

TWENTY SEVENTH REPORT
STANDING COMMITTEE
ON AGRICULTURE
(2002)

(THIRTEENTH LOK SABHA)

MINISTRY OF AGRICULTURE
(DEPARTMENT OF ANIMAL
HUSBANDRY & DAIRYING)

DEMANDS FOR GRANTS
(2001-2002)

*[Action Taken by the Government on the Recommendations/
Observations contained in the Twentieth Report of the
Standing Committee on Agriculture]*

Presented to Lok Sabha on 22 MAR 2002

Laid in Rajya Sabha on 24 APR 2002



LOK SABHA SECRETARIAT
NEW DELHI

March, 2002/Phalguna, 1923 (Saka)

COMPOSITION OF THE STANDING COMMITTEE ON
AGRICULTURE FOR THE YEAR 2001

Shri S. S. Palanimanickam — *Chairman*

MEMBERS

Lok Sabha

2. Shri Ram Tahal Chaudhari
3. Shri Shivraj Singh Chouhan
4. Shri Shamsheer Singh Dullo
5. Shri Ramdas Rupala Gavit
6. Shri Thawar Chand Gehlot
7. Shri Raghunath Jha
8. Shri Shivaji Vithalrao Kamble
9. Shri Abul Hasnat Khan
10. Shri Y.G. Mahajan
11. Shri Haribhau Shankar Mahale
12. Shri Savshibhai Makwana
13. Shri Jagannath Mallick
14. Shri M. Master Mathan
15. Shri Dalpat Singh Paraste
16. Shri Tarachand Shivaji Patel
17. Shri Prakash V. Patil
18. Shri Sharad Pawar
19. Smt. Rama Pilot
20. Shri G. Sukender Reddy
21. Shri N.R.K. Reddy
22. Shri Pyare Lal Sankhwar
23. Shri Adi Shankar
24. Shri Chhatrapal Singh
25. Shri Lakshman Singh
26. Shri Rampal Singh
27. Shri Tejveer Singh
28. Shri Zora Singh Mann
29. Shri Bhal Chandra Yadav
30. Shri Mahboob Zahedi

Rajya Sabha

31. Smt. Jamana Devi Barupal
32. Shri Khagen Das
33. Shri Oscar Fernandes
34. Shri H.K. Javare Gowda
35. Shri Korambayil Ahammed Haji
36. Shri Kailash Joshi
37. Shri Kanshi Ram
38. Dr. A.R. Kidwai
39. Shri M. Rajashekara Murthy
40. Shri Yadlapati Venkata Rao
41. Shri Sharief-Ud-Din Shariq
42. Shri Devi Prasad Singh
- \$43. Shri R. Kamaraj
- *44. Vacant
- **45. Vacant

SECRETARIAT

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|--|-------------------------------|
| 1. Shri P.D.T. Achary | — <i>Additional Secretary</i> |
| 2. Dr. (Smt.) Paramjeet
Kaur Sandhu | — <i>Joint Secretary</i> |
| 3. Shri Rajshekhar Sharma | — <i>Deputy Secretary</i> |
| 4. Shri K.L. Arora | — <i>Under Secretary</i> |
| 5. Smt. Ratna Bhagwani | — <i>Committee Officer</i> |

\$Shri R. Kamaraj nominated w.e.f. 14th August, 2001.

*Shri Devi Lal Ceased to be a Member of the Committee owing to his demise on 6.4.2000.

**Shri R. Margabandu retired w.e.f. 24th July, 2001.

COMPOSITION OF THE STANDING COMMITTEE ON
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13. Shri Tarachand Shivaji Patel
14. Shri Lakshman Singh
15. Shri Rama Pilot
16. Shri Adhir Chowdhary
17. Shri Abul Hasnat Khan
18. Shri Mahboob Zahedi
19. Shri N.R.K. Reddy
20. Shri Ambati Brahmaniah
21. Prof. S.P. Singh Baghel
22. Shri Chandra Bhushan Singh
23. Shri Bhalchandra Yadav
24. Shri Anant Gudhe
25. Shri Daud Ahmad
26. Shri Raghunath Jha
27. Shri Surinder Singh Barwala
28. Shri Tarlochan Singh Tur
29. Shri Bhan Singh Bhaura
30. Vacant

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34. Shri Kailash Joshi
35. Shri Suryabhan Patil Vahadane
36. Shri M. Rajashekara Murthy
37. Chaudhary Harmohan Singh Yadav
38. Shri R.K. Kamaraj
39. Sardar Balvinder Singh Bhundar
40. Shri R.S. Gavai
41. Shri Sharief-Ud-Din Shariq
42. Shri Balwant Singh Ramoowalia
43. Shri Rao Man Singh
44. Shri Gandhi Azad
45. Vacant

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INTRODUCTION

1. the Chairman of the Standing Committee on Agriculture (2002) having been authorised by the Committee to submit the Report on their behalf, present this Twenty Seventh report on Action Taken by Government on the recommendations/observations contained in the 20th Report of the Standing Committee on Agriculture (2001) (Thirteenth Lok Sabha), Demands for Grants (2001-2002) of the Ministry of Agriculture (Department of Animal Husbandry & Dairying).

2. The Twentieth Report of the Standing Committee on Agriculture (2001) on Demands for Grants (2001-2002) of the Ministry of Agriculture, (Department of Animal Husbandry & Dairying) was presented to Lok Sabha and laid in Rajya Sabha on 19.4.2001. The Ministry of Agriculture, Department of Animal Husbandry & Dairying was requested of furnish action taken replies of the Government to recommendations contained in the Twentieth Report. The replies of the Government to all the recommendations contained in the Report were received.

3. The Committee considered the action taken replies furnished by the Government, approved the draft comments and adopted the Report at their sitting held on 27.12.2001. However, due to paucity of time, the report could not be presented to the House. The Standing Committee on Agriculture was reconstituted on 1st January, 2002 which again considered and adopted the report at their sitting held on 7.2.2002.

