

**STANDING COMMITTEE ON AGRICULTURE**  
**(2004-2005)**

FOURTEENTH LOK SABHA

MINISTRY OF AGRICULTURE

(DEPARTMENT OF AGRICULTURAL RESEARCH AND  
EDUCATION)

DEMANDS FOR GRANTS (2004-2005)

SECOND REPORT



**LOK SABHA SECRETARIAT**  
***NEW DELHI***

Presented to Lok Sabha on 17.8.2004  
Laid in Rajya Sabha on 17.8.2004

August, 2004/Sravana, 1926 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE (2004-2005)**

**Prof. Ram Gopal Yadav – Chairman**

**MEMBERS**

**LOK SABHA**

2. Shri Hiten Barman
3. Shri Manoranjan Bhakta
4. Shri G.L. Bhargava
5. Shri Kuldeep Bishnoi
6. Shri Nihal Chand Chauhan
7. Shri Shivraj Singh Chouhan
8. Shri Lalchand Kol
9. Shri Khagen Das
10. Shri Dharmendra
11. Shri Sharanjit Singh Dhillon
12. Chaudhary Munawwar Hassan
13. Shri Raghunath Jha
14. Smt. Rupatai D. Patil Nilangekar
15. Shri Prakash V. Patil
16. Shri A. Ravichandran
17. Shri K.J.S.P. Reddy
18. Shri Y.S. Vivekananda Reddy
19. Shri Harihar Swain
20. Shri M.P. Veerendra Kumar
21. Shri Mahboob Zahedi

**RAJYA SABHA**

22. Smt. Mohsina Kidwai
23. Shri Harish Rawat
24. Shri Raashid Alvi
25. Shri Pyarelal Khandelwal
26. Shri Raj Nath Singh
27. Shri Sk. Khabir Uddin Ahmed
28. Shri Bhagwati Singh
29. Shri Datta Meghe
30. Shri Bashistha Narain Singh
31. Shri Sharad Anantrao Joshi

### **SECRETARIAT**

- |    |                     |   |                            |
|----|---------------------|---|----------------------------|
| 1. | Shri John Joseph    | - | Additional Secretary       |
| 2. | Shri N.K. Sapra     | - | Joint Secretary            |
| 3. | Shri Devender Singh | - | Director                   |
| 4. | Shri A.S.Chera      | - | Deputy Secretary           |
| 5. | Shri K.D.Muley      | - | Under Secretary            |
| 6. | Shri Anil Kumar     | - | Senior Executive Assistant |

## INTRODUCTION

I, the Chairman, Standing Committee on Agriculture, having been authorised by the Committee to submit the Report on their behalf, present this Second Report on Demands for Grants of the Ministry of Agriculture (Department of Agricultural Research and Education) for the year 2004-2005.

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

3. The Committee took evidence of the representatives of the Ministry of Agriculture (Department of Agricultural Research and Education), on 9 August 2004. The Committee wish to express their thanks to officers of the Ministry of Agriculture (Department of Agricultural Research and Education) for placing before them the materials and information which they desired in connection with the examination of Demands for Grants of the Department for the year 2004-2005 and for giving evidence before the Committee.

4. The Committee considered and adopted the Report at their sitting held on 13 August, 2004.

NEW DELHI;  
13 August, 2004  
22 Sravana, 1926 (Saka)

PROF. RAM GOPAL YADAV  
*Chairman,*  
*Standing Committee on Agriculture*

## **PART -I**

### **CHAPTER -I**

#### **Introduction**

1.1 The Department of Agricultural Research and Education (DARE) comes under the umbrella of the Ministry of Agriculture.

#### **The Historical Background of DARE;**

1.2 Before the existence of the Department of Agricultural Research & Education, Indian Council of Agricultural Research (ICAR) was functioning as a registered society under the administrative control of the Ministry of Food and Agriculture. The financial assistance to State Research Institute and other Research Institutions was granted in the form of Block grant by the Ministry of Food & Agriculture. There were three National Institutes Indian Agricultural Research Institute (I.A.R.I), Indian Veterinary Research Institute (I.V.R.I.) and National Dairy Research Institute (N.D.R.I.)

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

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

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

### **The Organisational set up of DARE**

1.3 DARE is headed by the Secretary to the Government of India who is also the Ex-officio Director General of the I.C.A.R. Additional Secretary, D.A.R.E. functions as Secretary (I.C.A.R.) also. The Financial Adviser of the DARE is the Financial Adviser of the ICAR. Functional administrative support down the line is provided by officers from the organized services, CSS and wherever necessary from the I.C.A.R.

### **Major Functions of DARE**

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

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

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

### **Indian Council of Agricultural Research**

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

- \* To plan, undertake, aid, promote and coordinate education, research and its application in agriculture, animal science, fisheries, agro-forestry, home science and allied sciences.
- \* To act as a clearing-house for research and general information relating to agriculture, animal husbandry, fishery, agro-forestry, home science and allied sciences through its publications and information system and instituting and promoting transfer of technology programmes.
- \* To provide, undertake and promote consultancy services in the field of research, education, training and dissemination of information in agriculture, animal science, fisheries, agro-forestry, home science and other allied sciences.



- \* To look into the problems relating to broader areas of rural development concerning agriculture, including post-harvest technology by developing co-operative programmes with other organizations.

### **Inter-Organisational Relationship/linkages between DARE and ICAR**

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

- (i). DARE deals with only Governmental policy matters and provides the ICAR with requisite linkages with Parliament/ Central/State Government agencies and international agencies without, in any way, duplicating the work already being done in the ICAR.
- (ii). Whatever can be done in the ICAR without any serious impediment on account of it not being a Government department, is done in the ICAR and only the unavoidable minimum tasks, which are required to be performed in the name of the Government or which otherwise required governmental authority, is done by DARE.
- (iii). The ICAR by itself is competent to enter into correspondence with the State Governments. However, in important issues, involving policy matters or problems which are required to be sorted out at Government level are referred to DARE.

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

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

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

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

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

1.7 As per the Annual Report (2003-04) of the Department, the research set up of ICAR includes 47 Central Institutes, 5 National Bureaux, 12 Project Directorates, 33 National Research Centres and 91 All-India Coordinated Research Projects. Besides, some Externally Aided Projects (EAPs) are also in operation. The ICAR also promotes research, education and extension education in 37 State Agricultural Universities (SAUs), 5 deemed to-be-Universities and 1 Central Agricultural University by giving financial assistance in different forms.

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

Sector	Programmes
(i) Crop Science	<ol style="list-style-type: none"> <li>1. Plant Genetic Resources</li> <li>2. Food Crops</li> <li>3. Forage Crops</li> <li>4. Commercial Crops</li> <li>5. Oilseeds</li> <li>6. Plant Protection</li> <li>7. Biotechnology</li> <li>8. Seed Technology</li> <li>9. National Seed Project</li> </ol>
(ii) Horticulture	<ol style="list-style-type: none"> <li>10. Fruits</li> <li>11. Vegetables</li> <li>12. Potato &amp; Tuber Crops</li> <li>13. Plantation Crops</li> <li>14. Spices</li> <li>15. Floriculture, Medicinal &amp; Aromatic Plants</li> <li>16. Post-Harvest Management of Horticultural Crops</li> </ol>
(iii) Natural Resource Management	<ol style="list-style-type: none"> <li>17. Soil Resource Inventory</li> <li>18. Cropping Systems Research</li> <li>19. Water Management</li> <li>20. Nutrient Management</li> <li>21. Agroforestry Research</li> </ol>
(iv) Agricultural Engineering	<ol style="list-style-type: none"> <li>22. Farm Implements and Machinery</li> <li>23. Post-Harvest Engineering &amp; Technology</li> <li>24. Energy Management in Agriculture</li> <li>25. Irrigation Drainage Engineering</li> </ol>
(v) Animal Science	<ol style="list-style-type: none"> <li>26. Animal Genetic Resources Conservation</li> <li>27. Livestock Improvement</li> <li>28. Livestock Products Technology</li> <li>29. Animal Health</li> </ol>
(vi) Fisheries	<ol style="list-style-type: none"> <li>30. Capture Fisheries</li> <li>31. Culture Fisheries</li> <li>32. Fish Genetic Resources</li> <li>33. Harvest &amp; Post Harvest Technology</li> <li>34. Fisheries Education</li> </ol>
(vii) Agricultural Economics & Statistics	<ol style="list-style-type: none"> <li>35. Agricultural Economics &amp; Policy Research</li> <li>36. Agricultural Statistics &amp; Computer Application</li> </ol>
(viii) Agricultural Extension	<ol style="list-style-type: none"> <li>37. a. Krishi Vigyan Kendras and Trainers' Training Centres</li> <li style="padding-left: 20px;">b. Technology Assessment and Refinement through Institute Village Linkage Programme</li> <li>38. NRC on Women in Agriculture</li> <li>39. Directorate of Information &amp; Publications of Agriculture</li> </ol>
(ix) Agricultural Education	<ol style="list-style-type: none"> <li>40. Strengthening of Agricultural Education</li> <li>41. National Academy of Agricultural Research Management</li> </ol>
(x) Management and	<ol style="list-style-type: none"> <li>42. ICAR Headquarters including DARE, Support to</li> </ol>

Information Services	National Academy of Agricultural Science (NAAS) & Professional Societies, etc.
(xi) World Bank and other Foreign Aided Projects	43. <b>World Bank Aided</b> – National Agricultural Technology Project, <b>Other Foreign Aided Project</b> 44. Indo French proposal on Seabass Breeding and Culture

## **CHAPTER – II**

### **Demands for Grants of the Department of Agricultural Research and Education for the year 2004-05**

2.1 The Demands for Grants of the Department of Agricultural Research and Education (DARE) for the year 2004-05 are included as Demand No. 2 under the Ministry of Agriculture. Besides Secretariat's expenditure of the Department, The Demand includes contribution to international bodies, payment of grants-in-aid to the Indian Council of Agricultural Research to enable it to meet the expenditure on various research institutes controlled by it and for its several research projects, schemes and activities. The provision also includes payment of net proceeds of cess under the Agricultural Produce Cess Act, 1940.

2.2 For the year 2004-05, the Department has been allocated a total amount of Rs.1753.31 crores (Rs.1,000 crore for Plan and Rs.753.31 crore for Non-Plan expenditure) on Revenue Account. In addition to the Plan Outlay of Rs.1,000 crore for the year 2004-05, the Department has been provided with Rs.42.11 crore as Internal and Extra Budgetary Resources (IEBR). Allocations made in 2003-04 and 2004-05 are indicated below:

(in crore of Rs.)

Major Head	Budget 2003-04			Revised 2003-04			Budget 2004-05		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
3451-Secretariat Economic Services (Salaries, Travel, Office Expenses, etc.)	-	1.20	1.20	-	1.20	1.20	-	1.25	1.25
2415-Crop Husbandry, Soil & Water Conservation, Animal Husbandry, Dairy Development, Fisheries, Forestry, Contributions to International Organizations, Assistance to CAU, Payment of net proceeds of Cess under APCA, 1940	698.00	734.72	1432.22	698.00	734.72	1432.22	900.00	752.06	1652.06
2552-Lump-sum provision for projects/schemes in N.E. & Sikkim	77.50	-	77.50	77.50	-	77.50	100.00	-	100.00
<b>TOTAL</b>	<b>775.00</b>	<b>735.92</b>	<b>1510.92</b>	<b>775.00</b>	<b>735.92</b>	<b>1510.92</b>	<b>1000.00</b>	<b>753.31</b>	<b>1753.31</b>
12415- Internal & Extra Budgetary Resources (IEBR)	-	-	-	-	-	-	4211	-	-
<b>TOTAL</b>							<b>1042.11</b>		

2.3 The detailed Demands for Grants (2004-2005) of the Department were laid on the Table of the House (Parliament) on 20 July, 2004.

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

2.4 Details of the budgetary allocations made (Central Sector) in favour of DARE/ICAR out of the total Plan budget of the Government of India during the Ninth

Plan and first three years of the Tenth Plan (2002-03, 2003-04 and 2004-05) are indicated below:

(Rs. in crore)

Year	Plan Budget (BE) of Government of India (Central Sector)	Plan Budget of DARE/ICAR (Central Sector)			
		Budget Estimate	per centage	Revised Estimate	per centage
1997-98	91838.71	331.17	0.36	331.17	0.36
1998-99	105187.16	531.17	0.50	445.00	0.42
1999-2000	103520.93	573.50	0.55	504.00	0.49
2000-2001	117333.80	629.55	0.54	550.00	0.47
2001-2002	130181.34 *	684.00	0.53	684.00	0.53
<b>Total of Five Years</b>	<b>548061.90</b>	<b>2749.39</b>	<b>0.50</b>	<b>2514.17</b>	<b>0.46</b>
<b>2002-03</b>	<b>144037.77 *</b>	<b>775.00</b>	<b>0.53</b>	<b>725.00</b>	<b>0.50</b>
<b>2003-04</b>	<b>147892.61 **</b>	<b>775.00</b>	<b>0.52</b>	<b>775.00</b>	<b>0.52</b>
<b>2004-05</b>	<b>163720.29 **</b>	<b>1000.00</b>	<b>0.61</b>	<b>-----</b>	<b>-----</b>

\* Source : Planning Commission

\*\* 2004-2005 , Expenditure Budget Vol.I.

2.5 It is observed from the above that during first year (1997-98) of the Ninth Plan, the per centage of DARE/ICAR's outlay w.r.t. Central Sector Plan outlay was just 0.36 per cent which was gradually increased to 0.55 per cent during 1999-2000, but decreased marginally in the succeeding two years of Ninth Plan being 0.54 per cent during 2000-01 and 0.53 per cent in 2001-02 (terminal year of the Ninth Plan).

2.6 During the first year of Tenth Plan (2002-03), it was retained at 0.53 per cent and further reduced to 0.52 per cent in 2003-04. However, it has been increased to 0.61 per cent in the current financial year (2004-05).

2.7 The Committee wanted to know the details regarding amount proposed by them in their budget proposals, allocated, its per centage to AGDP, etc. from 1997 to 2004-05.

The information given by the Department is indicated below:-

### Growth of Financial Outlay of DARE/ICAR as a per centage of Agriculture GDP

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

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

# Central Statistical Organization

^ These figures exclude catch up grant

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



2.8 The percentage of increase in Plan and Non-Plan allocation made for 2004-05 over the year 2003-04 is reported to be 29.03 per cent and 2.36 per cent respectively.

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

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

#### **Public Agricultural Research Expenditure**

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

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

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

**Review of Financial outlays to DARE/ICAR and allocation/utilization of funds during the Ninth and Tenth Plan (first 3 years)**

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

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

2.12 The Department had proposed a minimum requirement of Rs. 15,000 crore alongwith a one time catch up grant of Rs. 1,000 crore for the Tenth Plan. However, the Planning Commission approved only Rs. 4,868 crore which was subsequently raised to Rs. 5,368 crore by providing Rs. 500 crore for setting up new KVKs.

2.13 The allocation for the Annual Plan 2002-03 was Rs. 775 crore, which was reduced to Rs. 725 crore at RE stage. For the Annual Plan 2003-04 against the projected

demand for Rs. 1,300 crore and a catch up grant of Rs. 200 crore, the Planning Commission allocated Rs. 775 crore only. The Department had also informed that “There was an understanding at the Department’s meeting with Planning Commission that its plan allocation for 2003-04 would be raised to Rs.1,000 crore. However, the final allocation from Planning Commission for DARE/ICAR’s Annual Plan 2003-04 was only Rs.775 crore. Similarly during the Department’s meeting on Budget discussion with the Ministry of Finance, a strong plea was made not to cut the allocation of Rs.775 crore for 2002-03.”

2.14 The Committee noted that though the Department was provided Rs.775 crore as RE 2003-04, the Anticipated Expenditure is Rs.741.53 crore only.

