

STANDING COMMITTEE ON AGRICULTURE
(2006-2007)

FOURTEENTH LOK SABHA

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

DEMANDS FOR GRANTS (2007-2008)

TWENTY-NINTH REPORT



LOK SABHA SECRETARIAT
NEW DELHI

APRIL, 2007/, VAISAKHA, 1929 (Saka)

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Presented to Lok Sabha on 27.4.2007

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**LOK SABHA SECRETARIAT
*NEW DELHI***

APRIL, 2007/ VAISAKHA, 1929 (Saka)

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Composition of the Standing Committee on Agriculture (2006-2007)

Prof. Ram Gopal Yadav – Chairman

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3. Shri Anil Basu
4. Shri Manoranjan Bhakta
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| 5. | Ms. Amita Walia | - | Under Secretary |
| 6. | Shri Sreekanth S | - | Senior Executive Assistant |

INTRODUCTION

I, the Chairman, Standing Committee on Agriculture, having been authorized by the Committee to submit the Report on their behalf, present this Twenty-Ninth report on the Demands for Grants (2007-2008) of the Ministry of Agriculture (Department of Animal Husbandry, Dairying and Fisheries).

2. The Demands for Grants of the Ministry of Agriculture were laid on the table of the House on 19.3.2007. Under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Committee has to consider the Demands for Grants of the concerned Ministries/Departments under its jurisdiction and make a report on the same to both the Houses of Parliament.

3. The Committee took evidence of the representatives of the Ministry of Agriculture (Department of Animal Husbandry, Dairying and Fisheries) at their sitting held on 23rd March, 2007. The Committee wish to express their thanks to the officers of the Ministry of Agriculture, (Department of Animal Husbandry, Dairying and Fisheries) for giving evidence and for placing before the Committee the study material and information desired in connection with the examination of Demands for Grants of the Department of Animal Husbandry, Dairying and Fisheries.

4. The Committee considered and adopted the report at their sitting held on 20th April, 2007.

5. For facility of reference, the observations/recommendations of the Committee have been printed in bold letters and placed as Part II of the Report.

NEW DELHI;

20 April, 2007
30 Chaitra, 1929 (Saka)

PROF. RAM GOPAL YADAV

Chairman,
Standing Committee on Agriculture

PART-I

CHAPTER – I

INTRODUCTORY

- 1.1 Animal Husbandry, Dairy and Fisheries sectors play an important role in the national economy as well as in the socio-economic development of the country. These sectors also play a significant role in supplementing family incomes and generating gainful employment in the rural sector, particularly among the landless labourers, small and marginal farmers and women, besides providing cheap nutritional food to millions of people. Livestock are the best insurance against the vagaries of nature like drought, famine and other natural calamities.
- 1.2 As a sequel to the age-old practices and dependence of population on livestock, India is endowed with the largest livestock population in the world. It accounts for 57 per cent of the world's buffalo population and 15 per cent of the cattle population. There are about 61 million sheep and 124 million goats and more than 13 million pigs in the country. The fisheries potential is also vast in India owing to a coastline of approximately 8118 km. and immense inland water resources.
- 1.3 India ranks first in respect of buffalo, 2nd in cattle and goats, 3rd in sheep, 4th in ducks, 5th in chickens and 6th in camel population in the world. Animal Husbandry, Dairying and Fisheries activities along with Agriculture have sustained their contribution to food basket, drought animal power and for maintaining ecological balance and play a significant role in generating gainful employment in the rural sector, particularly among the landless, small and marginal farmers and women besides providing cheap and nutritious food to

millions of people. India has vast resource of livestock and poultry, which play a vital role in improving the socio-economic conditions of the rural masses.

- 1.4 Animal Husbandry sector provides large self-employment opportunities. According to National Sample Survey Organization's latest survey (July 2004-June 2005 NSS 61st round), the estimate of employment in animal husbandry sector was 11.44 million in principal status and 11.01 million in subsidiary status, which is 5.50% of the total working population of the country. Out of this 22.45 million engaged in animal husbandry sector, 16.84 million are females. Animal Husbandry and Fisheries sectors together engage 23.68 million population which is around 5.80% of the total work force.
- 1.5 India's milk production during 2005-06 was 97.1 million tonnes and is estimated to reach 100 million tonnes during 2006-07. India continues to be the largest producer of milk in the World. India, with 46.2 billion egg production in 2005-06, ranks fourth in egg production in the World as per FAOSTAT data for the year 2004. The production of wool was 44.9 million kg. during 2005-06. India is now the third largest producer of fish in the world, and second largest producer of fresh water fish in the world. During 2005-2006, total fish production was 65.71 lakh tonnes. The fish seed production was 22614.72 million fry during the same year.
- 1.6 The National Agriculture Policy, which aims to attain a growth rate in excess of 4 per cent per annum in the agriculture sector, stresses the importance of food and nutritional security issues and the importance of animal husbandry and fisheries sectors in generating wealth and employment. Since the present growth rate in crop production is around 2%, only higher growth rates of 6% to 8% in Animal

Husbandry sector would help in achieving the targeted growth rate of 4% for the Agriculture sector as a whole.