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

NEW DELHI;
5 March, 2002
14 Phalguna, 1923 (Saka)

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

CHAPTER I

REPORT

This Report of the Committee on Agriculture deals with the action taken by the Government on recommendations contained in the Twentieth Report (Thirteenth Lok Sabha) of the Standing Committee on Agriculture (2001) on Demands for Grants (2001-2002) of the Ministry of Agriculture (Department of Animal Husbandry and Dairying) which was presented to the Lok Sabha and laid in Rajya Sabha on 19th April, 2001.

1.2 Action taken replies have been received from the Government in respect of all the 15 recommendations contained in the Report. These have been categorized as follows:-

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

Recommendations Sl. Nos. 1, 2, 4, 5, 6, 7, 9, 11, 12, 13 and 14 (Total 11)

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

Recommendation Sl. Nos. 15 (Total 1)

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

Recommendation Sl. Nos. 3 & 10 (Total 2)

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

Recommendation Sl. No. 8 (Total 1)

1.3 The Committee will now deal with the action taken by the Government on some other recommendations.

Veterinary Service and Animal Health

Recommendation (Sl. No. 3)

1.4 The Ninth Plan outlay for this sector was Rs. 284.00 crores. The Department during the first three years allocated Rs. 157.00 crores and the actual expenditure was Rs. 45.67 crores only which is 29.08% of the allocation for the period. The Committee noted that the Revised Estimates during the 2000-2001 has again as in the past been scaled down from Rs. 35.76 crores to Rs. 27.61 crores at RE stage. Looking into the low pace of utilization of funds during the first four years of 9th Plan of the Committee were surprised at the enhanced budgetary provision of Rs. 68.00 crores during the last year of the 9th Plan.

The Committee felt that there should be a quick analysis of this slow pace of implementation of the schemes. The Department should also take remedial measures so that funds allocated for 2001-2002 are fully utilized to achieve the basic objectives of the Animal Health Schemes for successfully implementing the development programmes to obtain maximum benefit from these animals. The Committee also recommended that the Budget allocation for animal health should also be enhanced in the coming years of the 10th Plan in view of the large livestock population. They found that there had been a trend of low utilization in each of the components of this scheme. One common reason put forth was the inability of States to put in their matching contribution. The second aspect was the provision is made but goes unutilized because of non-clearance of the scheme/project.

According to the Committee, cross Breeding and scientific developments had led to livestock being more, susceptible to various diseases including infections and non-infectious diseases. Any inaction on the part of the Government in implementation of livestock health schemes may lead to morbidity and high rate of mortality.

The Committee had repeatedly shown concern on Animal Health but despite of the fact that funds were made available, they were not fruitfully utilized. No other sector is so important as animal health. The Committee, therefore, recommended that some incentives e.g. subsidy, state tax benefits etc. should be considered by the Government so that States are able to contribute and make use of the money. The Committee urged upon the Government to clear proposals pertaining to animal health expeditiously giving them top priority.

1.5 The Government in their reply stated that the major reasons for under utilization of the funds earmarked for the Centrally Sponsored Schemes relating to animal health is that some of the State Governments are not providing matching share of funds. They were requested from time to time to make adequate budgetary provisions for implementing these Schemes in view of the importance of the animal health. The cost of vaccines is shared between Centre, State and beneficiary in the ratio of 25:25:50. To that extent subsidy is already being made available to the farmers. The Department was taking all measures to clear the proposals pertaining the animal health expeditiously.

Comments of the Committee

1.6 The Committee are unhappy to note that there is a casualness in the approach of the Government in this regard because they are giving oft repeated reasons that the State Governments have not been providing matching funds. The Committee had desired that the Government should take some concrete measures to make the programme more attractive by introducing some incentives like subsidy, State tax benefits etc. which may attract the State Governments to provide matching funds for the successful implementation of the Animal Health Schemes. The Committee are constrained to note that no tangible action has been taken by the Government on the recommendations made by them. It appears that no sincere thought has been given by the Government to understand the importance of the recommendation of the Committee.

The Committee, therefore, reiterate their earlier recommendation that Animal Health Programmes should be made more attractive so as to enable all the States to implement them.

Supply of Bull by Central Cattle Breeding Farms

Recommendation (Sl. No. 4)

1.7 The Central Cattle Breeding Farms located in different agro-climatic regions of the country are producing high pedigree bull calves of indigenous and exotic breeds of cattle and buffaloes for distribution to States for use in the cattle and buffalo development programme. The Government targeted for 1999-2000 to 2000-2001 was 560 bulls. Since 50% of 560 were actually used for production the rest 280 bull calves should have been supplied. It is noted that 162 bull calves were supplied because states did not pick up their demand for lack of money. So, the balance of 118 bull calves were auctioned to breeders and the breeding farms earned a reasonable amount on their sale.

The Committee felt that these farms are producing more than the demand in the country. The demand is less because States are starved of money and cannot pay for an elite bull calf. In this situation the breeding farms which were set up for national development are now turning into commercial organizations using valuable plan funds of the Government.

The Committee felt that in view of the revenue generation these farms can do, they should become self sufficient in terms of funds to some extent. They, therefore, desired that the Department should set up a Committee to actually study these aspects and recommended the percentage cut of Plan Budget which can be imposed so that these funds could be utilized in other needy programmes of the Department.

1.8 The Government in their reply stated that the Department has constituted a Committee to Study the different financial aspects of Central Cattle Breeding Farms.

Comments of the Committee

1.9 The Department may forward the report of the Committee as soon as it has completed its study.

Central Sheep Breeding Farm, Hissar

Recommendation (Sl. No. 7)

1.10 The Committee were constrained to note that the initial target of 950 rams per year was reduced to 750 rams per year by the Department for CSBF, Hissar on account of shortage of space. They were also able to utilize only 56.74% of their 9th Plan outlay during the first four years of the Plan. Further some dispute regarding lease rent is also yet to be resolved with the Govt. of Haryana. The Committee, thus felt that the situation in CSBF, Hissar is that of a little uncertainty about its future on account of which it was not able to achieve its full targets.