The Department was asked to give reasons for shortfall in expenditure by Rs.33.47 crore in 2003-04. In reply the Department stated as under:-

“In accordance with Government of India guidelines 10 per cent of the GBS (Rs. 77.5 crore) is put apart for NE region. Though the Department has endeavoured to meet the requirement of this region but the unutilized fund in this region account for close to half of the unspent funds of DARE/ICAR.. Moreover, clearance of majority of EFC/ SFC proposal, which is a major exercise in itself, was done in later part of the year 2003-04. Issuance of sanctions took its own time and still continuing in some cases during the current financial year resulting in underutilization. To cite an example, the Tenth Plan proposal of Central Agricultural University, Imphal is yet to be cleared by CCEA and against the allocation of Rs. 25 crore during Annual Plan 2003-04 the utilization was only Rs. 17.15 crore by the University.”

2.15 In pursuance of repeated recommendations by the Parliamentary Standing Committee on Agriculture for providing 1 per cent of AGDP funds to DARE/ICAR, the Planning Commission has enhanced the Plan outlay from Rs.775.00 crore in 2003-04 to Rs.1,000.00 crore in 2004-05 against the proposed amount of Rs.1800 crore.

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

“The Department welcomes the increase which amounts to 29 per cent enhancement over the Annual Plan 2003-04. Even if the cost of inputs, machinery, raw material, maintenance, other research expenses including annual inflation put together at conservative estimate, the increase in Budgetary Allocation may not allow the Department to adequately address all research issues. The Department has put an additional demand of Rs 5,000 crore for the Tenth Plan and Rs 550 crore for the Annual Plan 2004-05 to address the research and development aspects related to enhancement of productivity, input use efficiency, modernisation of infrastructure and centres of excellence in SAUs.”

**One Time Catch Up Grant**

2.17 The Committee were informed that the DARE/ICAR has a number of institutions/laboratories, which are more than twenty years old. It was felt necessary that a one time catch-up grant may be sought from the Planning Commission so that the requirement of renovation of old infrastructure and up-gradation/replacement of obsolete

equipment could be met . The Ninth Plan Working Group recorded that one time catch up grant was the critical need for upgrading laboratory equipment, pilot plants, farm and laboratory facilities, class rooms and audio visual facilities. In order to have excellent academic standard (State Agricultural Universities) and to have globally competitive research working environment, the Eighth Plan and Ninth Plan Working Groups had recommended Rs.300 crore and Rs.500 crore, respectively for the purpose of one time catch up grant.

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

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

“ The Department had almost in every year of Ninth Plan, proposed amounts for one time catch up grant but the Planning Commission while

communicating the individual Annual Plan allocations did not provide separate amount for this purpose though repeated requests were made to. Subsequently, Planning Commission had communicated that the amounts indicated for annual plans also included the amount for one time catch-up grant, i.e., the Department could meet its requirement of catch up grant out of their Annual Plan budgets only. Accordingly, the Department had taken a decision in the year 1999-2000 that the Institutes could spend upto a maximum of 20 per cent of their respective Plan B.E. (1999-2000); during 2000-2001 this per centage limit was raised to 30per cent and for 2001-02, it was decided that the Institutes could incur expenditure under one time catch up grant to the extent to which they could spare the money after meeting their other essential research necessities. For State Agricultural Universities these per centage were 30 per cent for 1999-2000, 40 per cent for 2000-01 and for 2001-02 it was allowed on par with institutes.

In this regard, the Department had written a number of times to the Planning Commission. The Parliamentary Standing Committee has always strongly recommended that the Planning Commission and Ministry of Finance should provide an amount of Rs.400 crore towards one time catch up grant which the Planning Commission had communicated to the Department. Due to non- receipt of separate funds through Annual Plans of Ninth Plan from Planning Commission, no separate head of expenditure for catch up grant was maintained by the Institutes/ICAR, i.e this expenditure is included into the Annual Plan actual expenditures of various years of Ninth Plan. Since the similar conditions with regard to obsolete equipments, age old infrastructure including laboratories and

other related research facilities exist, the Department had again proposed an amount of Rs.1,000 crore during Tenth Five Year Plan but the Planning Commission has not yet made separate allocations specifically for catch up grant through Annual Plans”.

### **Main Plan Projects/Schemes of ICAR**

2.19 The Department have informed that as a result of Zero Based Budgeting (ZBB) exercise, out of the original 235 Plan projects only 72 Main Plan Projects have been retained during the Tenth Plan to reorganise different activities.

### **Budgeting Procedure and Practice being followed in the Department**

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

“A circular is issued to all the constituent units, i.e., Institutes/National Research Centres/Project Directorates/Agricultural Scientist Recruitment Board/Publication & Information Division/ICAR Hqrs. etc. sometime in the 2<sup>nd</sup> week of August for inviting proposals of RE of the current financial year and BE of the next financial year. The Subject Matter Divisions (SMDs) are also requested to scrutinize the proposals of RE/BE and send it to Budget Section with

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

The RE/BE allocation is generally received from the Ministry of Finance sometime in the 1<sup>st</sup>-2<sup>nd</sup> week of January. The Plan allocation (BE) of the next financial year is received from the Planning Commission sometime in the 1<sup>st</sup> week of February. In the meantime the Budget proposals received from the SMDs are scrutinized by the PIM/Finance Division/Budget Section keeping in view the expenditure trend of the particular Institute/NRC/PD for the last 3 years and the justifications furnished for the demand and the overall allocation made by the



Ministry of Finance in the RE/BE. On the basis of this exercise and keeping in view the final allocation the SMD-wise/Institute-wise allocation is decided and communicated to the Institute/NRC/PD concerned by the end of January or 1<sup>st</sup> week of February.”

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

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

### **Zero Base Budgeting**

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

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

autonomous institutions their continuing need should be evaluated and ways found to make them self reliant.

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

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

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

As a follow up of directives of the Govt. of India the Department in consultation with Planning Commission applied ZBB scrutiny to all Plan schemes for their continuation in Tenth Plan. Primarily the objective of this exercise was to reduce the number of Plan Schemes for expeditious clearance of Tenth Five Year Plan Proposals. In this exercise original Plan projects viz. ICAR, Institutes, NRCs, PDs, AICRPs etc. have been brought together / integrated into 72 main Plan projects. The integration of these schemes facilitated sharing of common facilities like guest house, auditorium, costly equipment, laboratory, staff quarters, etc. particularly among the ICAR establishments located close by. The scientific and administrative staff is being utilized appropriately for optimal result.”

#### **2.23 Internal Extra Budgetary Resources**

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

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

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

“The Department of Expenditure hold meetings with Financial Adviser (alongwith representatives of PSEs under the control of the Administrative Ministry/Department concerned) in November each year to assess the IEBR available with the PSE which can be utilized for financing its plan activity. The resources(IEBR) so assessed by the Department are communicated to the Planning Commission for taking into account while finalizing the Annual Plan of the respective PSE under the Ministry/Department concerned. The allocations of IEBR are made by Planning Commission. The enterprises having IEBR can utilize the funds for financing of the plan investment subject to obtaining clearances as may be required. As IEBR fund are internally generated by a Public Sector Enterprise or raised from the market/institutions; these can be utilized as per the investment requirements of the enterprise. There is no question of demanding these funds from the Government.

The Agricultural Human Resource Development (AHRD) Project, an externally funded project concluded on 31.12.2001. The project had Andhra Pradesh, Haryana and Tamil Nadu as participating States. For the overseas training component, the Food and Agriculture Organization (FAO) of the United Nations was engaged for providing consultancy services to organize overseas training for AHRD. Under the arrangement, the budget for overseas training component was transferred by World Bank to FAO. A rupee equivalent deposit

with RBI in respect of direct payment made for overseas training is an accounting necessity. ICAR had made the requisite payment, however the State Governments of Tamil Nadu, Andhra Pradesh and Haryana had to make the rupee equivalent deposit. Controller(Aid , Accounts and Audit) advised the Department that instead of entering into prolonged correspondence with the State Governments, ICAR could seek an additional grant at RE stage for this purpose. This would eventually be adjusted through the Central Assistance component of the Annual Plan of State Government concerned.

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

#### **SFC/EFC Clearance of Plan Schemes of ICAR**

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

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

“As per the O.M. of Department of Expenditure, Ministry of Finance dated 18th February, 2002, Plan schemes/projects costing upto Rs.5 crore could be considered for approval by the Department itself i.e. without referring to SFC/EFC. Schemes costing more than Rs.5 crore and less than Rs.25 crore

pertain to SFC, Rs.25 crore and above but less than Rs.100 crore pertain to EFC, Rs.100 crore to 200 crore pertain to main EFC and those Rs.200 crore and above to Public Investment Board / main EFC. The EFCs of scientific Departments like DARE/ICAR are chaired by the Secretary of the Department irrespective of the outlay of the EFC.’’

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

“Though there is no specific time frame for clearing the SFCs/EFCs proposals, however, the Department had accorded top most priority to this exercise of Xth Plan. As the outcome of ZBB exercise was implemented in Xth Plan, under which an individual main scheme also contained a number of sub-schemes, hence, the Tenth Plan proposal of a particular main scheme had also to be integrated alongwith the proposals of its sub-schemes. This task was quite time taking. These Xth Plan SFCs/EFCs proposals were then circulated to appraisal agencies, i.e. concerned Departments/ Ministries/Planning Commission for their comments. After submitting counter comments to the appraisal agencies, the Department organised SFCs/EFCs on case to case basis. The Department accomplished the clearance of Xth Plan of SFC/EFC proposals within a record period of 10 months only, i.e. SFC/EFC meetings starting from late May 2003 to March 2004 only. Minutes of all these SFCs/EFCs have already been issued.”

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

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

2.30 **Surplus Amounts in the Banks**

The Committee wanted to know the latest position of surplus amounts lying in the Banks during each of the last three years along with reasons for the same. In reply the Department stated as under:

“The year-wise closing balance for the last 3 years is as under:

**SURPLUS AMOUNT/ CLOSING BALANCE**

(Rs. in crore)

Year	Cash in hand	Cash at bank	Short term Deposits	Total
2000-01	0.72	164.46	165.18	330.36
2001-02	0.75	180.03	163.01	343.79
2002-03	1.49	256.76	154.88	413.13

The closing balance includes the funds remitted by the Council to the institutes for the salary of March to be paid in April during the next financial year; the amount of revenue generated but not remitted to ICAR; the amount/funds received from deposit/other funds schemes, which is kept for incurring the expenditure of that scheme till it is over; the funds received for contract research/ consultancy/ Training etc.; Earnest Money, Security Deposits received; the amount recovered from salaries on account of Income Tax, loans etc., still to be remitted to other departments etc.; and also the recoveries of GPF/CPF to be remitted to the Council’s HQ for crediting in GPF bank account in addition to the unspent balance of government grant to be refunded, which is generally refunded during the next financial year after finalization of accounts. In addition, the different units and their centres require some amount for the maintenance and day-to-day need. The institutes of ICAR are required to remit the unutilized grants at the end of the financial year. If they cannot do so during the financial year, the amounts are remitted after the close of the financial year.”

2.31 The Committee further asked about any remedial measures taken so far to avoid such recurrences, *i.e.* keeping unused amounts in the Banks. The Department in its reply stated as follows:



“All the constituent units of the Council have started preparing Income & Expenditure A/c and Balance Sheet from the year 2003-04 onwards, and hence, the accounts would now reflect the actual surplus lying head-wise in their accounts. This would assist the Council in better monitoring of such funds. Moreover, the institutes have been asked to remit the surplus amounts including that of revenue receipts earned by them during the same financial year instead of keeping the same with them. During the current year a special drive has been launched for updating and reconciling bank accounts in each ICAR institute.”

**Shortfall in number of Employees in position in ICAR**

2.32 As per the latest Annual Report (2003-04) the total staff strength of ICAR is noted as under:

Sl. No.	Posts	Total Post Sanctioned	Total Employees in position	Shortfall
1	Scientific Posts	6428	5026	(-) 1402
2	Technical Posts	8262	7433	(-) 829
3	Administrative Posts	5374	4450	(-) 924
4	Supportive Staff	10801	9881	(-) 920
5	Supporting Staff	381	311	(-) 70
6	Auxillary Posts (dying Cadre)	53	88	(+) 35

2.33 The Department was asked to give the reasons for huge shortfall in posts/ in various categories mentioned at 1 to 5 above. The Department in reply stated as under:

“It is a fact that there is an acute shortage of manpower especially in the scientific category. This shortfall of manpower is primarily in the direct recruitment quota particularly in post VII Plan period in which the number of institutions has increased from 75 to 96. This position has been aggravated since 2001 due to the fact that as per orders of the Department of Personnel dated 16.05.2001, direct recruitment is to be restricted to 1/3<sup>rd</sup> of the vacancies arising

in a particular year with a further stipulation that the vacancies filled in a year should not exceed 1 per cent of the total sanctioned strength.

Action for filling up the approved vacancies can be taken only after the clearance of the Annual Direct Recruitment Plan (ADRP) by the Screening Committee and for Group 'A' posts by the Cabinet Secretary. The ADRP for 2002-03 has been cleared in June 2004 and necessary action which could be taken only after obtaining this approval, has now been taken.

Further, in 1999 the Ministry of Finance had imposed a 10 per cent cut on the sanctioned posts. Though the reduction of 10 per cent cut of the sanctioned manpower has been implemented in all other categories, the issue of exempting at least the scientific category from this restriction has been repeatedly taken up with the Ministry of Finance at various levels and a final decision is still awaited. Since the issue is still alive and a final decision is yet to be taken effectively, the Council has kept these vacancies in the scientific category.

Though the activities of the ICAR have been expanding, not a single post has been created/added to our existing strength after the VII Plan period.

Further, due to the recent instructions of the Government of India the manpower strength is being reduced annually as is evident from the following table :-

S.No.	Category of Posts	Total sanctioned posts (as on 01.04.2002)	Total Sanctioned Posts (as on 31.03.2003)
1.	Scientific	6428	6428
2.	Technical	8358	8146
3.	Administrative	6378	6323
4.	Supporting	9893	9573
TOTAL		31057	30470

2.34 The Committee enquired as to how the ICAR is expected to achieve the optimum level of R&D progress with huge shortfall in scientific and technical staff strength. The Department in its reply stated as under:

“Priority areas of the Institutes have been identified and scientific staff is being judiciously redeployed depending on operational needs and requirements. Efforts are on to get exemption from the restrictions imposed on filling up of vacancies in the ICAR so as to achieve the optimum level of R&D progress.”

2.35 On a point about the estimated loss/ shortfall in Research work of ICAR and corresponding financial losses due to this lack of manpower during each of the last three years, year-wise, the Department in reply stated as under:

“Quantification of loss in research is not easy. Generation of a single technology, sometimes, is enough to offset the loss for example a single wheat variety PBW 343 gave an incremental revenue of Rs 3,000 crore during 2002-03. But certainly the output and efficiency of the organisation suffer due to shortage of manpower. Vacancies of scientists adversely affect the scientific output in terms of basic, strategic, applied and anticipatory research.

The shortfall in achieving financial targets in some of the Institutes could not be ascribed exclusively due to lack of manpower. Moreover, the expenditure for the year 2003-04, as a whole was quite close to the BE. It being the first or second year of the plan, shortfall was due to non approval or the delayed approval of the EFC under the works and equipments.”

2.36 On a query about the efforts the Department have made to fill these vacancies so far and any time limit to complete the task of filling up all the vacancies, the Department in reply stated as under:

“The process of recruitment is a continuous one which is undertaken in different modes as per the recruitment rules, i.e. by Direct Recruitment, Promotion, Limited Departmental Competitive Examination (LDCE). While action for filling up the direct recruitment to the scientific and in other categories against vacancies in the approved strength has been initiated, simultaneously the matter regarding getting an exemption from Government orders that place restrictions on the filling up of vacancies has been taken up at the highest level.”

#### **INTERNAL RESOURCE GENERATION**

2.37 The Committee enquired about the targets fixed and targets achieved for the Internal Resources Generation during the last five years and in the current year, year-wise and source-wise with reasons for any shortfall. The Department in reply stated as under:

“The targets are not fixed source-wise instead Institute-wise targets are fixed and this include Revenue Receipts and Recoveries of / loans & advances . However, the details of the target fixed and target achieved for the internal resource generation during the last 5 years are given below.