Role of Department of Animal Husbandry, Dairying and Fisheries of the Ministry of Agriculture

- 1.7 Department of Animal Husbandry, Dairying and Fisheries of the Ministry of Agriculture is responsible for matters relating to livestock production, preservation, protection and improvement of stocks, dairy development and also for matters relating to the Delhi Milk Scheme and the National Dairy Development Board. It also looks after all matters pertaining to fishing and fisheries, which includes inland and marine sectors and National Fisheries Development Board and Coastal Aqua Culture Authority.
- 1.8 The Department advises the State Governments/Union Territories in the formulation of policies and programmes in the field of animal husbandry, dairy development and fisheries. The main focus of the activities is on (a) development of requisite infrastructure in States/UTs for improving animal productivity (b) preservation and protection of livestock through provision of health care (c) strengthening of central livestock farms (Cattle, Sheep and Poultry) for development of superior germplasm for distribution to states and (d) expansion of aquaculture in fresh, brackish water and welfare of fisherfolk etc.

Overview of Demands

- 1.9 Demand No. 3 relates to the Department of Animal Husbandry, Dairying and Fisheries of the Ministry of Agriculture. The Demand provides for implementation of various Central and Centrally Sponsored Schemes together for Plan and Non-Plan activities. The Centrally Sponsored Schemes are implemented

by the State Government and managed by the Centre as well as the State. The funding pattern is either 100% central share or it is shared by the Centre and the States. The beneficiaries are the States and the funds are released by the Government of India in the form of Grants-in-Aid depending upon the pattern of assistance. The State Government provides its share wherever required and also the infrastructure including logistics and manpower. The Central Sector Schemes are normally implemented by the Central Government but in certain cases through the State Governments. The funding pattern is generally 100% Central share for such schemes.

- 1.10 The Central Plan outlay for the Tenth Plan was fixed at Rs.893183 crore, which consisted of Rs.487448 crore from I.E.B.R. and Rs.405735 crore from budgetary resources. The plan outlay of the Department was fixed at Rs.2500 crore, wholly to be met from the domestic budgetary resources. The share of the Department to the total Tenth Central Plan outlay was 0.28% and accounted for 0.61% of the total central budgetary resources.
- 1.11 The share of the Department came down from 0.48% of the Total Central Plan Outlay during the Ninth Plan to 0.28% of the total Central Plan of GOI during Tenth Plan. Similarly, the percentage of Budgetary Resources came down from 1.1% during the Ninth Plan to 0.61% during the Tenth Plan. However, the Department's share started increasing from 2004-05 with a better budgetary allocation and reached 0.32% of the total Central Plan outlay and 0.061% of the budgetary resources during 2005-06. It, however, came down to 0.30% of the total Central Plan outlay and 0.59% of the budgetary resources during 2006-07. For 2007-08, the Department's share has been further reduced to 0.28% of the total Central Plan outlay and 0.58% of the budgetary resources. The Budget

Estimates for the year 2007-08 are Rs.955 crore comprising of Plan allocation of Rs.910 crore and Non-Plan allocation of Rs.45 crore.

The year-wise details of the allocation of the Department along with total Central Plan outlay and Budgetary Support earmarked by GOI and IEBR of Central Ministries, during the Tenth Plan and also during the first year of the Eleventh Plan are given below:

| (Rs. in crore) | | | | | | | |
|----------------|---------------|----------------------------|--------|---------------------|--------------------|----------------|---------------------|
| Sl. No. | Period | Central Plan Outlay of GOI | | | Allocation of DAHD | %share of DAHD | |
| | | Total | IEBR* | Budgetary Resources | | Total | Budgetary Resources |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1. | Tenth Plan | 893183 | 487448 | 405735 | 2500.00 | 0.28 | 0.61 |
| 2. | 2002-03 | 144038 | 77167 | 66871 | 300.00 | 0.21 | 0.45 |
| 3. | 2003-04 | 147893 | 75741 | 72152 | 300.00 | 0.20 | 0.41 |
| 4. | 2004-05 | 163720 | 75834 | 87886 | 500.00 | 0.30 | 0.57 |
| 5. | 2005-06 | 211253 | 100868 | 110385 | 669.08 | 0.32 | 0.61 |
| 6. | 2006-07 | 254041 | 122756 | 131284 | 777.00 | 0.30 | 0.59 |
| 7. | Eleventh Plan | | | | | | |
| 8. | 2007-08 | 319992 | 165053 | 154939 | 910.00 | 0.28 | 0.58 |