The Committee had earlier given a suggestion to find an alternate site for the farm but the Department felt that the financial budget and logistic feasibility of shifting 6000 sheep and 380 families and staff together with office/farm, equipment, machinery, furniture etc. was not justifiable *vis-a-vis* development needs of the country.

The Committee were pained to see that state of indecision of the Department year after year for the last 3 years. They felt there is much more than what meets the eye in regard to the explanation given by the Department and are not at all convinced by the arguments put forth by the Department. The Committee, therefore, desired that a high level committee headed by an independent authority may be set up in this regard and asked to furnish its findings within 3 months of presentation of the report to the House.

1.11 The Government in their reply stated that a high level committee has been constituted and its report is expected shortly.

Comments of the Committee

1.12 A copy of the high level Committee report may be forwarded for examination and use by the Committee.

National Veterinary Biological Products Quality Control Centre

Recommendation (Sl. No. 10)

1.13 The National Veterinary Biological Products Quality Control Centre is a Central Scheme approved during Sixth Five Year Plan. However, it had not been able to take shape till date. The Committee had been informed that an Expert Committee visited the proposed site at Ludhiana in May, 2000 and recommended the suitability of the existing 'theleria vaccine laboratory' building belonging to Punjab Agriculture University at Ludhiana for setting up of the National Biological Quality Control Centre. This Expert Committee had also stated that for this purpose, considerable alterations and modifications, including new constructions, had to be made in the building and premises after acquiring the whole site/campus of 10 acres. They had also stated that short-term and long-term measures should be taken immediately for setting up the Centre at Ludhiana.

The Committee were informed that it had been decided to set up the Centre at Ludhiana and that the State Government of Punjab had been requested to arrange for handing over the land and the existing building to the Department so that further steps to set up the Centre can be initiated.

The Committee were happy to note that this centre is beginning to take some shape. They had, therefore, strongly recommended that concrete steps should be initiated by the Department for taking over the land and existing building from Government of Punjab at the earliest, so that modification, alteration etc, could be undertaken on the Campus at an early date. The Committee desired to have a quarterly progress report in this regard for their information.

The Government in their reply stated that the State Government of Punjab had been requested again to expedite the handing over of the land and the existing building to Government of India so that steps can be initiated for making the Centre functional.

Comments of the Committee

1.14 The Committee are apprehensive that the Punjab Agriculture University is having second thoughts in handing over the premises for setting up the National Veterinary Biological Products Quality Control Centre. The Committee would therefore like to be informed about the details of negotiations between the Department and the State wherein the State has agreed to give the premises of 10 acres to the centre.

The Committee are also unhappy with the slow pace of response to the Committee's recommendation. The Committee had desired a quarterly progress report on the acquisition. No such report has been rendered to the Committee. The Department is advised to deal with matters of the Committee with utmost seriousness and concern.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Under Utilisation of Funds

Recommendation (Sl. No. 1)

2.1 The Committee note that there is low utilization of funds year after year during 9th Plan which leads to the Department not achieving its targets. The Committee have observed that the plan allocation was stepped up to Rs. 2345.64 crores in pursuance of Govt.'s strategy of doubling the food production and making India hunger free in next ten years. In the last year of the 9th Plan the Committee find that actual allocation for Ninth Plan is Rs. 1682.95 crores and expenditure is Rs. 1117.35 crores assuming the expenditure to be 300.00 crore for 2001-2002 which is approximately 48% of Rs. 2345.64 crore. During evidence the Committee expressed its great concern over low utilization of plan funds and asked the Department for its plans for the future. The Department informed that although the picture of utilization of funds was not bright but whatever efforts have been made have yielded goods results in poultry and milk production. For other schemes they have started a new method. Earlier the money was released to the State Finance Department which would then release it to the State Animal Husbandry Department which was very time consuming. According to the Department, now the money will be released directly to the State Implementing Agency which will improve the utilization of funds.

The Committee are happy with this effort of the Department and wish them all success in their new approach. Results from this approach may take some years.

Reply of the Government

2.2 Although the Ninth Plan allocation was no doubt stepped to Rs. 2345.64 crores, the amount actually made available was Rs. 1682.95 crores. The actual expenditure works out to be 67% of the funds given to the Department.

The Department has been provided an allocation of Rs. 300.00 crore for the current financial year 2001-02. The National Project for Cattle & Buffalo Breeding has commenced from 2000-01 and funds are being released directly to State Implementing Agencies. It is expected that the funds provided during the current financial year will be fully utilized.

Share of allocation of Department of Animal Husbandry & Dairying

Recommendation (Sl. No. 2)

2.3 The Committee note that the livestock provides essential protein for human diet. Its contribution to the total agricultural output is 28%. At the beginning of the Ninth Plan the Government had earmarked an allocation of 0.48% of the Central Plan outlay to Animal Husbandry and Dairying. However, as the years passed by from 1997-98 to 2001-2002 the budgetary provision went slowly down from 0.35% to 0.26% in 2000-2001 and 0.23% in 2001-2002.

The budgetary support as provided to the Central, State and UT Plans by the Government for the year 2001-2002 has seen an increase of 16% over the year 2000-2001 but the Department on the contrary have seen negative growth. The Committee attributes this negative growth to lack of vision, Planning, management on the part of the Department as the life of an animal is as important as anyone in this world.

The Committee recommends that the Department should keep pace with the changing times and modify and reassess their programmes (e.g. the National Project for Cattle and Buffaloes, Eradication of Rinderpest etc. are good initiatives) and make maximum utilization of their money. Programmes like the Establishment of Sheep/Goat Development Board, Formation of New Dairy Cooperatives, Vidya Dairies which were intended to become operative in the 9th Plan and could not take off as the Department did not consider it worth implementing.