(Rupees in crores)			
Year	Target fixed	Target achieved	Excess/Shortfall
1999-2000	36.94	38.82	(+) 1.88
2000-2001	40.74	41.73	(+) 0.99
2001-2002	45.96	47.14	(+) 1.18
2002-2003	53.21	50.58	(-) 2.63
2003-2004	63.50	The Annual Accounts are yet to be finalized	
2004-2005	89.95*		

\* Excluding the revenue generation out of Revolving Fund.

The revenue generation during the years 1999-2000, 2000-2001 and 2001-2002 was more than the targets fixed. However, there has been a shortfall in achieving the targets during the year 2002-2003, mainly on account of drought due to which a number of resource generation activities were adversely affected.”

2.38 The Committee also asked the Department to clarify the concept of “Revolving Fund” and “matching grant” alongwith the details of matching grant received by the Department. The Department in reply stated as under:

“The Revolving Fund is sanctioned for a Scheme to generate resources on its own. The Seed Money /initial budget is provided by the ICAR and the implementing agency has to refund this Seed Money without interest in 5 equal instalments after a period of 5 years.. Hence, the Revolving Fund is only to support the Implementing Agency to stand on its own feet and revenue generated in the Scheme is ploughed back and can be utilized in the Scheme. The Revolving

Fund Scheme is sanctioned for ICAR Institutes, SAUs| and KVKs who have MoU with ICAR. The main objectives of the Schemes are as under:

1. To provide partial financial support to produce seedling and planting material and other such products from agriculture, horticulture, animal and fisheries sectors.
2. To provide partial financial support to manufacture new plant and machinery for crop production, fruits and vegetables, plantation crops, and animal and fishery products.
3. To facilitate value addition of farmers produce through cleaning, grading, processing, packaging and marketing of agriculture, horticulture, animal and fisheries sectors.
4. to facilitate the generation of internal resources for meeting non-plan expenditure.

Whereas 'Matching Grant' is the scheme for matching grant to be provided by the Government for every commercial rupee earned by the ICAR. Royalty, Premia, Consultancy, contract Research, Overhead/Institutional Charges under non ICAR Schemes, Sale of Seed, Planting Material, Equipments etc. are included for calculating commercial rupee. This Matching Grant is to be utilized to augment/supplement Council's meagre resources as a whole as the maintenance and upkeep of available facilities are not getting due financial support. The revenue generated out of the revolving fund is however, mainly utilized for the specified project/scheme for which the revolving fund is sanctioned.

The details of the matching grant received by the Council during the last 3 years are given below-

(Rs. in crores)		
Year	Matching Grant claimed	Matching Grant received
2001-02	11.99	11.99
2002-03	15.35	-
2003-04	17.34	-

“While claiming the Matching Grant from the Govt. of India the revenue generated out of Revolving Fund scheme has not been included. The Matching Grant has been claimed on the basis of revenue generated (excluding Revolving Fund Scheme, Recoveries of Loans & Advances, Interest earned on Short Term Deposits etc.).”

### **GROWTH IN CROP AGRICULTURE**

2.39 The Committee were informed that the annual growth rate of agricultural GDP envisaged during Tenth Plan is 3.97 per cent. The growth rates achieved during the first two years of the Tenth Plan, namely, 2002-03 and 2003-04 are 3.1 per cent and 9.1 per cent respectively.

The reason identified for negative growth rate in agricultural GDP during 2002-03 is on account of widespread drought in 14 States of India during the year. The DARE / ICAR has provided contingencies plans to address the drought through area specific recommendations and advice in crop production, animal husbandry and fisheries activities.

The agricultural GDP growth rate achieved so far, on an average for the last two years (-3.1 per cent in 2002-03; 9.1 per cent in 2003-04) is adequate to meet the targeted growth of nearly four per cent envisaged during the Xth Plan. It is estimated that for meeting the domestic demand, India needs about 232 - 235 million tonnes in the year 2015 and 260 – 264 million tonnes in the year 2030. If the average growth rate of around 4 per cent in agricultural GDP is maintained during the Xth Plan as well as subsequently, India can hope to meet the domestic as well as export demand by 2030.

2.40 On a point about the steps taken by the Department to achieve the desired and expected growth rate now onwards, the Department stated as under :

“To achieve the above growth rate India has to attain a growth rate in yield of about 2.7per cent in rice, 3.3per cent in wheat, 2.21per cent in maize, 2.4per cent in coarse cereals and 0.99per cent in pulses. This requires accelerated investment in agricultural research and education.”



2.41 The Department was asked to furnish annual population growth rate *vis-à-vis* annual foodgrains production growth rate as well as annual growth rate of crop agriculture, fisheries, forestry, Animal Husbandry and Dairying, during the last decade; year-wise in a tabular form and the Department has provided the same as under :

Year	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual
	Population	Foodgrains	Agriculture	Fisheries	Eggs	Milk	Growth	Growth	Growth
	Growth	Production	GDP	Production	Production	Production	Rate in	Rate in	Rate in
	Rate	Growth	Growth	Growth	Growth	Growth	Value of	Agriculture	Area
		Rate	Rate	Rate	Rate	Rate	Output from		Under
							livestock		Forests
1994-95	2.14	3.93	5.0	3.12	7.48	5.28	4.00	5.02	0.42
1995-96	2.14	-5.79	-0.9	3.34	4.71	3.76	3.43	-2.72	0.32
1996-97	2.00	10.52	9.6	8.06	1.10	4.38	3.51	9.33	-0.10
1997-98	2.00	-3.56	-2.4	0.75	4.34	4.34	2.81	-5.92	0.38
1998-99	2.00	5.88	6.2	-2.34	2.74	4.58	4.19	7.62	-0.04
1999-00	2.00	3.05	0.3	7.85	3.30	3.85	3.00	-0.56	0.06
2000-01	1.93	-6.19	-0.1	-0.33	20.31	3.19	3.45	-6.33	0.16
2001-02	1.93	8.18	6.5	5.30	5.65	4.46	3.45	7.60	0.16
2002-03	1.93	-18.18	-5.2	4.10	7.74	4.62	3.45	-15.59	0.16
2003-04	1.93	21.01	9.1	3.05	5.94	4.18	3.45	19.3	0.16

A = Growth rates in agriculture and allied sector, B = Growth rate in index number of production of all commodities, the figures for annual fishery production growth rate (2003-04), annual eggs production growth rates (2003-04), annual milk production growth rate (2003-04), annual growth rate in value of output from livestock (2001-02 to 2003-04), annual growth rate in agriculture (2003-04) and annual growth rate in area under forest are extra-polated based on the past growth (2000-01 to 2003-04).

### **R&D on Post Harvest Losses**

2.42 It has been observed that another area of importance is value addition, processing and product development. At present, value addition is only 79 per cent and agro-processing is only 2 per cent in case of perishables. There is a vast scope for value addition to the extent of 35 per cent and processing to the extent of 10per cent in the next

ten years. It is also estimated that about 80-85 million tonnes of food items can become available for consumption annually through application of suitable post-harvest technologies, which otherwise is lost for want of proper storage and handling.

2.43 In this connection, the Department was asked to the schemes being implemented by ICAR to develop Post Harvest Technologies alongwith the details of their allocation expenditure and shortfall/excess if any, during each of the last five years. In reply, the Department stated as under:

“The schemes being implemented in the area of post-harvest engineering and technology are (i) Central Institute of Post Harvest Engineering and Technology (CIPHET), Ludhiana; (ii) Central Institute of Agricultural Engineering, Bhopal; (iii) Central Institute for Research on Cotton Technology (CIRCOT), Mumbai; (iv) National Institute for Research on Jute and Technology (NIRJAFT), Kolkata; (v) Indian Lac Research Institute (ILRI), Ranchi; and (vi) All India Coordinated Research Project (AICRP) on Post Harvest Engineering and Technology (PHT) having 34 Centres, located throughout the country. The AICRP on PHT has been addressing post-harvest technology issues pertaining to cereals, pulses, oilseeds, fruits and vegetables, fish, dairy, meat and poultry, medicinal and aromatic plants. These schemes, along with R&D in post-harvest technology, are also involved in assessing post-harvest losses for grains, pulses, fruits and vegetables and other products. The total allocations made during the last five years were Rs. 5,773 lakhs, against which an expenditure of Rs. 5,562 lakhs was incurred. (1999-2000: Allocation – Rs. 1205.75 lakhs, Expenditure – Rs. 1084.32 lakhs; 2000-01: Allocation – Rs. 1150.00 lakhs, Expenditure – Rs.

1135.00 lakhs; 2001-02: Allocation – Rs. 1248.00 lakhs, Expenditure – Rs. 1244.00 lakhs; 2002-03: Allocation – Rs. 1006.75 lakhs, Expenditure – Rs. 933.90 lakhs; 2003-04: Allocation – Rs. 1164.94 lakhs, Expenditure – Rs. 1164.46 lakhs).

Further, in order to specifically assess post-harvest losses in plant and animal produce, two projects have been sanctioned under the National Agricultural Technology Project (NATP), as a multidisciplinary programme. A sum of Rs.343.68 lakhs were allocated for the NATP project entitled “Reduction in post- harvest losses of fruits and vegetables” at CIPHET, Ludhiana, during the last three years and the expenditure till date has been Rs.207.47 lakhs. Another project entitled “Pilot study to assess the harvest and post harvest losses” has been sanctioned to IASRI, New Delhi, with an allocation of Rs. 251 lakhs and the expenditure has been Rs.156 lakhs.”

2.44 On a point about the post harvest technologies developed in the area of grain, pulses, fruits & vegetable, floriculture, fish, dairy (milk), meat & poultry, medicinal and aromatic plants the Department furnished the following information:

“Some of the post-harvest technologies and equipment developed in the above areas are given below:

Food Grain, Pulses and Oilseeds

- Groundnut pod grader: Grading of the pods is done on basis of shape and size for the commercial as well as research purposes.
- Groundnut pod decorticator.
- Technology for production of mustard sauce.
- Dehydration of chickpea as a snack food.
- Standardization of *Sattu* production.
- Optimization of pre-treatments for the higher dal recovery.

- Optimization of pre-treatments for the higher oil recovery for various oilseeds.
- Products development from cereals including coarse cereals, soybean
- Pedal-cum-power operated grain cleaner
- Mini dal mill
- Low cost multipurpose mini grain mill
- Cottage level Rice puffing machine
- Solar dehydrators

### Fruits and Vegetables

- Fruits grader – size based grading of fruits particularly kinnow.
- Process and practices of kinnow for harvesting and distant marketing.
- Technologies of production of tomato puree
- Technologies for production of Jam and Jelly, Squash, etc.
- Evaporative cooled chamber for fruits and vegetables.
- Non-destructive methods for determining maturity of fruits particularly for the mango
- Vegetable and ginger washing machine
- Batch type dryer for arecanut
- Tomato juice extractor
- Chilli seed extractor
- Garlic bulb breaker
- Package of post-harvest practices and products from pineapple

### (a) Post Harvest Technologies in the area of Floriculture

- (i) Vase life extension of cut flowers
- (ii) Technology of floriculture dehydration
- (iii) Essential oil extraction from tuberose, jasmine and rose
- (iv) Pigment extraction from marigold
- (v) Preparation of products like gulkand from rose petals
- (vi) Colour staining of flowers
- (vii) Herbal tea with essence of flowers
- (viii). Post harvest deterioration of saporin content in dry fleshy root powder of safed musli.

### Post-harvest technologies developed in Fisheries are as follows:

- Utilization of low grade fish and conversion of fish wastes into useful by-products.
- Production of value added products like wafers, pickles, soup etc. from fish/shell fish.
- Extraction of chitin/chitosan from prawn shell waste and their application in textile and poultry industry and in the medical field; pilot plant for production of chitosan.

- Extraction of shark fin rays and processing shark cartilage.
- Collagen chitosan film from fish skin, bone and air bladder for application in treatment of burns and as a barrier material in guided tissue regeneration (GTR) in dentistry.
- Fine grade absorbable surgical sutures from fish gut.
- Isolation of squalene from shark liver oil for use in cosmetics.
- Preparation of n- polyunsaturated fatty acid concentrated from fish oils.
- High gel strength agar from sea weeds.
- Preparation of ising glass from fish maws
- Production of good quality masmin from dressed tuna by an improved method”

(b) Post Harvest Technologies in the area of Dairy (Milk)

- (i) Manufacture of rasogolla mix powder
- (ii) Production of sweetened condensed buffalo milk
- (iii) Production of yoghurt of different kind
- (iv) Continuous ghee making machine
- (v) Continuous khoa making machine
- (vi) Production of low fat spreads
- (vii) Production of gulab jamun mix
- (viii) Production of whey protein concentrates
- (ix) Instant mix of makhana kheer
- (x) Production of shreekhand
- (xi) Goat milk paneer, sandesh and burfi

The technologies also developed for the following milk products: Ghee, butter, ice creams, milk powders, malted milk food, condensed milk infant foods, cheeses (Mozzarella, Feta, Domiait, Ras and Pickled).

(c) Post Harvest technologies in Meat & Poultry

- (i) Buffalo meat sausages
- (ii) Spent chicken curry in retortable pouches
- (iii) Pickled quail eggs
- (iv) Buffalo meat powder
- (v) Meat pickles
- (vi) Goat meat slices
- (vii) Goat meat cutlets, samosa and kebabs

The technologies also developed for the following meat & poultry products: Comminuted meat products such as sausages, luncheon meat, nuggets, meat balls, koftas,

patties, and meat blocks in addition to shelf stable meat products such as cured ham, bacon and meat pickles, egg rolls, egg albumen rings.

2.45 The Committee wanted to know about the quantum of post harvest losses and value of such wastages thereof in Rupees regarding, (a). grains (b). pulses (c). fruits (d).vegetables (e) floriculture (f).fish (g)dairying (milk) (h)meat (J)poultry,(k). medicinal and aromatic plants since last five years (year-wise). The Department stated:

At present, no authoritative estimates of post harvest losses in various agricultural, livestock and fisheries sectors are available. However, ICAR has instituted two NATP projects on the estimation of post harvest losses in horticulture, livestock and fisheries sectors. Results from these studies are likely to be available by the end of the current year. A study for assessment of marketable surplus and post harvest losses of different food grains at country level has also been undertaken by Department of Market Inspection, Ministry of Agriculture, Nagpur and the results are expected by 2005. However, on the basis of the general post harvest loss estimates available with the ICAR, as presented in the 2<sup>nd</sup> International Agronomy Congress, 2002 and other studies conducted by different researchers of ICAR Institutes and Agricultural Universities, the estimated extent of annual post harvest losses in various commodities as per cent of the produce, along with their estimates in Rupees are as follows.

- (a) For grains, the losses are about 10per cent valued at Rs. 16,500 crores
- (b) For pulses, the losses are about 15per cent valued at Rs. 2,000 crores
- (c) For fruits, the losses are about 30per cent valued at Rs. 13,600 crores
- (d) For vegetables, the losses are about 30per cent valued at Rs. 14,100 crores
- (e) For floriculture, the losses are about 40per cent valued at Rs. 400 crores
- (f) For fish, the losses are about 15per cent valued at Rs. 2,700 crores, based on a limited
- (g) study in Ernakulam District of Kerala and West Godavari District of Andhra Pradesh

- (h) For dairy (milk), the handling losses are about 1.0per cent valued at Rs. 900 crores, based on a limited study in Karnal, Haryana
- (i) For meat, the losses are about 3.4per cent valued at Rs. 800 crores based on a limited study in Bareilly, Uttar Pradesh
- (j) For poultry, the losses are about 2per cent valued at Rs.500 crores based on a limited study in Bareilly, Uttar Pradesh
- (k) For medicinal and aromatic plants, no estimates of the post-harvest losses are available.

The total post-harvest losses, therefore, add up to about Rs. 51,500 crores annually.

