allocated amount.

### **Reply of the Government**

As on 12<sup>th</sup> December 2011, the department has incurred the expenditure in the tune of Rs. 510.88 crore against the allocated sum of Rs. 874.36 crore for the Animal Husbandry Sector. The department is confident to utilize the allocated funds during the current financial year. The department is also monitoring the full utilization of funds through weekly expenditure review meetings, video conferencing with the States, State visits by the senior officers of this department for regular correspondence with the State Officials on implementation of the Schemes.

**[Letter No.25-5(1)/2011-AHD (Coord) dated 23.12.2011.]**

### **Comments of the Committee**

For comments of the Committee please refer to Para No. 1.16 of Chapter I of this Report.

## **Dairy Sector** **(Recommendation Para No. 3.34)**

India is number one producer of milk in the World. Still the per capita availability of milk is 263 grams per day which is lower than the World average of 284 grams per day. Dairying is mostly concentrated in cooperative societies a majority of whom are composed of small and marginal farmers and the landless labour. Even in these segments a large population consists of women. Dairying has become one of the important and dependable secondary source of income for millions of rural families. A major problem facing the dairy sector is the low productivity of milch animals in the Country. The Government's effort, therefore, is mainly focussed on improving the productivity of the milch animals with a view to increase production. The Committee have been informed that the Department is primarily involved in promotion of dairying activities in non-Operation Flood areas where they are assisting building up of cooperative infrastructure, revitalisation of sick dairy cooperative federations and creation of infrastructure in the States for production of quality milk and milk products. Towards these goals the Department are implementing four Schemes in the Dairy Sector.

The Committee note that during the last three Fiscals (upto 28 February, 2011), Dairying Sector could hardly spend Rs.250.00 crore or so primarily because the National Dairy Plan (NDP), which has been discussed in the preceding Chapter, was in limbo all these years. This year since a sum of Rs.100.00 crore has been earmarked for NDP the allocation has accordingly more than doubled to Rs.200.25 crore for Dairy Development. This being the terminal year of the Eleventh Plan, the Committee exhort the Department to

fully utilise this entire amount so that not only NDP is kickstarted at last but funds in sufficient amounts are also made available for the Dairy Sector by the Planning Commission in the Twelfth Plan.

### **Reply of the Government**

The Table below summarizes the financial performance of the Dairy Development schemes including Delhi Milk Scheme (DMS) Sector during the preceding three Fiscals and the BE in the current Fiscal:

(Rs. in Crore)

YEAR	BE	RE	Actual Expenditure
2008-09	98.99	99.09	97.90
2009-10	102.09	90.23	85.93
2010-11	88.75	88.75	85.15
2011-12	250.25	-	119.35*

\*upto 21st November, 2011

It may be observed from the table above that against the Budget Estimate of Rs 289.83 crore during the last three years an amount of Rs 268.98 crore was released under Dairy Development schemes indicating the about 93% of the BE has been spent. During the current year 2011-12 against Budget Estimate of Rs 250.25 crore (which includes budget provision of Rs 100 crore under National Dairy Plan (NDP) the scheme is yet to be implemented) an amount of Rs 119.35 has been released upto 21st November, 2011 indicating expenditure of 48 % of the BE( 79.4% excluding outlay of NDP) .

The proposal for approval of National Dairy Plan (NDP) was considered by Expenditure Finance Committee (EFC) on 25.07.2011. The estimated outlay of the scheme as recommended by EFC is Rs.2242 crore comprising Rs.1584 as IDA credit, Rs.176 crore as GoI share, Rs.282 crore as share of End Implementing Agencies (EIAs) that will implement the project in participating States and about Rs.200 crore by NDDB and its subsidiaries for providing technical and implementation support to the project. A note for Cabinet Committee on Economic Affairs is under preparation and the same will be circulated shortly. However, as the NDP is expected to be launched during December, 2011 the revised budget estimate proposed by Department is Rs.25.00 crore. The revised budget estimate for the Dairy Development schemes has been proposed to be Rs.216.40 crore by the Department. The revised budget for Department is yet to be finalized by the Department of Expenditure.

**[Letter No.25-5(1)/2011-AHD (Coord) dated 23.12.2011.]**

#### **Comments of the Committee**

For comments of the Committee please refer to Para No.1.22 of Chapter I of this Report.

#### **Delhi Milk Scheme**

##### **(Recommendation Para No.3.37)**

The Delhi Milk Scheme (DMS) has catered to the milk and dairy product requirements of NCT of Delhi for decades together now. However, due to mismanagement, continued neglect of affairs of the Organisation, obsolescence of plant and machinery, the DMS continues to make losses year

after year. The Government have been toying with the idea of corporatization of DMS for quite sometime now, with no success. Resultantly, DMS continues to suffer and is not able to function at its optimal best in stark contrast to other players in milk and dairy products market. The Committee, strongly feel that the approach of the Government with regards to handling the problems faced by DMS is far away from reality. Instead of the time consuming corporatization, DMS can be, in the opinion of the Committee turned around by a one time infusion of capital for acquisition of State-of-the-art machinery and equipment. The Committee, therefore, once again reiterate that needful be done by the Government at the earliest so as to ensure that DMS is restored to a flourishing, profit making entity like Mother Dairy and others.

### **Reply of the Government**

A Cabinet note on Corporatization of DMS is under finalization with the Department. The proposed corporatization would enable the DMS to run its affairs on commercial lines with flexibility in decision making.