The Committee feel that the Department does not exert itself sufficiently in its analysis, therefore, schemes tend to be pathetic. They, therefore, recommended that the Department should induct more technically sound persons who are conversant of the technicalities & finesse of the projects so that better and sincere efforts can be put in. This will help in better targeted utilization and ultimately the performance of the Department as a whole.

Reply of the Government

2.4 The Department has taken note of the observations of the Honourable Committee. For the 10th Plan period, the Department has proposed to bring about convergence of its schemes and provide more flexibility to State Governments to pick up the Schemes best suited to them. The Department does have technical personnel, who are engaged in formulation and monitoring of the Schemes.

Supply of Bull by Central Cattle Breeding Farms

Recommendation (Sl. No. 4)

2.5 The Central Cattle Breeding Farms located in different agro-climatic regions of the country are producing high pedigree bull calves of indigenous and exotic breeds of cattle and buffaloes for distribution to States for use in the cattle and buffalo development programme. The Govt. target for 1999-2000 to 2000-2001 was 560 bulls. Since 50% of 560 are actually used for production the rest 280 bull calves should have been supplied. It is noted that 162 bull calves were supplied because States did not pick up their demand for lack of money. So, the balance of 118 bull calves were auctioned to breeders and the breeding farms earned a reasonable amount on their sale.

The Committee feel that these farms are producing more than the demand in the country. The demand is less because States are starved of money and cannot pay for an elite bull calf. In this situation the breeding farms which were set up for national development are now turning into commercial organisations using valuable plan funds of the Government.

The Committee feel that in view of the revenue generation these farms can do, they should become self sufficient in terms of funds to some extent. They, therefore, desire that the Department should set up a committee to actually study these aspects and recommend the percentage cut of Plan Budget which can be imposed so that these funds could be utilised in other needy programmes of the Department.

Reply of the Government

2.6 The Department has constituted a Committee to study the different financial aspects of Central Cattle Breeding Farms.

Comments of the Committee

2.7 For comments of the Committee please refer to para 1-9 of chapter-I of this Report.

National Project for Cattle and Buffalo Breeding

Recommendation (Sl. No. 5)

2.8 The Committee have been informed that the National Project for Cattle and Buffalo Breeding (NPCBB) has been approved during October, 2000 by merging the ongoing schemes on Cattle and Buffalo Breeding namely "Extension of Frozen Semen Technology and Progeny Testing Programme" and "National Bull Production Programme". Out of total Ninth Plan outlay of Rs. 402.20 crore the Budgetary allocation has been Rs. 209.40 crore which is 49.62% of the Plan outlay and the funds utilised are Rs. 97.30 crore i.e. 46.46% of the budgetary allocations. They have been further informed that the expenditure under the earlier components was stopped in October, 2000, when the new project was approved and hence the low utilization. The vital part of information placed before the Committee was that in a newly organized scheme the money will be given direct to the State implementing agencies, so that they are able utilise the money in one go. This would greatly help in improving the utilization of funds in time and get utilization certification. The Committee are sure that the re-organised scheme will focus attention on indigenous breeds and will have a better conception rate through 'Artificial Insemination'. The Committee now hope that the funds will be utilised effectively and targets met.

The Committee, however, would like to alert the Department to put in place an effective monitoring mechanism to monitor and supervise the functions of the implementing agencies. They feel this mechanism is all the more important because it is apprehended that previously it was the State Governments who were misutilising the funds now the third party i.e. the implementing agency may in collaboration with the State Government misutilise the funds.

Reply of the Government

2.9 The new scheme of National Project for Cattle and Buffalo Breeding provides for a three tier monitoring mechanism namely at State level, at the level of Central Project Management Unit (CPMU) and at Project Steering level. The monitoring mechanism envisaged in the scheme is likely to check the misutilisation of funds.

National Ram/Buck Production Programme

Recommendation (Sl. No. 6)

2.10 the Committee are constrained to note that the rate of growth of wool production has declined from 2.77% in 1997-98 to 1.94% in 2001-2002. The Committee have been informed that the body weight of the sheep was not satisfactory and some method has to be found out to increase their body weight. The population of sheep was not increasing at the expected rate. The Committee, therefore, desire that for improvement in wool production, some action plan should be formulated in order to upgrade the health status nutrition and management of these animals. The Committee are also of the view that the project like Goat and Sheep should again be taken up by the Centre to develop technology for development of sheep and goat as a model farm. Subsequently, the concerned State Governments can follow suite.

Government of India provides for grants-in-aid on 50:50 basis for development of infrastructure and purchase of livestock. But the bulk of the regular outflow of many takes place in salary, wages office expenses, feed, fodder etc. which has to be incurred by the State. Hence, States due to their poor resources either do not take the scheme or are unable to provide matching contribution. This is the reason for 34.8% utilization in this scheme of the Ninth Plan. On the other hand, pasture lands and grazing grounds are going down thereby directly affecting the body weight of the sheep and production of wool. These reasons are sufficient to convince the Committee that things will not change if they remain in the same order. The Committee are of the opinion that the Department should evolve a procedure wherein States feel a lesser pinch on their exchequer and are able to provide matching grants. This may be in the form of a lesser percentage of sharing or by sharing the burden of infrastructure building.

The Committee, therefore, recommend that the Department should evolve a new strategy and put up a blue print before the Committee so that the scheme is made more effective. The Committee also desire that the Department should take the help of Research Institutions like the ICAR who have the Central Sheep and Wool Research Institute and an AICRP on Sheep to look into the health of sheep.

Reply of the Government

2.11 The growth rate of wool production has gone down by less than half. This is due to continuous drought for the last three years in sheep dominating States. There has been heavy migration of animals besides sales of young stock. There is need to increase the sheep production potential rather than sheep population in the country. The Action Plan to improve sheep productivity through nutritional, health and management interventions is being formulated.

A Central Sheep Breeding Farm at Hissar is already in existence. A high level committee has been constituted in June, 2001 to assess the possibilities of establishing a model sheep and goat project using modern technologies and its report is expected shortly.