However, the estimates of post harvest losses for various commodities and their value in Rupees during the last five years are not available.

The ICAR is making concerted efforts to develop post-harvest technologies for various agricultural and horticultural produce as also livestock and fisheries produce with regard to (i) post-harvest loss reduction, (ii) value addition, and (iii) utilization of by-products and wastes, for income generation and environmental safety. These activities have major emphasis for rural areas and small scale processes for enhancing rural income and employment.”

#### **National Agricultural Research System**

2.46 The Committee noted that the WTO has turned out to be a managed trading system rather than a market based system. Trade Related Intellectual Property Rights (TRIPS) and Sanitary and Phytosanitary (SPS) measures in the World Trade Agreement call for reorientation in the National Agricultural Research System to successfully counter the new challenges in agriculture.

2.47 The Committee enquired about the categories of items on which ICAR is conducting its Research and Development activities which are covered under (a) TRIPs and (b) SPS measures. The Department in their stated as under:

“The most important feature of the TRIPS Agreement is the enhanced scope of protection of various intellectual properties and particularly those relating to patents. ICAR has already been engaged in R&D activities in various fields of agriculture. It has now planned to promote cutting edge research for enhancing productivity, profitability and quality in agricultural production. Research in the areas of Hybrid Technology, Biotechnology, Energy and Farm Machinery, Resource Conservation Technologies, Seed and Planting Material, Vaccines and Diagnostics has been accelerated.

The SPS Agreement concerns the application of food safety and animal and plant health regulations. ICAR deals with issues relating to plants and animals carrying diseases. For dealing with the issues relating to animal diseases and health, three High Powered Referral Labs have been designated viz; (i) For emerging and exotic diseases: High Security Animal Diseases Laboratory, Bhopal, (ii) for existing diseases : Indian Veterinary Research Institute, Izatnagar and for (iii) Equine diseases: National Research Centre for Equines Hisar have been developed. For plants, the ICAR system provides for a single window facility for the introduction/exchange and quarantine of germplasm, including transgenics for research. National Bureau of Plant Genetic Resources (NBPGR), New Delhi of ICAR has been authorized to regulate seeds/plants to be imported into the entire country for research purposes.”

2.48 On a point about the clauses which are directly or indirectly of concern to ICAR in the World Trade Agreement, especially in terms of TRIPs and SPS measures, the Department stated as under:



“In TRIPS, clauses in Part II of the Agreement in respect of various intellectual properties concern ICAR. As for SPS measures, Articles relating to (i) Assessment of Risk and Determination of the Appropriate Level of Sanitary and Phyto-sanitary protection and (ii) Adaptation to Regional Conditions including Pest or Disease Free Areas and Areas of Low Pest or Disease Prevalence indirectly concern ICAR. The Council arranges pest risk analysis and assists the Department of Agriculture and Cooperation (DAC) in respect of cases referred to it by the Directorate of Plant Protection, Quarantine Storage of the DAC. The Council also assists the Department of Animal Husbandry & Dairying in the creation of Disease Free Zone in respect of various animal diseases on case to case basis.”

2.49 The Committee asked about as to how the DARE/ICAR propose to reorient the National Agricultural Research System to successfully counter the new challenges in agriculture in view of WTO agreement, to this point, the Department replied as under:

“ICAR plans to strengthen national research and education efforts in agriculture to successfully address new needs and challenges in view of the WTO

Agreement by concentrating on the following areas.

1	Hybrid Technology:	<ul style="list-style-type: none"> <li>• Enhancement of magnitude of heterosis</li> </ul>
		<ul style="list-style-type: none"> <li>• Enhancement of nutrient / feed use efficiency</li> </ul>
		<ul style="list-style-type: none"> <li>• Standardization of hybrid production technology</li> </ul>
		<ul style="list-style-type: none"> <li>• Cost reduction of hybrid seed/quality management</li> </ul>
2.	Biotechnology	<ul style="list-style-type: none"> <li>• Development of transgenics in field and horticultural crops</li> </ul>
		<ul style="list-style-type: none"> <li>• Genomics</li> </ul>
		<ul style="list-style-type: none"> <li>• Molecular breeding for enhancing productivity, quality and breeding efficiency</li> </ul>
		<ul style="list-style-type: none"> <li>• Development of Diagnostics and vaccines for plant, animal and fish disease management</li> </ul>
3.	Biotic and Abiotic stresses	<ul style="list-style-type: none"> <li>• Development of appropriate biotic and abiotic resistant varieties</li> </ul>
		<ul style="list-style-type: none"> <li>• Development of Resource conservation technologies</li> </ul>
		<ul style="list-style-type: none"> <li>• Promotion of protected horticulture</li> </ul>
4.	Seed and Planting material	<ul style="list-style-type: none"> <li>• Enhanced production of quality seeds</li> </ul>
		<ul style="list-style-type: none"> <li>• Capacity building for improved seed production</li> </ul>
		<ul style="list-style-type: none"> <li>• Improved vaccines and diagnostics for plants, animals and fisheries</li> </ul>
6.	Energy and farm machinery	<ul style="list-style-type: none"> <li>• Lessening dependence on fossil fuels</li> </ul>
		<ul style="list-style-type: none"> <li>• Targeting non conventional energy sources</li> </ul>
		<ul style="list-style-type: none"> <li>• Energy Efficient Devices and machines</li> </ul>
		<ul style="list-style-type: none"> <li>• Tools and equipment for drudgery reduction</li> </ul>
7.	Capacity Building	<ul style="list-style-type: none"> <li>• ICAR will give high priority and support to developing IPR curricula for Degrees and</li> </ul>

		Diplomas, Centres of Excellence, Trainings and Awareness Programmes in relation to IPR, SPS measures and related matters to enhance national capabilities and agricultural human resource so as to properly address the areas of direct and indirect concern, emerging from the implications of World Trade Agreement.
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### **Krishi Vigyan Kendra**

2.50 The Committee noted that the Tenth Plan outlay for establishment of new Krishi Vigyan Kendra in the remaining 201 districts is Rs.500.00 crores. During examination of Demands for Grants (2002-03) it was brought to the Notice of the Standing Committee on Agriculture that no additional funds were actually made available during 2002-03. From the existing resources 14 Krishi Vigyan Kendra have been sanctioned during 2002-03. The establishment of additional Krishi Vigyan Kendras will have to depend on the actual availability of financial resources from the Planning Commission during the remaining period of Tenth Plan. During the year 2003-04 and 2004-2005 also there is no allocation made for this purpose as there is no mention of the same in the Annual Plan (2004-05).

2.51 The Committee asked the Department to state the reasons advocated by Planning Commission for not allocating the assured amount for setting up of new Krishi Vigyan Kendras and the special steps taken by the Ministry to plead their case strongly before the Planning Commission. The Department in reply stated as under:

“The Planning Commission allocated Rs 500.00 crores as assured. The Commission has also approved establishment of KVKs in all the 578 rural districts in the country (as per India 2002) during the X Plan period and

accordingly the approval of the Cabinet Committee on Economic Affairs (CCEA) has been obtained for establishment of KVKs in all the rural districts with an estimated cost of Rs 860.00 crores.”

2.52 On a point about the number of new Krishi Vigyan Kendras set up by the Department during 2003-04 and projection for 2004-05, the Committee were informed as under:

“During 2003-04, 35 KVKs have been set up. During 2004-05, 75 KVKs are to be set up, of which 39 have already been sanctioned, besides convergence of 53 Zonal Agricultural Research Stations (ZARS) to full-fledged KVKs.”

2.53 In reply to the point about the number of KVKs fully functional and non-functional in the country, the Committee were informed by the Department as under:

“A total of 415 KVKs have been sanctioned till date. Out of these 318 are functional, 50 are partially functional which were sanctioned during the first two years of X Plan. 39 KVKs recently sanctioned are in the process of being made functional .The remaining 8 have been closed down/transferred) which are non functional.”

2.54 The Committee wanted to know the reasons owing to which the eight KVKs acquired non-functional status. The Department in its supplementary reply stated as under:

Sl. No.	Location of the KVK	Host Organization	Reasons
1	Jahanabad (Bihar)	Chairman, Sone Command Area Deve.Agency, Sone Bhavan, Patna (Bihar)	Withdrawn due to improper functioning
2	Ujwa, New Delhi	The Director, National Horticulture Research and Development	The financial and administrative irregularities were noted .The NHRDF was asked to continue on

		Foundation (NHRDF), New Delhi	existing basis, which was not agreed to. The staffs have filed a number of writ petitions and the issue is subjudice.
3	Kathua (J&K)	Secretary, Shiv Gramodyog Mandal, Kathua (J&K)	Taking into account the financial and administrative irregularities and based on the recommendation of a committee, the KVK with the NGO was closed down in 2003. The KVK is in the process of being transferred to Sher-E-Kashmir Univ. of Agricultural Sciences & Technology, Jammu .
4	Dhanbad (Jharkhand)	Chairman, Hindustan Fertilizer Corporation Limited (HFCL), New Delhi	Consequent upon closure of HFCL by the Govt. of India during 2002 and at the request of HFCL the KVK was closed down.
5	Kolar (Karnataka)	President, Karnataka Welfare Society, Chikabalapur, Kolar	Due to irregularities in utilization of funds and improper functioning the KVK was closed down during 1998.
6	Vidisha (MP)	President, Malwa Mahila Vikas Samiti, 32, Niyamatpura, Shajanabad, Bhopal (M.P.)	Taking into account the financial and administrative irregularities and based on the recommendation of a committee, the KVK was closed down during 2001 and is in the process of being transferred to State Agricultural University. The staff of the KVK and the NGO have filed writ petitions .The Hon'ble Court has granted 'Stay' on the petition of the NGO and the matter is subjudice.
7	Kamarajar (TN)	Chairman, Meyer's Trust, Madurai (TN)	Due to improper functioning, the KVK was closed down from 2000.
8	Burdwan (W.B.)	Chairman, Hindustan Fertilizer Corp. Ltd., New Delhi	Consequent upon closure of HFCL by the Govt. of India during 2002 and at the request of HFCL the KVK was closed down

### **Crop Science**

2.55 The BE, RE & Anticipated Expenditure 2003-04 and BE 2004-05 (Approved Outlay) of some of the schemes/projects under Crop Science has been observed as under:

Major Head 2415

(Rs.in lakhs)

Sl.No.	Name of the Scheme	BE 2003-04	RE & Anticipated Expenditure 2003-04	BE 2004-05
1.	NBPGR	200.00	210.00	686.94
2.	IARI New Delhi (amt. included for Indo-Israel for 02-03 & 03-04 in IARI)	875.00	400.00	2108.94
3.	AICRP on Maize	400.00	466.00	320.00
4.	Central Rice Research Institute	250.00	153.00	405.75
5.	Directorate of Rice Research	130.00	130.00	310.97
6.	Indian Institute of Pulses Research	200.00	200.00	463.5
7.	AICRP on Chickpea	475.00	475.00	309.59
8.	AICRP on MULLARP	600.00	600.00	500.8
9.	AICRP on Wheat & Barley	600.00	732.00	470.00
10.	AICRP on Pearl Millets	215.00	152.00	264.21
11.	Indian Grassland and Fodder Research Institute	250.00	250.00	402.88
12.	Indian Institute of Sugarcane Research	190.00	173.00	244.00
13.	Sugarcane Breeding Institute	125.00	86.00	373.86
14.	Central Institute on Cotton Research	120.00	102.00	208.00
15.	Central Research Institute for Jute and Allied Fibre	175.00	100.00	311.00
16.	AICRP on Jute etc.	150.00	150.00	75.00
17.	Technology Mission on Cotton	380.00	420.00	255.00
18.	Directorate of Oilseed Research	146.00	115.79	354.00
19.	NRC Soybean	110.00	88.70	126.00
20.	NRC Rapeseed & Mustard	95.00	45.00	224.17
21.	Project Directorate of Biological control	50.00	25.80	25.80
22.	Directorate of seed Resource	-	-	351.05
23.	NBAIM	115.00	112.68	308.57

2.56 The Department was asked to give reasons for shortfall in achieving financial targets during the year 2003-04 for the Schemes at Sl.Nos.2,4,10,12,13, 14, 15, 18, 19,20,21 and 23 mentioned above. In reply, the Department stated:

“The shortfalls in the expenditure was due to the reason that in most of the schemes, the proposals have to be sent to Cabinet which take considerable time. For processing of the purchase of the equipments and completion of the work items also require sufficient time, as a result less expenditure was made in the schemes indicated.”

2.57 The Department was also asked to give justification for excess/over spending of funds than the approved outlay in 2003-04 for the Schemes at Sl.Nos.1,3,9 & 17 mentioned above. In reply the Department stated:

“In case of schemes at Sl.No.1,9 and 17, the excess/over spending of funds were because of purchase of chemicals and equipments in specific priority areas of research. For scheme No.3, the excess expenditure was made towards committed liability in respect of Pay and Allowances.”

2.58 The Department was further asked to give reasons for providing higher allocations as BE 2004-05 for the scheme at Sl.Nos.1,2,4,5,6,10,11,12,13,14,15,18,19, 20 & 23. It was noted that some of the Schemes could not even utilise the lesser allocations during the year 2003-04. In their reply, they have stated as under:

“During the previous year 2003-2004 of the plan, expenditure could not be made in the Works and Equipments in some of the schemes. In the year 2004-05, the expenditure in these heads are likely to be incurred and, therefore, higher allocation have been made.”

2.59 When asked about the reasons for not showing any allocations except Rs.351.05 lakh as BE 2004-05 in your Financial Statement for Scheme at Sl.No.22 mentioned above, the Department in their reply stated that the scheme at Sl.No.22 i.e. Directorate of

Seed Research (DSR) is an upgradation of an already existing scheme i.e “National Seed Project (Crops)”. The BE 2003-04 and RE 2003-04 in respect of NSP (Crop)/DSR are Rs 710 lakh and 700 lakhs respectively.

2.60 On a point to give reasons for providing lower allocations as BE 2004-05 than the BE & RE 2003-04 to the Schemes at Sl.nos. 3,7,8,9,16 & 17 mentioned above, the Department replied that earlier the higher allocation has been made to meet committed expenditure towards enhanced Pay and Allowances/arrears at Sl.Nos.3,7,8,9 and 16. In view of reduced committed expenditure, the lower allocation has been made for B.E.2004-05.



## Horticulture

2.61 The BE, RE & Anticipated Expenditure (2003-04) and BE (2004-05) of some of the schemes of Horticulture sector has been observed as under:

Major Head 2415		(Rs.in lakh)		
Sl. No.	Name of Scheme	BE 2003-04	RE & Anticipated Expenditure 2003-04	BE 2004-05
1.	Indian Institute of Horticultural Research	300.00	390.00	450.00
2.	AICRP Tropical Fruits	157.00	203.75	260.00
3.	AICRP Sub Tropical Fruits	127.00	194.60	200.00
4.	NRC Litchi	225.00	75.00	220.00
5.	NRC-Citrus	160.00	295.00	220.00
6.	Central Institute of Temperate Horticulture	175.00	154.00	225.00
7.	Central Institute of Arid Horticulture	250.00	121.90	360.00
8.	Central Potato Research Institute	200.00	297.07	450.00
9.	Central Plantation Crops Research Institute	220.00	205.00	380.00
10.	NRC Cashew	100.00	87.00	140.00
11.	Indian Institute of Spices Research	190.00	125.00	190.00
12.	NRC Seed Spices	210.00	170.00	200.00
13.	NRC Medicinal & Aromatic Plants	200.00	175.00	315.00
14.	NRC Makhana	225.00	120.00	200.00
15.	NRC Orchid	240.00	140.00	310.00
16.	NRC Pomegranate (Scheme not approved)	-	-	-

2.62 The Committee asked to give reasons for under utilisation of allocated funds during the year 2003-04 for the schemes mentioned above at Sl.Nos. 4,6,7,9,10,11,12,13,14 and 15. The Department in their reply stated:

“The less utilization of the fund in these schemes have been mainly with the reduced expenditure under the works and the equipments under non recurring items as they take more time in processing and completing necessary formalities.