For continuity of operation of DMS for processing of milk and manufacturing of milk products and Upgradation and modernization of DMS plant/acquisition of state of the art machinery and equipments, the funds are required for purchase / replacement machinery& equipments, construction of booths, civil & electrical works and products diversification activities to the extent of Rs. 100 crore approximate.

**[Letter No.25-5(1)/2011-AHD (Coord) dated 23.12.2011.]**

### **Comments of the Committee**

For comments of the Committee please refer to Para No.1.26 of Chapter I of this Report.

## CHAPTER V

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

#### **Poultry Development** (Recommendation Para No. 3.29)

The Scheme for Establishment of Poultry Estate could not make any headway during the first two years of the Eleventh Plan due to delays in approval, etc. Finally instead of the proposed six estates, the EFC gave approval to only two estates viz. one broiler and one layer estate. While the broiler one is a proposal of Government of Sikkim, the layer one is a proposal of Government of Orissa. Due to the delay in commencement of these two pilot projects, the Department are not in a position to confirm or otherwise the likely expansion of the Scheme in other States / areas. Thus, concrete inputs for the future of the Scheme during the Twelfth Plan would not be forthcoming at this stage. However, keeping in view the high hopes expressed by the Department during the examination of the Demands for Grants (2011-12) as also the previous one, the Committee desire that the evaluation of the Scheme be done at the earliest available opportunity, so that the further course of action is accordingly decided.

## **Reply of the Government**

As desired by the Committee, the evaluation of the 'Poultry Estate' component will be initiated as soon as the estates come into operation.

**[Letter No.25-5(1)/2011-AHD (Coord) dated 23.12.2011.]**

## **Comments of the Committee**

For comments of the Committee please refer to Para No.1.19 of Chapter I of this Report.

**NEW DELHI;**  
**21 February, 2012**  
**2 Phalgun, 1933, (Saka)**

**BASUDEB ACHARIA**  
**Chairman**  
**Committee on Agriculture**

**COMMITTEE ON AGRICULTURE**

**(2011-12)**

**MINUTES OF THE TWENTY-FOURTH SITTING OF THE COMMITTEE**

The Committee sat on Tuesday, the 21 February, 2012 from 1500 hours to 1733 hours in Room No. '53', Parliament House, New Delhi.

**PRESENT**

Shri Basudeb Acharia – Chairman

**MEMBERS**

**LOK SABHA**

2. Shri Narayansingh Amlabe
3. Shri Thangso Baite
4. Smt. Ashwamedh Devi
5. Shri Naranbhai Kachhadia
6. Shri Nripendra Nath Roy
7. Shri Hukmadeo Narayan Yadav

**RAJYA SABHA**

8. Shri Shashi Bhusan Behera
9. Shri Narendra Budania
10. Shri Mohd. Ali Khan
11. Shri Upendra Kushwaha
12. Shri Bharatsinh Prabhatsinh Parmar
13. Shri Rajpal Singh Saini

**SECRETARIAT**

1.	Shri Deepak Mahna	-	Joint Secretary
2.	Shri P. V. L. N. Murthy	-	Director
3.	Shri P.C. Koul	-	Additional Director

2. At the outset, the Hon'ble Chairman welcomed the members to the Sitting of the Committee. Thereafter, the Committee took up for consideration the Draft Report on Action taken by the Government on the Observations/Recommendations contained in the Twenty-fourth Report of the Committee on Agriculture (2010-11) on Demands for Grants (2011-12) of Ministry of Agriculture (Department of Animal Husbandry, Dairying and Fisheries).

3. After some deliberations, the Committee adopted the draft Report without any modifications. The Committee then authorized the Chairman to finalise the Report after getting it factually verified from the concerned Ministry/Department. The Committee also decided that since the House is not in Session this Report may be presented to Hon'ble Speaker, Lok Sabha so that the Government may benefit from the Recommendations of the Committee while finalizing the Budget and Demands for Grants of the Department.

\*4. \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*

\*5. \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*

\*6. \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*

\*7. \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*

\*8. \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*

**The Committee then adjourned.**

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**\*Matter not related to this Report.**

(Vide Para 4 of Introduction of the Report)

**ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON  
THE TWENTY-FOURTH REPORT OF COMMITTEE ON AGRICULTURE ON  
DEMANDS FOR GRANTS (2011-12) PERTAINING TO MINISTRY  
OF AGRICULTURE (DEPARTMENT OF ANIMAL HUSBANDRY, DAIRYING  
AND FISHERIES)**

(i)	Total number of Recommendations	21
(ii)	Recommendations/Observations which have been Accepted by the Government	
	Para Nos. 1.4, 2.30, 2.31, 2.32, 2.33, 2.34, 2.35, 2.36 3.30, 3.31, 3.32, 3.33, 3.35, 3.36, 3.38 and 3.39	
	Total	16
	Percentage	76%
(iii)	Recommendations/Observations which the Committee Do not desire to pursue in view of the Government's replies	
	Total	NIL
	Percentage	0%
(iv)	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee	
	Para Nos. 3.27, 3.28, 3.34 and 3.37	
	Total	4
	Percentage	19%
(v)	Recommendations/Observations in respect of which Final replies of the Government are still awaited	
	Para Nos. 3.29	
	Total	1
	Percentage	5%