As per the recommendation of the Planning Commission, the scheme of National Ram/Buck Production Programme & Programme for Rabbit Development is one of the Schemes proposed to be transferred to the States from 10th Five Year Plan. However, this decision will be reviewed in the light of observations of the Committee, while firming up the proposals for the 10th Plan in consultation with the Planning Commission.

The assistance of the ICAR and its institutes like Central Sheep & Wool Research Institute and AICRP will be sought for overall planning in sheep & goat development and to develop model projects for sheep and goats in the country.

Central Sheep Breeding Farm, Hissar

Recommendation (Sl. No. 7)

2.12 The Committee are constrained to note that the initial target of 950 rams per year was reduced to 750 rams per year by the Department for CSBF, Hissar on account of shortage of space. They were also to utilise only 56.74% of their 9th Plan outlay during the first four years of the Plan. Further, some dispute regarding lease rent is also yet to be resolved with the Govt. of Haryana. The Committee, thus feel that the situation in CSBF, Hissar is that of a little uncertainty about its future on account of which it is not able to achieve its full targets.

The Committee had earlier given a suggestion to find an alternate site for the Farm but the Department felt that the financial budget and logistic feasibility of shifting 6000 sheep and 380 families and staff together with office/farm, equipment, machinery, furniture etc. was not justifiable vis-a-vis the development needs of the country.

The Committee are pained to see the state of indecision of the Department year after year for the last 3 years. They feel there is much more than what meets the eye in regard to the explanation given by the Department and are not at all convinced by the arguments put forth by the Department. The Committee, therefore, desire that a high level committee headed by an independent authority may be set up in this regard and asked to furnish its findings within 3 months of presentation of the report to the House.

Reply of the Government

2.13 A high level committee has been constituted and its report is expected shortly.

Comments of the Committee

2.14 For comments of the committee please refer to para 1.12 of the Chapter-I of this Report.

Control of Foot and Mouth Disease

Recommendation (Sl. No. 9)

2.15 The Committee have observed in all the national papers recently that the Foot and Mouth Disease has affected the Great Britain, France and some other countries also. This disease has affected animals of our country also. It has badly affected Haryana and other parts of the country. The Committee had observed that due to non-availability of matching allocation from the States and the beneficiary, the Department was not able to utilise the entire allocated amount or achieve targets. The Committee in this context had in their earlier report on Demands for Grants 1999-2000 recommended that the Union Govt. should bear 100% cost of vaccine by suitably enhancing the budget allocation.

The Committee are informed that the scheme is still being implemented on the old pattern i.e. 25:25:50 sharing between Central Govt. and State Govt. and beneficiary because the EPC memo on the whole scheme has to be modified and redrafted. Furthermore, with 100% funding, the Department have cut down its targets from 26 million vaccinations for 2001-2002 to 6.5 million vaccinations due to shortage of funds.

The Committee are surprised that on the one hand the Department is utilizing only 66.39% of its actual budgetary allocations and not able to utilise rest 1/3rd of the allocations due to various reasons, on the other hand it is cutting down on the number of vaccinations due to shortage of funds.

The Committee, therefore, strongly recommend that once the EFC memo is cleared and 100% funding is to be made by the Centre on this scheme, the allocation to the scheme should be suitably enhanced adequately so that it covers a total of 26 million vaccinations in a year.

The Committee also recommend that since the scheme pertains to animal health which has a direct relationship with the poor and marginal farmers and also with the revenue earnings of the country, it should be given topmost priority by getting the EFC memo cleared at the earliest.

Reply of the Government

2.16 The EFC Memo of the Centrally Sponsored Scheme "Assistance to States for Control of Animal Diseases", where Control of Foot and Mouth Disease is one of the components, is being revised for providing 100% central grant for vaccinating the animals belonging to the weaker sections of the society. A provision of Rs. 4.5 crores has been made for this component during the current financial year. Steps will be taken to enhance the allocation for maintaining the target of 26 million vaccinations per year after the approval of the EFC Memo.

National Project on Rinderpest Eradication

Recommendation (Sl. No. 11)

2.17 The Committee note that the Department of Animal Husbandry & Dairying in their action taken reply to the recommendations contained in the 8th Report of the Committee for DFG (2000-2001) had assured that allocation of Rs. 15.00 crore made for 2000-2001 would be fully utilised for the purchase of vehicles, sophisticated equipments procurement of State diagnostic Kits etc. This budgetary provision for the year 2000-2001 has been scaled down from Rs. 15.00 crore to Rs. 13.00 crore at RE stage. The actual expenditure upto 21.3.2001 is Rs. 9.84 crore, leaving a balance of Rs. 3.16 crores to be spent in remaining 9 days of the financial year 2000-2001.

The Committee note that whereas vehicles, computer software, for machines etc. have been purchased but the most important part *i.e.* diagnostic kits which shall detect the rinderpest have not been purchased and a sum of Rs. 3.16 crores will remain unspent.

The Committee are shocked with the way of functioning of the Department which lacks professionalism and precise financial management.

The Committee, therefore, wish that a better example of management will be exhibited by the Department in future expenditures enabling it to get OIE certification of 'Freedom from Infection' within this Plan period itself.

Reply of the Government

2.18 Against the RE of Rs. 13.00 crores for 2000-2001, the actual expenditure was Rs. 12.46 crores (96% of RE) out of which Rs. 1.57 crores was placed at the disposal of FAO for purchase of Elisa Kits from a foreign supplier and Rs. 90 lakhs for making advance payment to the NIC for creating V-Sat facilities/E-Mail facilities for quicker and effective interaction with the Departments of Animal Husbandry and Veterinary Services of the States/Union Territories. Thus the unspent amount was Rs. 0.54 crores only. In order to obtain the status of "Substantive freedom from disease" in respect of Rinderpest, as per OIE pathway requirement, the dossier for Zone 'A' States has been revised and Zones 'B', 'C' and 'D' States have been prepared for submission to OIE, Paris.