Some of the centres are new and are being established to develop the capabilities.”

2.63 The Committee asked about the reasons for over-utilisation of funds than allocated in 2003-04 for the schemes mentioned above at Sl.Nos. 1,2,3,5 and 8. The Department in their reply stated as under:

“The over utilization of the schemes 2 and 3 was due to the committed liabilities of the schemes. In case 1,5 and 8 over utilization was due to increased expenditure in non recurring contingencies.”

2.64 When asked to state the reasons for allocating higher allocations as BE 2004-05 for the Schemes which have already under-utilised their funds in 2003-04 with reference to Sl.Nos. 4, 6, 7,9,10,13 and 15 mentioned above, the Department in their reply stated as under:

“In case of nos. 4,6,13 and 15, these schemes have been established in late IXth Plan therefore infrastructure facilities like buildings, equipments and other farm facilities were not created. To complete these items, higher allocations have been made. For the schemes 6,7 and 9 higher allocations have been made to create better laboratory facilities.”

2.65 On a point to state the reasons due to which NRC Pomegranate Scheme could not be got approved and how the Department would achieve the objectives for which this Scheme was envisaged and proposed, the Department replied as under:

“The NRC Pomegranate has been approved as a Regional Station of CISH, Bikaner. The station is being established to address research work on a number of arid fruits which are grown in many parts of the country. A committee

was constituted which felt that there is a need to establish a regional research station to work on a number of arid fruits including Pomegranate which will give more benefit to the farmers.”

### **Natural Resource Management (NRM)**

2.66 The BE, RE and Anticipated Expenditure 2003-04 and BE 2004-05 of some of the schemes of NRM sector has been observed as under:

Major Head 2415

(Rs.in lakh)

<b>Sl. No.</b>	<b>Name of the Scheme</b>	<b>BE 2003-04</b>	<b>RE &amp; Anticipated Expenditure 2003-04</b>	<b>BE 2004-05</b>
<b>1.</b>	<b>N.B. of Soil Survey and Land use Planning</b>	<b>425.00</b>	<b>332.00</b>	<b>489.5</b>
<b>2.</b>	<b>Central Soil &amp; Water Conservation Research and Training Institute</b>	<b>350.00</b>	<b>310.00</b>	<b>450.00</b>
<b>3.</b>	<b>Indian Institute of Soil Sciences</b>	<b>225.00</b>	<b>95.00</b>	<b>420.00</b>
<b>4.</b>	<b>AICRP in MS &amp; PE in Soils and Plants</b>	<b>150.00</b>	<b>199.00</b>	<b>200.00</b>
<b>5.</b>	<b>Network Bio-Fertilizers</b>	<b>100.00</b>	<b>32.00</b>	<b>92.00</b>
<b>6.</b>	<b>AICRP on Long Term Fertilizer Experiments</b>	<b>85.00</b>	<b>142.00</b>	<b>98.00</b>
<b>7.</b>	<b>Central Soil Research Institute</b>	<b>325.00</b>	<b>226.68</b>	<b>380.00</b>
<b>8.</b>	<b>ICAR Research Complex for Eastern Region</b>	<b>500.00</b>	<b>289.00</b>	<b>500.00</b>
<b>9.</b>	<b>Water Technology Centre for Eastern Region</b>	<b>265.00</b>	<b>102.00</b>	<b>200.00</b>
<b>10.</b>	<b>AICRP on Ground Water Technology</b>	<b>100.00</b>	<b>89.71</b>	<b>145.00</b>
<b>11.</b>	<b>AICRP Dryland Agriculture</b>	<b>500.00</b>	<b>610.00</b>	<b>665.00</b>
<b>12.</b>	<b>Network on Impact Adaptation and Vulnerability of Indian Agriculture to Climate Change</b>	<b>New</b>	<b>New</b>	<b>New</b>
<b>13.</b>	<b>Project Directorate on Cropping System Research</b>	<b>200.00</b>	<b>128.00</b>	<b>270.00</b>
<b>14.</b>	<b>AICRP Cropping Research</b>	<b>520.00</b>	<b>804.00</b>	<b>760.00</b>
<b>15.</b>	<b>AICRP Weed Control</b>	<b>200.00</b>	<b>270.00</b>	<b>420.00</b>

2.67 The Department was asked to furnish reasons for under utilization of funds in 2003-04 for schemes at Sl. Nos. 1, 2, 3, 4, 7, 8, 9, 10 & 13 mentioned above. The Department in their reply stated as under:

“The less utilization under the schemes (Sr. No. 1,2,3,4,7,8,9, 10, 13) during 2003-2004 was due to non-clearance of equipment and works. As such no expenditure could be incurred on works and equipments.”

2.68 The Department was asked to give justifications for over-utilisation of funds in 2003-04 for schemes at Sl. Nos. 4, 6, 11, 14 & 15 mentioned above. In their reply, the Department stated as under:

“The excess expenditure under the schemes (Sr. No. 4,6,11,14 and 15) was due to clearance of pending UGC arrears on account of revision of pay scales.”

2.69 The Committee asked to give reasons for providing higher allocations for BE 2004-05 for schemes at Sl. Nos. 1, 2, 3, 7, 10 & 13 mentioned above. The Department replied as under:

“The higher allocation (BE) 2004-05 was kept in anticipation of more expenditure on works and equipments as spill over of previous years.”

### **Agricultural Engineering**

2.70 Under Agricultural Engineering Sector, the BE, RE & Anticipated Expenditure for 2003-04 and BE 2004-05 for some of the Schemes have been observed as under:

**Major Head 2415****(Rs. in lakh)**

<b>Sl. No.</b>	<b>Name of the Scheme</b>	<b>BE 2003-04</b>	<b>RE &amp; Anticipated Expenditure 2003-04</b>	<b>BE 2004-05</b>
<b>1.</b>	<b>AICRP on FIM</b>	<b>300.00</b>	<b>500.00</b>	<b>449.00</b>
<b>2.</b>	<b>AICRP on Renewable Sources of Energy for Ag. &amp; Agro Based Ind.</b>	<b>198.00</b>	<b>255.43</b>	<b>227.48</b>
<b>3.</b>	<b>Central Institute on Post Harvest Engg. &amp; Tech.</b>	<b>335.00</b>	<b>130.00</b>	<b>371.00</b>
<b>4.</b>	<b>AICRP on PHT</b>	<b>299.00</b>	<b>299.00</b>	<b>833.84</b>
<b>5.</b>	<b>National Inst. of Res. on Jute &amp; Allied Fibre Tech.</b>	<b>165.00</b>	<b>126.00</b>	<b>147.00</b>

2.71 The Department was asked to give reasons for over-utilisation of funds in 2003-04 under schemes at Sl. Nos. 1 & 2 mentioned above. In their reply, the Department stated as under:

“Considering the importance of design and fabrication of farm implements and machinery as also provide a fillip to the use of renewable energy sources in agriculture, the fund allocation was increased for both the schemes at Sl. No. 1 & 2 at RE stage. However, the total allocation and expenditure for both the schemes will not be exceeding the total allocation made during X Plan and as approved under EFC.”

2.72 When asked to give reasons for under-utilisation of funds in 2003-04 under schemes at Sl. Nos. 3 & 5 mentioned above, the Department stated:

“The shortfalls in utilization of funds were mainly on account of Works and procurement of equipment in schemes at Sl. Nos. 3 and 5.

2.73 On a point about reasons for making higher allocation in BE 2004-05 for scheme at Sl. No. 3 above when there had been much less expenditure in previous year in the same scheme, the Department in their reply stated:

“Keeping in view the importance of post-harvest technology of different agricultural produce including livestock and fish, as also the approval of the X Plan SFC of the scheme at Sl. No.3, higher allocation BE 2004-05 has been made, that would enable the Institute to process the purchase of equipment and works items on priority basis.”

2.74 When asked about the reasons for an increase of about Rs. 534.00 lakh as BE 2004-05 over BE 2003-04 for scheme at Sl. No. 4 above, the Department replied as under:

“During Tenth Plan EFC of AICRP on PHT, the AICRP on Jaggery and Khandsari with its five centres has been merged with the scheme at Sl. No. 4 (AICRP on PHT) with effect from 01.04.2004 and its budget has been merged with this scheme. Also under the EFC, approval of opening of eight new cooperating centres of AICRP on PHT with effect from 01.04.2004 has been approved at different SAUs hence, this has resulted in making higher allocation to this scheme during the current year.”

### **Animal Science**

2.75 Under Animal Science Sector, the BE, RE & Anticipated Expenditure 2003-04 and BE 2004-05 of some of the schemes have been noted as under:

**Major Head 2415****(Rs. in lakh)**

<b>Sl. No.</b>	<b>Name of the Scheme</b>	<b>BE 2003-04</b>	<b>RE &amp; Anticipated Expenditure 2003-04</b>	<b>BE 2004-05</b>
<b>1.</b>	<b>NDRI including NRC Animal Biotech.</b>	<b>750.00</b>	<b>711.90</b>	<b>825.00</b>
<b>2.</b>	<b>N.P on R &amp; D Support for Process Upgradation of Indigenous Milk Production for Industrial application.</b>	<b>180.00</b>	<b>150.00</b>	<b>—</b>
<b>3.</b>	<b>Pilot Project on Integrated Rural Development focused on Dairying</b>	<b>New</b>	<b>New</b>	<b>275.00</b>
<b>4.</b>	<b>Central Sheep and wool Res. Inst.</b>	<b>430.00</b>	<b>375.00</b>	<b>400.00</b>
<b>5.</b>	<b>Central Inst. For Res on Buffaloes.</b>	<b>240.00</b>	<b>100.00</b>	<b>200.00</b>
<b>6.</b>	<b>Network project on Buffaloes Improvement.</b>	<b>225.00</b>	<b>320.00</b>	<b>450.00</b>
<b>7.</b>	<b>National Inst. of Animal Nutrition and Physiology.</b>	<b>450.00</b>	<b>356.00</b>	<b>500.00</b>
<b>8.</b>	<b>NRC on Equines.</b>	<b>200.00</b>	<b>160.00</b>	<b>525.00</b>
<b>9.</b>	<b>Central Avian Res. Inst.</b>	<b>240.00</b>	<b>305.00</b>	<b>475.00</b>
<b>10.</b>	<b>Project Dte. on Poultry</b>	<b>400.00</b>	<b>410.00</b>	<b>200.00</b>
<b>11.</b>	<b>IVRI</b>	<b>825.00</b>	<b>825.00</b>	<b>1250.00</b>
<b>12.</b>	<b>PD on Animal Disease Monitoring &amp; Surveillance</b>	<b>200.00</b>	<b>59.75</b>	<b>390.00</b>
<b>13.</b>	<b>AICRP – Pig</b>	<b>130.00</b>	<b>In NRC</b>	<b>290.00</b>

2.76 The Department may please give reasons for shortfall in 2003-04 for the schemes at Sl. Nos. 1, 2, 4, 5, 7, 8 & 12 mentioned above.

“The short fall in the schemes at Sr. No. 1,2,4,5,7,8 & 12 was due to delay in the processing of non-recurring items, hence the expenditure allocated on non-recurring items could not be utilized fully during the year 2003-04.”

2.77 The Department was asked to state the reasons for spending, over and above the approved outlay for schemes at Sl. Nos. 6, 9 & 10 in 2002-03 mentioned above. In their reply, the Department stated as under:

“The expenditure incurred over and above the approved outlays for the schemes at Sr. Nos. 6,9 & 10 during 2003-04 was mainly due to the payment of arrears to the staff working in the Network project mentioned at Sr. No. 6, cost of feed and new works.”

2.78 On a point about the reasons for not allocating BE 2004-05 for scheme at Sl. No. 2 above, the Department replied:

“The scheme at Sl. No. 2 has been merged with NDRI as per recommendation of the EFC approved during 2003-04; hence no separate allocation for 2004-05 has been made.”

2.79 When asked to give information on Scheme at Sl. No. 3 above, *i.e.* its main features, objectives, tenure of the Project, location from which it will be operated and how the Department propose to utilize Rs. 275.00 lakh in 2004-05 under this Project, the Department stated :

“Pilot scale project for integrated rural development with focus on dairying has been taken up with the objectives to undertake establishment of Model Villages in various agro-climatic zones of the country by setting up a Dairy Center on ‘Turn- Key Basis’ involving farmers/ stakeholders, introduction of germ plasm of high genetic merit in the selected area, to promote diversification in the agriculture through dairying and allied aspects of agriculture for employment generation at rural level, to enhance milk production through scientific interventions involving region specific improved breeding, feeding and management practices, to provide technical support for production of quality milk and products consistent with the WTO’s ‘Sanitary and Phytosanitary’ and to



make availability of critical inputs of finance and marketing to the stakeholders.

The aforesaid project is for duration of three years for operation at (i) Baghpat

(ii) Muzzaffarnagar (iii) Aligarh (iv) Hathras (v) Chandauli and (vi) Gazipur.

The allocated funds would be utilized for generating facilities, training of farmers and research activities.”

2.80 When asked about the justification for very high allocations made in 2004-05 for schemes at Sl. Nos. 6, 9 & 11 above, the Department stated:

“The higher allocations for schemes at Sr. Nos. 6,9 & 11 was made to meet the costs of equipments, livestock & poultry feed, salary of the staff in the network project on buffalo improvement and the new initiatives/centres as per approved EFC/SFC to be started during the year 2004-05.”

### **Fisheries**

2.81 The BE, RE & Anticipated Expenditure 2003-04 and BE 2004-05 of some of the Schemes of Fisheries sector has been observed as under:

<b>Major Head 2415</b>				<b>(Rs. in lakh)</b>
<b>Sl. No.</b>	<b>Name of the Scheme</b>	<b>BE 2003-04</b>	<b>RE &amp; Anticipated Expenditure 2003-04</b>	<b>BE 2004-05</b>
<b>1.</b>	<b>Central Marine Fisheries Res. Inst.</b>	<b>380.00</b>	<b>333.00</b>	<b>577.00</b>
<b>2.</b>	<b>NRC on Cold Water Fisheries</b>	<b>220.00</b>	<b>93.00</b>	<b>223.00</b>
<b>3.</b>	<b>Central Inst. of Fisheries Education</b>	<b>860.00</b>	<b>1041.00</b>	<b>1041.00</b>
<b>4.</b>	<b>NBFGR</b>	<b>215.00</b>	<b>188.50</b>	<b>442.00</b>

2.82 The Department was asked to give reasons for shortfall in expenditure in 2003-04 for schemes at Sl. Nos. 1, 2 & 4 mentioned above. In reply, the Department stated:

“The Plan allocation of funds for the Fisheries Division for the year 2003-04 was Rs.3296.94 lakhs, that were fully utilized from among the Institutes in the Division. However, the shortfalls of expenditure during 2003-04 for the schemes at Sl. Nos. 1, 2 and 4 were on account of Works and procurement of equipment.”

2.83 The Department was asked to give reasons for over-spending by Rs. 181.00 lakh in 2003-04 under the scheme at Sl. No. 3 above. It was noted that even in 2002-03, the same scheme has over-utilised funds to the tune of Rs. 489.84 lakh as the allocation for 2002-03 was Rs. 797.88 lakh while the Actual Expenditure went upto Rs. 1287.72 lakh. In spite of this, the Department had proposed an outlay for this scheme at Rs. 790.00 lakh while the approved outlay was at Rs. 860.00 lakh and the Anticipated Exp.in 2003-04 went up to Rs. 1,041.00 lakh. In reply, the Department stated as under:

“Human resource development in fisheries has assumed high significance in the recent years and the provision of necessary infrastructure for the scheme at Sl. No. 3 was accorded high priority. Construction of the main Academic building of the Central Institute of Fisheries Education, Mumbai, was initiated during 2002, requiring deposits to be made, that were Rs. 1037.79 lakhs during 2002-03 and Rs.479.63 lakhs during 2003-04.”