Necessary sero-surveillance is also being started and¹ the same will be completed by middle of 2003. Thereafter, necessary dossiers will be prepared and submitted to OIE to obtain certification of "Freedom from Rinderpest infection". OIE may like to send its mission to India to ratify the status. Therefore, Government of India has to await the final decision of OIE on according "Freedom from Rinderpest infection" status to India.

Scheme of Assistance to Sick Cooperatives

Recommendation (Sl. No. 12)

2.19 The Committee note that the scheme 'Assistance to Cooperatives' was approved by Cabinet Committee on Economic Affairs in January 2000 with a Ninth Plan outlay of Rs. 150 crores for providing assistance in the form of grants for Rehabilitation of loss making Dairy Cooperatives/Districts Level Unions, as well as the State level Federations. The scheme envisages the sharing of the rehabilitation assistance to the cooperative by the Government of India and the concerned State Governments on 50:50 sharing basis. The scheme is expected to assist in the rehabilitation of around 70 sick unions, located in different parts of the country and will provide to fillip to milk production in the country. National Dairy Development Board had submitted 6 proposals for the rehabilitation of Cooperative Milk Unions namely Ajmer, Bhilwara and Jaipur in Rajasthan and Dharwad in Karnataka and Gwalior and Raipur in Madhya Pradesh. The Department has since approved rehabilitation proposals for these sick milk unions with a total outlay of Rs. 53.51 crores. Out of 50% of Government of India share of Rs. 26.26 crores, an amount of Rs. 17.31 crores has been released so far. In this connection, the Committee note that the budgetary allocations at the revised estimates stage during 2000-2001 have been scaled down from Rs. 25 crores to Rs. 17 crores. As everybody is aware that India has attained the position of single largest milk producer. (74.7 million tonnes) in the world with the active cooperation of Dairy Cooperatives covering 376 districts throughout the country.

Keeping in view, the important role played by Dairy Cooperatives in boosting the milk production in the country, the Committee feel that sick cooperatives milk unions should be given an opportunity to rehabilitate themselves with the assistance from the Central and State Governments. The Committee, therefore, recommend that scaling down of allocations under the scheme at RE stage will prove to be counter productive and should not be resorted to. They feel that this scheme should be given more impetus and thrust by providing adequate funds in order to rehabilitate the remaining sick cooperative milk unions and federations etc.

Reply of the Government

2.20 The recommendations of the Committee have been noted. The BE for 2001-02 is Rs. 15.00 crores and the amount is expected to be fully utilized.

Central Institute of Coastal Engineering for Fishery (CICEF) Bangalore

Recommendation (Sl. No. 13)

2.21 The Committee find that the construction of the office building of the CICEF at Bangalore was started in September, 2000 with the anticipated schedule of completion in the middle of 2002. Out of an allocation of Rs. 115 lakhs Rs. 99 lakhs were placed at the disposal of CPWD but it could spend only Rs. 35 lakhs only in 2000-2001. Again in 2001-2002, Rs. 118 lakhs have been provided, but based on the past experience with works placed at the disposal of CPWD by various government departments, the Committee apprehend that not even 50% of funds will be utilised. In this connection, the Committee are not worried about the non-utilisation of funds but are afraid of the time and cost overrun of the project.

The Committee, therefore, desire that the Department should have a penalty clause included in the contract with the CPWD, if already not there, that in case of time overrun of the project, there will be no liability on the part of the Department to pay escalation costs. Also in case CPWD refuses to complete or backs out in the middle of the project it shall have to pay all expenses incurred till date alongwith commercial rate of interest. However, the usual rate of inflation of costs upto 10% may be allowed.

Reply of the Government

2.22 The directions of the Committee have been noted. The time and cost overrun on various civil constructions currently with the CPWD would be reviewed. The issue of making CPWD responsible for the time and cost overrun of such projects beyond the prescribed escalation due to inflation would be taken up with the Ministry of Urban Development.

Integrated Fisheries Project Cochin

Recommendation (Sl. No. 14)

2.23 The Committee are constrained to note that out of a fishing fleet of 5 fishing vessels of IFP, Cochin only 4 are in operation. As per laid down targets, these vessels ought to have been 700 days out in sea during 2000-2001 but they were actually only 181 days out. Also, as against a target of 250 tonnes of fish catch, they could achieve only 48.66 tonnes. The processing performance of the fish was also very dismal, out of 290 tonnes of fish, the IFP, Cochin could process only 75.90 tonnes. According to the Committee, this shows the project in very poor light.

The Committee, therefore, recommend that the Department should go into the working of the Project in detail and find out the reasons for its poor performance and apprise the Committee of their findings within 3 months of the presentation of this report to Parliament.

Reply of the Government

2.24 The directions of the Committee have been noted and the Department has initiated a review of the working of the project. Having realized the poor returns from the vessels, three vessels have been ordered for transfer to Fishery Survey of India who has shortage of vessels. The Department is undertaking a comprehensive review of the working of the IFP and the recommendations, when finalized, will be brought to the notice of the Committee.

CHAPTER III

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

Setting up of Indian Council of Veterinary Research

Recommendation (Sl. No. 15)

3.1 The Committee have been repeatedly recommending in their earlier reports on Demands for Grants 1997-98, 1998-99 and 2000-2001 for setting up of the Indian Council of Veterinary Research.

The Department during examination of Demands for Grants 2000-2001 informed the Committee that the issue for setting up of the Indian Council of Veterinary Research will be taken up by the new Government.

The Committee are disappointed to note that no progress has since been made in the matter. The new government is in position since 1999, but there seems to be no proposal till date.

There being no governing body for Veterinary Research all round progress is very low and the entire working of Veterinary Research requires a complete review. The Committee are of the view that with the setting up of the Indian Council of Veterinary Research the research activities in the field of Veterinary Science would go a long way. The Committee, therefore, reiterate their recommendation and desire that the Department should vigorously pursue the matter with the Government to get their approval for the setting up of this Council in this last year of the 9th Plan.