2.84 When asked about the justification the Department has for such an erratic budgeting of their many schemes year after year and the steps, if any, are being contemplated to make budgeting a rational and realistic exercise, the Department in their reply stated as under:

“The plan budgetary allocations for the Fisheries Division during the years 2002-03 and 2003-04 were Rs. 2568.39 lakhs and Rs. 3296.94 lakhs respectively,

that were fully utilized. The allocations to the Institutes were made taking into consideration the Works and Equipment component in the draft proposals, of the Institutes in the beginning of the X plan. The shortfalls in expenditure in some cases like schemes at Sl. No. 1 and 2 were on account of delayed Works, as also procurement of equipment as in the scheme at Sl. No.4. However, since the construction of main Academic Building of scheme No. 3 was initiated during the period (2002), requiring deposits to be made, unutilized funds from other Institutes were utilized at this Institute, all within the Fisheries Division. As such, there was no lapse of any funds and utilization of allocated funds to the Division was cent per cent. Thus, every care was exercised to utilize the funds optimally for the planned activities in the Division.”

### **Agricultural Extension**

2.85 The BE, RE & Anticipated Expenditure 2003-04 and BE 2004-05 have been observed for the Schemes under AE sector as under:

<b>Major Head 2415</b>		<b>(Rs. in lakh)</b>		
<b>Sl. No.</b>	<b>Name of the Scheme</b>	<b>BE 2003-04</b>	<b>RE &amp; Anticipated Expenditure 2003-04</b>	<b>BE 2004-05</b>
<b>1.</b>	<b>Krishi Vigyan Kendras (New + Old)</b>	<b>9350.00</b>	<b>9342.80</b>	<b>16730.00</b>
<b>2.</b>	<b>NRC for women in Agriculture</b>	<b>200.00</b>	<b>200.00</b>	<b>170.00</b>
<b>3.</b>	<b>Department of Information &amp; Pub. In Agri. (DIPA)</b>	<b>50.00</b>	<b>24.00</b>	<b>100.00</b>

2.86 The Department was asked to furnish the specific amounts meant for New and Old KVKs respectively out of Rs. 16730 lakh allocated in BE 2004-05. In reply it was stated as under:

“Out of 16730.00 lakhs allocated in B.E. 2004-05, Rs.15804.17 is for continuation of existing KVKs including those newly sanctioned during 2002-03 (15) and 2003-04 (35). The remaining amount of Rs. 925.83 lacs has been allocated for the establishment of new KVKs. During 2004-05 , 75 KVKs have been proposed to be established. Sanction has been issued for 39 KVKs.

2.87 When asked about the reasons for reducing BE 2004-05 for NRC for Women in Agriculture by Rs. 30.00 lakh while this Scheme has fully utilised its BE 2003-04 of Rs. 200.00 lakh, the Department in their reply stated:

“The BE 2003-04 for NRC for Women in Agriculture includes substantial allocation of funds for construction of Administrative Building, which has been completed. The BE 2004-05 includes reduced allocation of funds under construction works.”

2.88 The Department was asked to give reasons for shortfall in achieving financial targets by Rs. 26.00 lakh in 2003-04 out of an outlay of Rs. 50.00 lakh under DIPA and need for fixing its BE 2004-05 at Rs. 100.00 lakh while it could spend only Rs. 24.00 lakh during 2003-04. In their reply, the Department stated:

“The payment of amount earmarked for printing of Annual Report and purchase of equipments could not be made during 2003-04 resulting in shortfall of 26.00 lakhs. Enhanced budgetary provision has been made for strengthening the infrastructure facilities of DIPA during 2004-2005.”

### **Agricultural Education**

2.89 The BE,RE & Anticipated Expenditure 2003-04 and BE 2004-05 for some of the schemes under this sector has been observed as under:

#### **Major Head2415**

**(Rs.in lakh)**

<b>Sl.No.</b>	<b>Name of the Scheme</b>	<b>BE 2003-04</b>	<b>RE &amp; Anticipated Expenditure 2003-04</b>	<b>BE 2004-05</b>
<b>1.</b>	<b>AICRP on Home Science</b>	<b>250.00</b>	<b>435.00</b>	<b>350.00</b>
<b>2.</b>	<b>Development &amp; Strengthening of SAUs</b>	<b>5770.00</b>	<b>5972.00</b>	<b>9145.00</b>
<b>3.</b>	<b>Accreditation Board</b>	<b>40.00</b>	<b>2.50</b>	<b>10.00</b>
<b>4.</b>	<b>Preparation of University Level Text Book</b>	<b>15.00</b>	<b>2.50</b>	<b>10.00</b>
<b>5.</b>	<b>Emeritus Science Scheme</b>	<b>75.00</b>	<b>56.21</b>	<b>300.00</b>
<b>6.</b>	<b>Centre for Advance Studies</b>	<b>235.00</b>	<b>160.00</b>	<b>300.00</b>

2.90 The Department was asked to give reasons for shortfall in financial targets of 2003-04 under Schemes at Sl.Nos. 3,4,5 and 6 above. In the reply, the Department stated:

“The main reason for the shortfall in the Financial target under the sub schemes at S. Nos. 3, 4, 5 and 6 above is mainly because of pending X Plan EFC approval by the CCEA due to which only existing committed expenditure could be incurred.

The Accreditation Board (S.No.-3) is an on going activity and the progress of expenditure happens on completion of self study reports and visit of Peer Review Teams. As the work on these activities gets completed the expenditure will pick-up.

As for S.No.- 4, expenditure on University Level Text Books is allowed once the intended publication is accepted for printing. Several Text Books are in the pipeline and

as the review process is completed the expenditure on remuneration and printing will pick-up.

The short-fall in the expenditure on Emeritus Scientist Scheme (S.No.-5), is due to non implementation of increased remuneration and contingency to Emeritus Scientists in absence of Xth Plan EFC approval by the CCEA.

In case of Centre of Advance Studies (S.No.-6), the non recurring items could not be approved pending clearance of EFC by the CCEA and hence the short-fall.”

2.91 The Department was asked to give reasons for over-utilisation of funds in 2003-04 for schemes at Sl.Nos.1&2 above. In reply, the Department stated:

“The R.E. and the anticipated expenditure under Sl. No. 1 & 2 in excess of R.E. is due to allocations made by according priority to pressing needs of the scheme. The R.E. is however within the allocation for the year 2003-04 as per the E.F.C. of Xth Plan of the Scheme and as such there is no over utilization.”

2.92 When asked to give justification for increasing BE 2004-05 considerably for schemes at Sl.Nos.2 & 5 above, the Department replied:

“The increased B.E. 2004-05 is in accordance with the provisions made in the Xth Plan EFC of the Scheme. During 2003-04, the funds could not be provided for Non recurring contingency and new works pending EFC approval by the CCEA. Provision of expenditure on Non-recurring, items, new works, enhanced remunerations and contingency for Emeritus Scientists, increased number and amount of the National Talent Scholarship to meritorious students are the items that add up substantial to increase in B.E. 2004-05.”

### **Central Agricultural University (CAU)**

2.93 The BE, RE & Anticipated Expenditure 2003-04 and BE 2004-05 for CAU is observed as under:

<b>Major Head 2415</b>		<b>(Rs.in lakh)</b>		
<b>Sl.No.</b>	<b>Name of the Scheme</b>	<b>BE 2003-04</b>	<b>RE 2003-04</b>	<b>BE 2004-05</b>
<b>1.</b>	<b>Central Agricultural University</b>	<b>2,500.00</b>	<b>1,715.00</b>	<b>3,829.00</b>

2.94 The Department was asked to give reasons for under-utilisation of funds in 2003-04 under Central Agricultural University. In their reply, the Department stated:

“Approval of proposal as cleared by EFC is yet to be cleared by CCEA. This was the main reason for under-utilization of funds. Consequently non-recurring funds having the component of civil works and equipment etc. could not be utilized.”

2.95 When asked about Central Agricultural University could not even utilise Rs.2,500 lakh last year and had a shortfall of Rs.785 lakh. the logic in providing an allocation of Rs.3,829 lakh in 2004-05. The Department in their reply stated:

“Since necessary formalities like identification of construction agencies, preparation /approval of Master Plan and Architectural designs had been undertaken for all the units except College of Agricultural Engineering , Sikkim, CAU required more funds than the previous year grants to devote its attention to the thrust areas which has been listed in the EFC memo of Xth Plan eventually providing momentum to the Civil works. Draft CCEA note has already been

circulated to the appraisal agencies and the Xth Plan allocation in respect of CAU is likely to be approved in the current financial year.”

### **ICAR Headquarters**

2.96 Under this sector, the BE,RE (Total) 2003-04 and BE 2004-05 of its schemes have been observed as under:

Major Head 2415		(Rs.in lakh)		
Sl.No.	Name of the Scheme	BE 2003-04	RE 2003-04	BE 2004-05
1.	Strengthening of Modernisation of ICAR Headquarters	230.00	-	-
2.	Modernisation of office space & facilities	-	-	200.00
3.	ICAR Library	-	-	-
4.	Publicity & Public Relations	40.00	-	160.00
5.	Intellectual Property Rights (IPR)	20.00	-	70.00
6.	Support to Prof. Soc. Including NAAS	200.00	-	70.00
7.	ASRB	10.00	-	-
8.	ICAR HQ. Incl.Facilities at NASC	-	-	-
	<b>Total HQ.</b>	<b>500.00</b>	<b>268.00</b>	<b>500.00</b>

2.97 It was observed from the above that no BE 2003-04 have been provided against schemes at Sl.Nos. 2,3 & 8; the RE & Anticipated Expenditure against all the 8 entries has not been provided in the financial statement and the Department has arrived at a total of Rs.268.00 lakh with a total blank RE column and there are no provision as BE 2004-05 for schemes at Sl.Nos. 1,3,7&8 above. To these observations, the Department in reply stated as under:

“All the sub-heads shown in the Table are integral part of Major Head i.e. Strengthening & Modernization of ICAR Hqrs. Similarly ICAR Library and ICAR Hqrs. include facilities at NASC are integral part of Modernization of office space and facilities. The amount of Rs. 230 lakhs under BE 2003-04 cover the provision for all the items under the Head Strengthening and Modernization of



ICAR Hqrs. BE 2003-04 allocation of Rs. 230.00 lakhs should have been shown but have been omitted due to a typographical omission, which is regretted. The actual figures are as per table below:

				Rs. in lakhs
S.No.	Name of the scheme	BE 2003-04	RE- 2003-04	BE 2004-05
Strengthening & Modernization of ICAR Hqrs.				
1.	Modernization of office space and facilities	230.00	188.00	200.00
2.	ICAR Library	Included in (1) above	Included in (1) above	Included in (1) above
3.	Publicity and Public Relations	40.00	50.00	70.00
4.	Intellectual Property Rights(IPR)	20.00	40.00	70.00
5.	Support to Pro. Societies including NAAS	200.00	131.00	160.00
6.	ASRB	10.00	Met from Non-plan	Met from Non-plan
7.	ICAR HQ. incl. facilities at NASC	Included in (1) above	Included in (1) above	Included in (1) above
	Total HQ.	500.00	409.00	500.00

The Sub-head wise break up of RE 2003-04 of Rs. 409.00 lakh is shown in the above Table, which could not be shown earlier due to typographical omission. This is regretted please.

BE for 2004-05 has been provided but remained to be shown due to a typographical omission. As regards to S.No. 6 i.e. ASRB, it was decided by SFC that this scheme will be met from Non-plan.”

#### **Externally Aided Projects (EAPs)**

2.98 The BE, RE and Anticipated Expenditure 2003-04 and BE 2004-05 under the EAPs have been noted as under:

**Major Head 2415****(Rs.in lakh)**

<b>Sl. No.</b>	<b>Name of the Scheme</b>	<b>BE 2003-04</b>	<b>RE &amp; Anticipated Expenditure 2003-04</b>	<b>BE 2004-05</b>	<b>per cent age of expenditure including BE 2004-05 during Tenth Plan</b>
<b>1.</b>	<b>NATP</b>	<b>18400.00</b>	<b>17012.00</b>	<b>14000.00</b>	<b>110.78per cent</b>
<b>2.</b>	<b>Indo-French proposal Seabass Breeding &amp; Culture</b>	<b>100.00</b>	<b>100.00</b>	<b>121.00</b>	<b>105.01per cent</b>
<b>3.</b>	<b>Technology Mission on Horticulture for N.E. Region</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4.</b>	<b>Pipeline Projects lump sum amount requirement for new initiatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

2.99 NATP is claimed to be a well planned and well managed World Bank Project.

The Department drastically reduce funds as BE (2004-05) in comparison to BE (2003-04) for this important programme as the entire Tenth Plan outlay is Rs.429.50 crore and even in the 3<sup>rd</sup> year of Tenth Plan the expenditure (including BE 2004-05) is 110.78per cent. When asked as to how the Department would manage in another two years of Tenth Plan, the Department replied as under:

“The adequate funds have been provided for implementation of NATP during Xth Plan with an outlay of Rs. 431.99 crore. However, due to the depreciation in rupee value, the outlay was required to be increased for higher loan utilization. Therefore, the total allocation for three years of Xth Plan was Rs 461.90 crore (RE) 2002-03: Rs 151.78 crore + RE 2003-04: Rs 170.12 crore and BE 2004-05: Rs 140.00 crore). The project is schedule to close on December 31, 2004 and therefore, there is no requirement of funds in the last two years of Xth Plan.”

2.100 On a point about the reasons for shortfall in anticipated expenditure for 2003-04 under NATP, the Department clarified:

“Shortfall is due to less number of projects in North Eastern Region. The balance amount has been transferred to non-lapsable pool.”

2.101 The Department was asked to furnish details about Indo-French proposal Seabass Breeding and Culture programme, its tenure, its objectives and achievements made so far. In reply, the Department furnished the following:

“In India, Seabass (Bhetki) forms part of perch fishery of artisanal sector and an important component of traditional culture systems. At its first meeting during November 1994, the Indo-French Working Group on Cooperation in the field of Agriculture and Agro Food Industries identified Breeding and Culture of Seabass as one of the collaborative programmes in the Fisheries and Aquaculture sector and included in the work schedule under the Protocol. Central Institute of Brackishwater Aquaculture (CIBA), Chennai was identified as the nodal institute to implement the project. CIBA submitted a detailed proposal on ‘Seabass Breeding and Cage Culture’ in consultation with the French counterpart, COFREPECHE, a subsidiary of IFREMER, an institution of French Government in the marine sector. The financial protocol was signed in January, 1998 between the Govt. of India and the Govt. of French Republic, under which the proposal of ICAR on seabass breeding was included at a total cost of French Frank (FF) 3.90 million (Rs. 273 lakhs) as French contribution as soft loan and Rs. 200 lakhs as costs from ICAR. The agreement between ICAR and COFREPECHE was signed

during January 1999 and the initial duration of the project was from April 1999 to June, 2001.

### Objectives

1. To put up an exclusive hatchery and growing facilities for seabass hatchery and culture for technology demonstration.
2. To train CIBA scientists / technicians for new technologies to achieve innovative information enabling them to train extension workers and farmers for adoption of this technology. The principal contribution of this project is the controlled breeding and spawning of seabass outside the period of natural reproduction. This will provide opportunity to produce seed all year round to cater to the needs of farmers of different agro-climatic regions.

### Achievements

This international collaborative project with the objective of developing and standardizing cost effective technologies for year round seed production and culture of Asian seabass, *Lates calcarifer*, has the following components, viz., a) Site selection; b) Preparation of master plan; c) Layout plan; d) Preliminary and detailed engineering design; e) Finalization of tender document; f) Construction engineering, supervision services; g) Supply of equipments; h) Installation of equipments; i) Providing training to CIBA scientists; j) Providing working manual; and k) Start-up mission and follow-up mission.

Of these activities, (a), (b), (c), (d), (e), (g) and (j) have been completed and remaining (f), (h), (i), and (k) are yet to be carried out, due to delays in environmental clearances and related legal problems. The project has been

extended up to June 2005, and every effort is being made to complete the project activities.”

### **White Revolution**

2.102 The Committee were informed that ICAR is concerned with research, education and training on dairying along with other components of Animal Husbandry and Agriculture. ICAR has contributed largely to the research and training of manpower in dairy production and processing.

Indian dairy sector has grown phenomenally since 1971 ushering white revolution, with an annual increase of 4.7 per cent in milk production. Milk production has increased from 17 million tonnes in 1971 to 88.02 million tonnes in 2002-03. The contribution of milk alone to the national economy at Rs. 90,358 crores in 1999-2000 was higher than paddy, wheat and sugarcane. Dairy development in India has been acknowledged the world over as one of the most successful development programme modern India. The anticipated per capita availability of milk during 2001-02 was 226 g per day as compared to 127 g during 1979-80. The strength of Indian dairy sector lies in the fact that despite limited investment, it has shown consistent and sustainable growth. Consequently, the difference arise, with scale of production which cannot easily compete with products resulting from mass production technologies, until the power of scale both at the production and marketing ends is conferred on small scale production units, as has been done successfully in the cooperative dairy sector. Buffalo milk constitutes about 55 per cent of the total milk production and considered to be commercially more viable for the manufacture of fat and SNF based value added milk products due to high total solids content.

Processing of milk into products and packaging increase the value of a livestock product manifold and therefore, have a vital role to play in the economy of livestock sector. Among the products manufactured by organized sector are ghee, butter, cheese, ice creams, milk powders, malted milk food, condensed milk, infant foods etc. Of these, ghee (butter oil) alone accounts for 85per cent. Industry has also introduced a number of new products such as casein, lactose, dairy whiteners and certain milk products.

2.103 On a point about the expenditure of ICAR on its R&D activities on Milk, the Department in their reply stated as under:

“Approximately Rs. 400-450 crores had been spent on R&D activities by ICAR”

2.104 On a point about the research that has been made so far in order to identify the adulterated milk and synthetic milk scientifically, the Department in their reply stated as under:

“Diagnostic kits /tests have been developed and improved to identify common adulterants in milk. R & D on this issue is in progress.”

The cost of improved kit is Rs. 8, 600/- containing 12 reagents. With this kit about 75 samples can be analyzed for detecting 12 adulterants. Such kits can be obtained from NDRI, Karnal.

The tests have been developed to identify 12 adulterants in milk namely - (i) Urea, (ii) Starch, (iii) Glucose, (iv) Sugar, (v) Hydrogen peroxide, (vi) Pond water, (vii) Neutralizers such as Sodium Hydroxide, Sodium Carbonate and Sodium Bicarbonate, (viii) Sodium Chloride, (ix) Vanaspati in ghee, (x) Formalin (xi) Malto-dextrin and (xii) Ammonium compounds.

2.105 When asked to give details with regard to the level of Chemical Fertilisers/pesticides residues present in Indian milk vis-à-vis permissible standards for the same, the Department in their reply stated as under:

“The above information is not available at National level and the work on pesticides residue in Indian milk is in progress. However, limited research study done on residual level of DDT and BHC in milk in Northern India under NATP Project indicated an average DDT level of 0.028 ug/g fat which is below the permissible MRL (0.05 ug/g of fat). The average BHC level in 600 milk samples was 0.001 ug/g fat against the permissible MRL (0.01 ug/g of fat).”

**PART II**  
**RECOMMENDATIONS/OBSERVATIONS**

**Recommendation No.1**

**Need for increasing DARE's Allocation to at least 1 per cent of AGDP**

The Committee note that the Planning Commission had constituted the Tenth Plan Working Group for the Department of Agricultural Research and Education (DARE) and the Working Group had recommended that the DARE should be provided one per cent of the Gross Domestic Product of Agriculture and Allied Sector (AGDP) which amounted to approximately Rs. 25,000 crore at that time. As a matter of fact, this recommendation of the Tenth Plan Working Group for DARE was in tune with the oft repeated recommendation of the Parliamentary Standing Committee on Agriculture as well as the Ninth Plan Working Group for DARE which had recommended that DARE should be provided at least one per cent of AGDP initially with a gradual increase up to two per cent of AGDP in subsequent years. Against the most needed minimum one per cent of AGDP outlay, the Department had proposed a minimum requirement of Rs. 15,000 crore plus a one time catch up grant of Rs. 1,000 crore for the Tenth Plan. However, the Planning Commission approved an amount of only Rs. 4,868 crore which was subsequently raised to Rs. 5,368 crore by providing Rs. 500 crore for setting up new Krishi Vigyan Kendras (KVKs).

The Committee note that Sri Lanka and some Latin American countries spend 0.81 per cent and 0.98 per cent of AGDP on Agricultural Research, respectively. Astonishingly, in comparison to some of the leading industrialized



**countries whose spending on agricultural research ranges between 2.45 per cent and 4.02 per cent of AGDP, India's spending on agricultural R&D ranged between 0.17 and 0.32 per cent during the last one decade which was even less than the average of all the developing countries.**

**The Committee are unable to comprehend the constraints of the Planning Commission why they could not earmark adequate resources for DARE based on the recommendations of its own Working Group during the Ninth and Tenth Plans and the recommendation of the Parliamentary Standing Committee on Agriculture to increase the Tenth Plan outlay to at least one per cent of AGDP for the DARE. Considering the role of an applied research-based Department like DARE and its potential to accelerate the growth of agriculture and allied sectors, the Committee hope that the Government will earmark higher outlays for the Department in accordance with its declared commitment to accord priority to agriculture and the allied sectors so that India emerges a stronger, if not the strongest, global player in the field of agricultural produces and exports.**

## **Recommendation No.2**

### **Insufficient Tenth Plan Public funding for DARE/ICAR**

The Committee observe that the Department had proposed a minimum requirement of Rs. 16,000 crore for the Tenth Plan. Against this requirement, the Planning Commission approved only Rs. 4,868 crore which was subsequently enhanced to Rs. 5,368 crore by providing Rs. 500 crore for establishing new KVKs.

The Committee strongly deplore this tendency of the Planning Commission and the Ministry of Finance for imposing drastic cuts as high as up to 55 per cent to 60 per cent on the amount demanded by the Department as per their pressing needs.

The Committee are of the strong opinion that although the DARE/ICAR make high claims in matching the quality of their agrarian and allied sectors in R&D activities with other advanced countries, the ground reality is entirely different, especially when compared with the kind of research and development activities and the actual achievements made by the agriculturally advanced countries in the field of Hybrid Technology, Biotechnology, Management of Biotic and Abiotic stresses, quality of Seed and Planting Material, quality of Energy and Farm machinery, post-harvest technologies, natural resource management, animal sciences and fisheries sectors and speedy transfer of technology from Land to Lab.

The Committee are of the considered view that addressing of all the important areas of agricultural research, development and education practically requires huge and well planned funding. Unfortunately, the Planning Commission and the Ministry of Finance have been ignoring the genuine and pressing demands of the Ministry of

**Agriculture to provide higher amount of public funding than being provided at present for the R&D activities of the DARE/ICAR to prove their talent. This will give them encouragement to put in more dedicated efforts in making new strides in the Agriculture sector and the benefits of which only reach to the common people of the country.**

**The Committee, therefore, strongly recommend that the Department should be provided with Rs. 16,000 crore by the Planning Commission and the Ministry of Finance for the Tenth Plan period as per their original proposal.**

### **Recommendation No.3**

#### **Inadequate allocation to DARE in 2004-2005**

The Committee observe that the Department proposed an outlay of Rs. 1,800 crore for 2004-05 but has been allocated only Rs. 1,000 crore. Obviously, the reduced allocation by Rs. 800 crore will hamper the functioning of the Department, particularly in vital research areas. The Department has put up an additional demand of Rs. 5,000 crore for the Tenth Plan and Rs. 550 crore for the Annual Plan 2004-05 to address the research and developmental aspects related to enhancement of productivity, input use, efficiency, modernization of infrastructure and centres of excellence in State Agricultural Universities (SAUs).

The Committee, therefore, strongly recommend that the Planning Commission and the Ministry of Finance need to reconsider the genuine requirement of funds and provide them adequate funds during the remaining period of the Tenth Plan as an additionality over and above Rs. 5,368 crore already allocated for the Tenth Plan. The Committee also recommend that for the year 2004-05, Rs. 550 crore should also be provided at RE stage to the Department in addition to the Rs. 1,000 crore already provided as BE so that the research and educational activities of the Department get a real thrust and impetus in the emerging global agrarian scenario.

#### **Recommendation No.4**

##### **Requirement of One-Time Catch Up Grant**

The Committee note that the DARE has a number of institutions/laboratories, which are more than twenty years old. In order to have excellent academic standards of the State Agricultural Universities and to have globally competitive research working environment, the Eighth Plan and Ninth Plan Working Groups had recommended Rs.300 crore and Rs.500 crore, respectively one time catch up grant to meet the critical need for upgrading laboratory equipment, pilot plants, farm and laboratory facilities, class rooms and audio visual facilities.

The Committee also note that during the Eighth Plan Period, Planning Commission did not provide any one time catch up grant. During the Ninth Plan, the Planning Commission had communicated a total outlay of Rs.3,376.95 crore including Externally Aided Projects (EAPs) out of which Rs.400 crore was indicated as one time catch-up grant but no separate allocations were made for catch up grant, though the Department had proposed an allocation of Rs.100 crore, Rs.200 crore, Rs.250 crore and Rs.306.81 crore for the year 1998-99, 1999-2000, 2000-2001 and 2001-02 respectively.

Subsequently, Planning Commission had communicated that the amounts indicated for annual plans also included the amount for one time catch-up grant, i.e., the Department could meet its requirement of catch up grant out of their Annual Plan budgets only. Accordingly, the Department had taken a decision in the year 1999-2000 that the Institutes could spend up to a maximum of 20 per cent of

their respective Plan B.E. (1999-2000); during 2000-2001 this percentage limit was raised to 30 per cent and for 2001-02, it was decided that the Institutes could incur expenditure under one time catch up grant to the extent to which they could spare the money after meeting their other essential research requirements. For State Agricultural Universities, these per centages were 30 per cent for 1999-2000, 40 per cent for 2000-01 and for 2001-02 it was allowed at par with institutes.

The Department again proposed an amount of Rs.1,000 crore during Tenth Five Year Plan but the Planning Commission has not yet made separate allocations specifically for catch up grant through Annual Plans

The Committee, therefore, unanimously opine that unless the Government is actually willing and come forward to support DARE/ICAR with this directly needed One-Time Catch-Up grant to change the obsolete equipments, age old infrastructure including laboratories and other related research facilities, the Scientists and Researchers of ICAR and all their related institutes/SAUs will continue to suffer from want of latest state-of-the-art equipments and research infrastructure/laboratories as this change over from old to new technology requires additional funding.

The Committee are also of the unanimous opinion that the serious problem of brain-drain is practically linked with the situation in which the scientists of the country engaged in the entire spectrum of R&D activities of ICAR are forced to work under poor work/research environment and are left to struggle with obsolete equipments, research tools and laboratories which gradually gives birth to work dissatisfaction and ultimately forces the scientists to seek greener pastures where

**their creative urge and talent come to foreplay and they get higher pay and other facilities.**

**The Committee also feel that although the Government and the people have great expectations from our agricultural scientists to achieve major breakthroughs in finding out solutions for problems faced by farmers and people engaged in agrarian and allied sectors apart from bringing total food and fodder security and overall prosperity and growth, yet the fulfillment of these great expectations will not be possible unless the Government provide the much desired and direly needed funds and incentives to ICAR to make it a real apex organization and the hub of the most talented scientists of the nation.**

**The Committee once again strongly urge the Planning Commission and the Ministry of Finance to provide much needed one time catch up grant of Rs. 1000 crore in Tenth Plan in a phased manner to ICAR given its track record of service to the nation and being privy to agricultural revolution in the country.**

## **Recommendation No.5**

### **Budgetary Process requires some Reformative Changes**

The Committee are aware that the Department starts its preparation of Budgetary proposals by inviting proposals of Revised Estimates (RE) of the current financial year and Budget Estimates (BE) of the next financial year from various constituent units some time in the second week of August. Subject Matter Divisions (SMDs) are also requested to scrutinize the proposals of RE/BE and send it to Budget section with their recommendations for finalisation. The Plan proposals are required to be sent to Assistant Director-General (ADG), Plan Implementation and Monitoring (PIM) as the Plan allocation is firmed up by ADG in consultation with the SMDs concerned. In the meantime, the Budget Circular is also received from the Ministry of Finance (MOF) in the first and second week of September and as per their requirement, the statement of Budget Estimates (SBE) is sent to them sometime in the month of October. So far as Plan BE for the next year is concerned, the Planning Commission intimates the Allocation Ceilings. After submission of the SBE, a discussion is arranged by the Ministry of Finance, sometime in the month of November between the Financial Advisor of the concerned Ministry/Department and the Secretary (Expenditure) Ministry of Finance.

The RE/BE allocation is generally received from the Ministry of Finance sometime in the first and second week of January. The Plan allocation (BE) of the next financial year is received from the Planning Commission sometime in the first week of February. Keeping in view the final allocations the SMD-wise/ Institute-



wise allocation is decided and communicated to the Institute/NRC/PD concerned by the end of January or first week of February. The Committee observe that there is a greater need and scope of serious scrutiny of entire exercise of Budgetary Process beginning from preparation Budgetary proposals in August by the concerned Department till actually receiving the RE/BE allocation from Ministry of Finance in the second week of January and then onward communication is made by the Department to the concerned Institutes by the first week of February, thus stretching the entire budgetary exercises from August to February. The Committee feel that this entire budgetary process and procedure, involving about 8 months, has actually given birth to the evil of mis-utilisation of funds in a hurried manner by the concerned institutes/schemes of the Department who find themselves under psychological pressure and there is apprehension of losing valuable but scarce financial resources made available to them by Ministry of Finance at the fag end of the Financial year.

The Committee, therefore, express their serious concern over this chronic malady of mis-utilisation and/ or over-utilisation of scarce public money provided by the Government to the concerned Department in the form of grants which could have been better utilized, provided it was made available to the concerned Department sometime in the month of December or a little earlier.

The Committee, therefore, recommend and strongly urge the Department, the Planning Commission and the Ministry of Finance for giving an active consideration through a rigorous and rational scrutiny, for reforming and rescheduling of their present Budgetary procedures and practices so that the final

**Plan and Non-Plan allocations are conveyed to the concerned Department and to the respective Institutes within the Department by the month of December every year for effective and fruitful utilization of scarce financial resources.**

## **Recommendation No.6**

### **Urgent Need to fill all the vacancies in ICAR**

The Committee note that there is an acute shortage of manpower as 3,784 posts are lying vacant in ICAR. It is more so, especially in the scientific category, which has a shortfall of about 1,400 posts. This position has aggravated since 2001. As per orders of the Department of Personnel dated 16 May 2001, direct recruitment is to be restricted to 1/3<sup>rd</sup> of the vacancies arising in a particular year with a further stipulation that the vacancies filled in a year should not exceed one per cent of the total sanctioned strength. In 1999, the Ministry of Finance had imposed a 10 per cent cut on the sanctioned posts of all categories. Though the Department has taken up the matter of seeking exemption for the scientific category with the Ministry of Finance at various levels, yet the final decision is pending.

The Committee are of the considered view that the Department should give top priority to this matter and take up the matter immediately with top officers in the Ministry of Finance and the Department of Personnel for getting exemption from 10 per cent cut on the sanctioned posts and lift restrictions imposed by Department of Personnel on at least scientific and technical categories of posts.

The Committee also urge the Department of Personnel and Ministry of Finance to consider the issue of granting exemption from their respective orders in this regard, expeditiously for recruitment of the scientific and technical categories as the output and efficiency of the ICAR has been suffering owing to shortage of scientific/technical manpower. Moreover, vacancies of scientists have been adversely affecting the scientific output in terms of basic, strategic, applied and anticipatory research. Since all the R&D activities of the ICAR are meant for bringing overall progress and prosperity to the people engaged in agrarian and allied sectors, the nation as a whole can ill-afford to have such

restrictions causing adverse effect on the working of a reputed scientific organization like ICAR.