Reply of the Government

3.2 In continuation to the efforts of the Department to create Indian Council of Veterinary and Fishery Research, a proposal alongwith its justification was submitted to the Agricultural Minister. The proposal was considered in a meeting taken by the Agricultural Minister with the Secretaries of the Department of Agriculture and Cooperation, Animal Husbandry and Dairying, and the Department of Agricultural Research and Education. The view was that complete separation of Veterinary and Fishery Research system from Indian Council of Agricultural Research (ICAR) may not be desirable at present in view of the propagation of integrated intensive farming approach, which calls for the integration of the agriculture, livestock and fisheries sectors. Instead, an effective and satisfactory mechanism of coordination may be established.

In view of the above, complete separation of veterinary and fishery sciences from Indian Council of Agricultural Research is not being considered at this stage.

CHAPTER IV

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

Veterinary Service and Animal Health

Recommendation (Sl. No. 3)

4.1 The Ninth Plan outlay for this sector is Rs. 284.00 crores. The Department during the first three years allocated Rs. 157.00 crores and the actual expenditure is Rs. 45.67 crores only which is 29.08% of the allocation for the period. The Committee note that the Revised Estimates during the 2000-2001 has again as in the past been scaled down from Rs. 35.76 crore to Rs. 27.61 crore at RE stage. Looking into the low pace of utilization of funds during the first four years of 9th Plan the Committee are surprised at the enhanced budgetary provision of Rs. 68.00 crores during the last year of the 9th Plan.

The Committee feel that there should be a quick analysis of this slow pace of implementation of the schemes. The Department should also take remedial measures so that funds allocated for 2001-2002 are fully utilized to achieve the basic objectives of the Animal Health Schemes for successfully implementing the development programmes to obtain maximum benefit from these animals. The Committee also recommend that the Budget allocation for animal health should also be enhanced in the coming years of the 10th Plan in view of the large livestock population. They find that there has been a trend of low utilization in each of the components of this scheme. One common reason put forth is the inability of States to put in their matching contribution. The second aspect is that provision is made but goes unutilized because of non-clearance of the scheme/project.

According to the Committee, Cross breeding and scientific developments have led to livestock being more susceptible to various diseases including infectious and non-infectious diseases. Any inaction on the part of the Government in implementation of livestock health schemes may lead to morbidity and high rate of mortality.

The Committee have repeatedly shown concern on Animal Health but despite of the fact that funds were made available, they were not fruitfully utilised. No other sector is so important as animal health. The Committee, therefore recommend that some incentives e.g. Subsidy, state tax benefits etc. should be considered by the Government so that States are able to contribute and make use of the money. The Committee urge upon the Government to clear proposals pertaining to animal health expeditiously giving them top priority.

Reply of the Government

4.2 The major reason for under utilization of the funds earmarked for the Centrally Sponsored Schemes relating to animal health is that some of the State Governments are not providing matching share of funds. They are requested from time to time to make adequate budgetary provisions for implementing these Schemes in view of the importance of the animal health. The cost of vaccines is shared between Centre, State and beneficiary in the ratio of 25:25:50. To that extend subsidy is already being made available to the farmers. The Department is taking all measures to clear the proposals pertaining to animal health expeditiously.

National Veterinary Biological Products Quality Control Centre

Recommendation (Sl. No. 10)

4.3 The National Veterinary Biological products Quality Control Centre is a Central scheme approved during Sixth Five Year Plan. However, it had not been able to take shape till date. The Committee have been informed that an Expert Committee visited the proposed site at Ludhiana in May, 2000 and recommended the suitability of the existing 'theleria vaccine laboratory' building belonging to Punjab Agriculture University at Ludhiana for setting up of the National Biological Quality Control Centre. This Expert Committee had also stated that for this purpose, considerable alternations and modifications, including new constructions, have to be made in the building and premises after acquiring the whole site/campus of 10 acres. They have also stated that short-term and long-term measures should be taken immediately for setting up the Centre at Ludhiana.

The Committee are informed that it has been decided to set up the Centre at Ludhiana and that the State Government of Punjab has been requested to arrange for handing over the land and the existing building to the Department so that further steps to set up the Centre could be initiated.

The Committee are happy to note that this centre is beginning to take some shape. They, therefore, strongly recommend that concrete steps should be initiated by the Department for taking over the land and existing building from Government of Punjab at the earliest, so that modification, alteration etc. can be undertaken on the Campus at an early date. The Committee would like to have a quarterly progress report in this regard for their information.

Reply of the Government

4.4 The State Government of Punjab has been requested again to expedite the handing over of the land and the existing building to Government of India so that steps could be initiated for making the Centre functional.

CHAPTER V

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

Creation of Disease Free Zones

Recommendation (Sl. No. 8)

5.1 The Committee find that an EFC memorandum with an estimated expenditure of Rs. 48.00 crores as budgeted for the 9th Plan period has been prepared for implementing the scheme Creation of Disease Free Zones in three zones, viz. Zone-I (Punjab, Haryana, Delhi and Western UP), Zone-II (Gujarat) and Zone-III (Maharashtra and Andhra Pradesh). The scheme will be implemented only after the approval of EFC memorandum. In anticipation of the clearance of the EFC memo an allocation of Rs. 27.00 crore has been provided for during 2001-2002 to be spent towards identification of animals, establishment of check posts, development of cold chain facilities, sero-surveillance and vaccination.

In the opinion of the Committee as the EFC memos take considerable time in getting it approved and the 9th Plan is in its last year this scheme will prove to be a non-starter. Even if the approval is obtained at the fag end of the plan, it would not be possible for the Department to spend entire amount of Rs. 27.00 crores in such a short span of time.

The Committee therefore, recommend that serious steps should be initiated by the Department to get the scheme cleared by the appraisal agencies at the earliest so as to initiate such an important programme in the current financial year. They also desire that extent of budget allocation should be enhanced at revised estimate stage, if possible, and also in the coming years in order to provide protection to the large livestock population of the country.