### **Recommendation No.7**

#### **Plan Schemes suffer owing to time taken in SFC/EFC/CCEA Approval**

The Committee note that as a follow up of directives of the Government of India, the Department in consultation with Planning Commission applied Zero Base Budgeting (ZBB) scrutiny to all Plan schemes for their continuation in Tenth Plan with the Primary objective of reducing the number of Plan Schemes for expeditious Clearance of Tenth Five Year Plan proposals. In this exercise, original 235 Plan projects, viz. ICAR, Institutes, NRCs, PDs, AICRPs etc. have been brought together/integrated into 72 main Plan projects. Out of 72 major Plan Schemes, 25 Plan Schemes are approved by the Standing Finance Committee (SFC) and 47 Plan Schemes are approved by the Expenditure Finance Committee (EFC).

As per the instructions issued by the Department of Expenditure, Ministry of Finance, Plan Schemes/projects costing up to Rs.5 crore could be considered for approval by the Department itself, i.e. without referring to SFC/EFC. Schemes costing more than Rs.5 crore and less than Rs.25 crore pertain to SFC, Rs.25 crore and above but less than Rs.100 crore pertain to EFC, Rs.100 crore pertain to main EFC and those Rs.200 crore and above to Public Investment/ main EFC. The respective jurisdiction with respect to SFC/EFC/CCEA is determined on the basis of total cost of the main project schemes including its sub-schemes for the entire five

year plan. Any scheme costing Rs.100 crore and above requires approval of Cabinet Committee on Economic Affairs (CCEA).

The Committee also note that till 9 August 2004, the approval of CCEA was pending for four main schemes with sub-committees, namely, (i) Central Agricultural University, Imphal; (ii). Strengthening and Development of Agricultural Education; (iii). Project Directorate on Oilseeds Research, Hyderabad; and (iv) Indian Agricultural Research Institute, New Delhi.

The Committee observe that the primary objective of reducing the number of 235 plan schemes into 72 main schemes for expeditious clearance have been defeated to a large extent as the Department took about 14 months' time, i.e. from April 2002 to May 2003, for preparation of their SFC/EFC/CCEA proposals. In another 10 months, i.e. from May 2003 to March 2004, SFC/EFC clearance was obtained, and even after 29 months period of Tenth Five Year Plan have elapsed, the CCEA approval in 4 main schemes comprising about 27 sub-schemes are still pending.

The Committee, therefore, express their serious concern over such inordinate delays in which about 2 to 3 years' precious time out of total 5 years period has been wasted in getting and providing clearance of the Tenth Five Year Plan which will come to an end on 31 March 2007 viz after another 32 months.

The Committee see no justification in such a situation wherein many schemes/plan projects of the Department have an outlay for a period of 5 years mentioned on paper only but actually cannot be utilised on their major work of planned activities for a period of 2 to 3 years out of a total 5 year Plan period, till the

**approval of SFC/EFC/CCEA remains pending. The Committee urge the Department as well as the concerned Appraisal Agencies to seriously introspect over the delays which are so detrimental for the progressive functioning of a Department like DARE**

**The Committee also desire that serious and well contemplated steps should be taken well in time by the Department/Planning Commission/ CCEA to avoid any such recurrences in the forthcoming five year plans and a limited stipulated time frame should be fixed for each step and stage involved in the entire Budgetary exercise for the Department as well as for clearance from the Planning Commission and SFC/EFC/CCEA approval.**

## **Recommendation No.8**

### **Urgent Need for Minimising Huge Post Harvest Losses of Agrarian and Allied**

#### **Sectors Produces**

The Committee note that the ICAR is having a number of schemes meant for assessing and addressing the issues pertaining to post-harvest losses along with the mandate of R&D in Post-Harvest technology. The two main schemes are (i) the Central Institute on Post Harvest Engineering and Technology (CIPHET) Ludhiana, established in 1989, and (ii) All India Coordinated Research Project (AICRP) on Post Harvest Technology (PHT) established in 1972. The Department has spent Rs.55.62 crore against the total allocation of Rs.57.73 crore provided for these schemes during the last five years.

Despite this the value addition is only 79 per cent and agro processing is only 2 per cent in case of perishable produces. There is a vast scope for value addition to the extent of 35 per cent and processing to the extent of 10 per cent in the next ten years. As regards the data on quantum of post harvest losses and value in term of rupee of such wastage, the Committee are informed that at present, no authoritative estimates of post harvest losses in various agricultural livestock and Fisheries sectors are available. However, on the basis of limited area general Post Harvest loss estimates available with ICAR, the minimum Post Harvest losses are about Rs.51,500 crore annually. The Committee are surprised as to how ICAR being a national apex organization for agricultural research and education has been performing its role to safeguard the scarce resources without any authoritative



estimates of Post Harvest losses. The Committee, therefore, strongly recommend that the ICAR should take immediate steps to collect, compile and analyse data at the earliest at national level in order to have better Planning to stop wastages of such a magnitude. The Committee hope that this would also help the concerned Ministries/Department/Agencies to develop appropriate technologies to prevent the avoidable waste. Unless, this is done, and the desired post harvest technologies developed and implemented to plug the big hole in the basket of agrarian produces, all the efforts made by the ICAR to increase production and productivity of agrarian and allied produces will continue to go down the drain.

### **Recommendation No.9**

#### **Need to check mal-functioning in Krishi Vigyan Kendras**

The Committee note that a total of 415 Krishi Vigyan Kendras have been sanctioned till date. Out of these, 318 are functional and 50 which were sanctioned during the first two years of Tenth Plan, are partially functional. While 39 Krishi Vigyan Kendras recently sanctioned are in the process of being made functional, the remaining 8 which were non-functional have been closed down. The Committee are informed about some more Krishi Vigyan Kendras in Bihar and Uttar Pradesh in which mal-functioning is going on without any check.

Considering the laudable objectives of Krishi Vigyan Kendras, the Committee recommend that all the remaining 50 partially functional Krishi Vigyan Kendras should be made fully functional on top priority basis within a stipulated period of six months from the date of presentation of this Report to Parliament.

The Committee are also concerned over the reports of complaints of financial irregularities in 6 Krishi Vigyan Kendras. The Committee note that though the Indian Council of Agricultural Research claims that they have a multi-tier monitoring mechanism for periodic and frequent evaluation of all the Krishi Vigyan Kendras, yet the closing down of these 6 Krishi Vigyan Kendras has belied their claim. Apparantly, the ICAR has failed to check financial irregularities in time which allowed the unscrupulous elements to flourish unhindered upto a level that not only proved fatal to the very existence of those 6 Krishi Vigyan Kendras but also Such malpractices, if unchecked, would undermine public confidence in Krishi

**Vigyan Kendras. The Committee, therefore, desire that the Department should take appropriate steps to reform and strengthen their monitoring system, and bring transparency in the functioning of Krishi Vigyan Kendras so that Krishi Vigyan Kendras continue to perform their basic function of transfer of technology from Lab to Land and continue to enjoy trust and confidence of the innocent farmers.**

### **Recommendation No.10**

#### **Vague, Non-Specific and Inconclusive Replies by the Department**

The main function of the Committee are to scrutinize the Demands for Grants of the Department. The task facilitated by obtaining written replies and examination of witnesses.

The Committee observe that the Department has provided very vague, non-specific and inconclusive replies pertaining to about 100 main Schemes/Sub-Schemes of the Department. The Department in its replies has frequently used the terms, “most of the schemes” and “some of the schemes”, etc. The Department was again categorically asked to furnish specific information on the said queries. Further, the Department was again asked to provide the desired information in a Tabular format in which reasons for under-utilisation/over-utilisation of funds during 2003-2004 and reasons for providing higher/lower allocations in 2004-2005 for each and every scheme were to be furnished separately. But the Department failed to provide specific reasons for each and every scheme separately on every occasion as desired by the Committee.

When the issue was raised during oral evidence, the representative of the Department assured the Committee that they will furnish the desired reasons for under-utilisation /over-utilisation etc. for each and every scheme separately.

The Committee deprecate such a tendency of avoiding specific answers. Obviously, they either did not have specific replies as the said schemes were not

**monitored or an attempt was made to withhold information regarding non - performance or malfunctioning of these schemes.**

**The Committee hope that the Department would be more cautious in future and ensure that clear, specific, updated and conclusive replies are provided for the consideration of the Committee to dispel any mistrust about the functioning of the various programmes and schemes**

### **RECOMMENDATION NO.11**

#### **Need to Popularise R&D Support from ICAR to identify Synthetic Milk**

The Committee note that ICAR has spent about Rs.450 crore so far during the last few decades on the Research and Developmental aspects of Milk and training personnel/people engaged in Dairy sector. As a matter of fact ICAR has made significant contributions through their R&D support in ushering White Revolution in the country. They also note that the per capita availability of milk has gone up to 226 gms per day against 127 gms per day during 1979-80. Milk has been the life line of millions of people as it continues to be the most popular and potent source of nutrition and income generation for their survival and prosperity from time immemorial. The Committee are perturbed to note that unscrupulous elements are supplying synthetic or adulterated milk imperilling the life of consumers, particularly the young children.

The Committee are aware that though the prevention of supply of synthetic milk/adulterated milk is the responsibility of Ministry of Health, prevention of Food Adulteration Department, yet the ICAR equipped with its well-equipped research can come forward by providing their R&D support in detecting the supply of synthetic or adulterated milk.

Once the primary data are collected/compiled and analysed area-wise, the ICAR will be in a better position to formulate strategies to promote and popularize their research and development activities to enhance the production and productivity of Pure Milk and milk products particularly in the areas bedevilled by Synthetic/ adulterated milk.

**The ICAR can also help other concerned Ministries/ Departments and law enforcement agencies engaged in promoting public health by providing them with valuable input for detecting synthetic milk.**

**The Committee also feel that the ICAR can also produce self-help smaller and economy versions of the diagnostic kits they have already produced for identifying 12 common adulterants in milk and make all out efforts to popularize their low priced smaller version of the Diagnostic Kits which can be gainfully used by the common man.**

NEW DELHI;  
13 August, 2004  
22 Sravana, 1926 (Saka)

PROF. RAM GOPAL YADAV  
*Chairman,*  
*Standing Committee on Agriculture*

## APPENDIX I

### MINUTES OF THE SECOND SITTING OF THE STANDING COMMITTEE ON AGRICULTURE HELD ON MONDAY, 9 AUGUST, 2004 IN COMMITTEE ROOM 'C', PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1500 hours to 1810 hours

#### **PRESENT**

**Prof. Ram Gopal Yadav – *Chairman***

#### **MEMBERS**

##### ***Lok Sabha***

2. Shri Hiten Barman
3. Shri G.L. Bhargava
4. Shri Khagen Das
5. Shri Raghunath Jha
6. Shri M.P. Veerendra Kumar
7. Shri Mahboob Zahedi

##### **Rajya Sabha**

8. Smt. Mohsina Kidwai
9. Shri Harish Rawat
10. Shri Raashid Alvi
11. Shri Pyarelal Khandelwal
12. Shri Sk. Khabir Uddin Ahmed

#### **SECRETARIAT**

- |    |                     |   |                    |
|----|---------------------|---|--------------------|
| 1. | Shri N.K. Sapra     | - | Joint Secretary    |
| 2. | Shri Devender Singh | - | Director           |
| 3. | Shri A.S.Chera      | - | Deputy Secretary   |
| 4. | Shri K.D.Muley      | - | Under Secretary    |
| 5. | Smt. Ratna Bhagwani | - | Assistant Director |



## WITNESSES

Sl.No.	Name	Designation
1.	Dr.Mangala Rai	Secretary (DARE), & D.G. ICAR
2.	Ms. Shashi Misra	Addl.Secretary (DARE) & Secretary (ICAR)
3.	Shri Gautam Basu	Addl.Secretary & Financial Adviser (DARE)
4.	Dr. G. Kalloo	Deputy Director General (Hort.)
5.	Dr. S.Ayyappan	Deputy Director General (Fisheries)
6.	Dr.P.Das	Deputy Director General (Agril Extn.)
7.	Dr.J.S.Samra	Deputy Director General (NRM)
8.	Dr.J.C. Katyal	Deputy Director General (Edn.)
9.	Dr.V.K.Taneja	Deputy Director General (AS)
10.	Dr. S.L.Mehta	National Director (NATP)

At the outset, the Chairman, Standing Committee on Agriculture welcomed the Members of the Committee and representatives of the Department of Agricultural Research and Education and thereafter, requested the Secretary to introduce his colleagues.

2. On being asked, the Secretary gave a brief account of the activities, of the Department and referred to its thrust areas like R&D and other prominent areas such as Biotechnology, transgenic, organic farming, micro organisms, seed, integrated pest management, development of improved varieties of hybrid of different crops, livestock, fisheries, KVKs etc.

3. The Chairman and members of the Committee raised several questions and made some observation regarding shortfall in achieving financial targets, malfunctioning in KVKs in Bihar; problems of water logging areas and the possibilities to develop aquaculture there, prawn culture development; declining yield and deteriorating taste of fruits in Himachal Pradesh, J&K and Uttaranchal; cold water fishing, scented flowers fragrance extraction and processing, decline in soyabean productivity in some areas of Madhya Pradesh; organic crops; shortage of staff in ICAR; pending C&AG Audit Para and their early disposal; problems faced by Indian Farmers; effect of WTO agreement on Indian Agriculture; need for timely and efficient transfer of

technology from Lab to Land, decaying of surplus sugarcane potato and other perishable agricultural produce in the country, post-harvest losses to the farmers and the nation; need for efficient use of financial resources by ICAR to avoid surplus amounts in Banks etc, effect of the present drought; exploitation of rural bio-diversity of the country, etc. The representatives of the Department replied to the queries one by one.

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

5. The witnesses then withdrew.

The Committee then adjourned.

**MINUTES OF THE FIFTH SITTING OF THE STANDING COMMITTEE ON  
AGRICULTURE HELD ON FRIDAY, 13 AUGUST, 2004 IN COMMITTEE  
ROOM 'D', PARLIAMENT HOUSE ANNEXE, NEW DELHI**

The Committee sat from 1100 hours to 1300 hours

**PRESENT**

**Prof. Ram Gopal Yadav – Chairman**

**MEMBERS**

**LOK SABHA**

2. Shri G.L. Bhargava
3. Shri Kuldeep Bishnoi
4. Shri Khagen Das
5. Shri Raghunath Jha
6. Smt. Rupatai D. Patil Nilangekar
7. Shri A. Ravichandran
8. Shri Mahboob Zahedi

**RAJYA SABHA**

9. Smt. Mohsina Kidwai
10. Shri Harish Rawat
11. Shri Raashid Alvi
12. Shri Pyarelal Khandelwal
13. Shri Sk. Khabir Uddin Ahmed
14. Shri Bhagwati Singh
15. Shri Bashistha Narain Singh

**SECRETARIAT**

- |    |                     |   |                    |
|----|---------------------|---|--------------------|
| 1. | Shri N.K. Sapra     | - | Joint Secretary    |
| 2. | Shri Devender Singh | - | Director           |
| 3. | Shri A.S.Chera      | - | Deputy Secretary   |
| 4. | Shri K.D.Muley      | - | Under Secretary    |
| 5. | Smt. Ratna Bhagwani | - | Assistant Director |

At the outset, the Chairman welcomed the members. Thereafter, the Committee took up for consideration the Draft Reports on Demands for Grants (2004-05) of the following Ministries/Departments :-

(1) Ministry of Agriculture

(i) Department of Agriculture & Cooperation

(ii) Department of Agricultural Research & Education

(iii) Department of Animal Husbandry & Dairying

(2) Ministry of Food Processing Industries

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

3. The Committee then authorised the Chairman to finalise the above-mentioned Reports on Demands for Grants (2004-05) and present them to the House on a date and time convenient to him.

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

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