The Committee also recommend that the allocation may be re-appropriated at RE stage if the EFC memo does not come through. They also caution that the Department should not go indiscriminately on spending spree at the end of the financial year or declare it as surplus.

Reply of the Government

5.2 The EPC Memorandum is being revised on the basis of the comments received from the Appraisal Agencies. As regards the question of enhancement of funds at RE stage, and also in the coming years, all efforts will be made to initiate the programme at the earliest, so that more funds could be allocated for this Scheme in future.

NEW DELHI;
7 February, 2002
18 Magha 1923 (Saka)

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

APPENDIX I

MINUTES OF THE TWENTY-FOURTH SITTING OF THE STANDING COMMITTEE ON AGRICULTURE HELD ON THURSDAY, THE 27TH DECEMBER, 2001 IN COMMITTEE ROOM "B", PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1100 hrs. to 1220 hrs.

PRESENT

Shri S.S. Palanimanickam — *Chairman*

MEMBERS

Lok Sabha

2. Shri Thawar Chand Gehlot
3. Shri Haribhau Shankar Mahale
4. Shri Savshibhai Makwana
5. Shri Jagannath Mallick
6. Shri M. Master Mathan
7. Smt. Rama Pilot
8. Shri N.R.K. Reddy
9. Shri Pyare Lal Sankhwar
10. Shri Adi Shankar
11. Shri Chattrapal Singh
12. Shri Tejveer Singh
13. Shri Bhal Chandra Yadav

Rajya Sabha

14. Smt. Jamana Devi Barupal
15. Shri Oscar Fernandes
16. Shri H.K. Javare Gowda
17. Dr. A.R. Kidwai
18. Shri M. Rajashekara Murthy
19. Shri Sharief-Ud-Din Shariq
20. Shri Devi Prasad Singh

SECRETARIAT

1. Shri P.D.T. Achary — *Additional Secretary*
2. Shri Raj Shekhar Sharma — *Deputy Secretary*
3. Smt. Anita Jain — *Under Secretary*

At the outset, Chairman (AC) welcomed the Members to the sitting of the Committee and requested them to take up the following Memoranda for consideration and adoption.

Memoranda No.	Reports
8.	Draft Action Taken Report on 20th Report on Demands for Grants (2001-2002) of Department of Animal Husbandry and Dairying.
9.	Draft Action Taken Report on 22nd Report on Demands for Grants (2001-2002) of Ministry of Water Resources.
10.	Draft Action Taken Report on 21st Report on Demands for Grants (2001-2002) of Ministry of Food Processing Industries.

The Committee considered the Draft Action Taken Reports one-by-one and adopted them with minor additions/modifications.

The Hon'ble Chairman then thanked the Members for their cooperation and keen interest shown by them in the working of the Committee whose term was to expire on 31st December, 2001. The Members of the Committee praised the Hon'ble Chairman for his dynamic leadership and smooth conduct of the sittings of the Committee. The Committee also placed on record their appreciation for the assistance rendered to them by officers and staff attached to the Committee.

The Committee then adjourned.

APPENDIX II

MINUTES OF THE THIRD SITTING OF THE STANDING COMMITTEE ON AGRICULTURE HELD ON THURSDAY, THE 7TH FEBRUARY, 2002 IN COMMITTEE ROOM "E", PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1100 hrs to 1200 hrs.

PRESENT

Shri S.S. Palanimanickam — *Chairman*

MEMBERS

Lok Sabha

2. Shri Ram Tahal Chaudhari
3. Shri Shivraj Singh Chouhan
4. Shri Thawar Chand Gehlot
5. Shri M. Master Mathan
6. Shri Rampal Singh
7. Smt. Prabha Rau
8. Shri Tarachand Shivaji Patel
9. Shri Mahaboob Zahedi
10. Shri A. Brahmaniah
11. Shri Raghunath Jha
12. Shri Tarlochan Singh Tur

Rajya Sabha

13. Dr. A.R. Kidwai
14. Shri Oscar Fernandes
15. Smt. Jamana Devi Barupal
16. Shri Kailash Joshi
17. Shri M. Rajashekara Murthy

SECRETARIAT

1. Dr. (Smt.) P.K. Sandhu — *Joint Secretary*
2. Sh. Raj Shekhar Sharma — *Deputy Secretary*
3. Smt. Anita Jain — *Under Secretary*
4. Shri K.L. Arora — *Under Secretary*

At the outset, Chairman (AC) welcomed the Members to the sitting of the Committee and requested them to take up the following Memoranda for consideration and adoption.

Memoranda No.	Reports
2.	Draft Action Taken Report on 20th Report on Demands for Grants (2001-2002) of Department of Animal Husbandry and Dairying.
3.	Draft Action Taken Report on 22nd Report on Demands for Grants (2001-2002) of Ministry of Water Resources.
4.	Draft Action Taken Report on 21st Report on Demands for Grants (2001-2002) of Ministry of Food Processing Industries.

The Committee considered the Draft Action Taken Reports one-by-one and adopted them with minor additions/modifications.

The Members of the Committee, thereafter, authorized the Chairman to present all the above mentioned Reports to the House on a date and time convenient to him and decided to hold its next meeting on 19th February, 2002.

The Committee then adjourned.

APPENDIX III

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE 20TH REPORT OF STANDING COMMITTEE ON AGRICULTURE (13TH LOK SABHA)

(i) Total number of Recommendations	15
(ii) Recommendations/Observations which have been accepted by the Government	
Serial Nos. 1, 2, 4, 5, 6, 7, 9, 11, 12, 13 & 14	
Total	11
Percentage	73.3%
(iii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies	
Serial No. 15	
Total	1
Percentage	6.66%
(iv) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee	
Serial Nos. 3 & 10	
Total	2
Percentage	13.33%
(v) Recommendations/Observations in respect of which Final replies of the Government are still awaited	
Serial No. 8	
Total	1
Percentage	6.66%