1.12 The Department has proposed an allocation of Rs.17695.17 crore (including Rs.117.00 crore as external aid) for the Eleventh Plan. This comprises of an amount of Rs.13641.77 crore for Animal Husbandry, Rs.847.40 crore for Dairy Development and Rs.3171.00 crore for the Fisheries Sector. The Eleventh Plan Working Groups for these sectors have recommended a budgetary support of Rs.19157.00 crore (Rs.13075.00 crore for Animal Husbandry & Dairying Sectors, Rs.6082.00 crore for Fisheries Sector, including Rs.2069.00 crore for National Fisheries Development Board).

1.13 The Committee noted that though the proposal of the Department for Animal Husbandry and Dairying were Rs.13641.77 crore and Rs.874.40 crore respectively, the Eleventh Plan Working Group recommended a combined allocation of only Rs.13075.00 crore for both these sectors and desired to know

the reasons for the mismatch between proposal and allocation. The following reply was furnished in this regard:-

“The Working Group on Animal Husbandry and Dairying constituted by the Planning Commission has projected a requirement of Rs.37,770 crore for 11th Plan, which is recommended to be made up to the extent of Rs.13075 crore through budgetary support, Rs.23715 crore through institutional finance and Rs.980 crore from other sources. The 11th Plan requirement of funds projected by the Department for Animal Husbandry and Dairying amount to Rs.13641.77 crore for Animal Husbandry and Rs.847.40 crore for dairy development. It is only natural that the funds requirement projected by the Working Group constituted by the Planning Commission and that worked out by the Department separately are different. Both these exercises are independent of each other and may not necessarily arrive at the same requirement of funds.”

Thrust Areas

1.14 The emphasis during the 10th Five Year Plan was on the following areas:

- Rapid genetic up gradation of cattle and buffaloes and improvement in the delivery mechanism of breeding inputs and services to farmers.
- Extension of dairy development activities in non-Operation Flood, hilly and backward areas, including clean milk production.
- Promotion of fodder crops and fodder trees to improve animal nutrition.
- Provision of adequate animal health services with special emphasis on creation of disease free zones and control of foot and mouth disease.
- Upgradation of State Poultry Farms for development of backyard poultry in rural areas.
- Provision of credit facility to farmers for viable activities.
- Development of reliable data base and management information system.
- Adoption of integrated approach to marine and inland fisheries, designed to promote sustainable aquaculture practices.

- Strengthening of infrastructure for production of fish seed, berthing and landing facilities for fishing vessels.
- Development of Inland Fishing.
- Mechanization of fishing boats.
- Development of the deep sea fishing industry to take advantage of the vast potential of country's exclusive economic zone

1.15 The approach for the 11th Plan for the livestock sector should aim at achieving an overall growth between 6 to 7 percent per annum for the sector as a whole, with milk group achieving a growth of 5% per annum and meat and poultry achieving a growth of 10% per annum. The benefit of higher growth should be equitable, benefiting mainly the small and marginal farmers and landless laborers who maintain bulk of the livestock in the country. It should also benefit poorly endowed areas like drought prone, arid and semi-arid areas. The sector should also be able to provide additional employment opportunities to people in the rural areas especially to the female population who manage the livestock in the household, thereby empowering rural women with livestock in the household, providing as a source of economic empowerment. The strategy for the 11th Plan should be based on the following considerations:

- (i) There is a need for institutional restructuring of the existing development machinery, both at the national and state level.
- (ii) A sustainable and financially viable livestock farming, which will generate wealth and self-employment through entrepreneurship, is the need of the day.
- (iii) The successful examples of public-private partnership initiative should be replicated and expanded during the 11th Five Year Plan.
- (iv) Initiatives on the pattern of producers' organizations like 'Anand' need to be taken up in other livestock products specially meat and poultry.
- (v) There is a need for providing efficient and effective decentralized services at the doorstep of livestock farmers.
- (vi) A mechanism for transfer of technological development to the producers' should be instituted.
- (vii) There is a need to build a line of credit to meet the requirement of livestock sector

- 1.16 It is proposed to implement a total of 32 schemes out of the proposed allocation of Rs.17578.17 crore in the Eleventh Five Year Plan (2007 -12). Of these, one relates to Secretariat and Economic Services, 21 relate to Animal Husbandry, 4 to Dairy Development and 6 to Fisheries sector. The Planning Commission has not yet finalized the Eleventh Plan Outlay of the Department.

Annual Plan 2007-08

- 1.17 For the year 2007-08, the Department proposed to implement 32 schemes, which include 3 new centrally sponsored schemes and 7 new central sector schemes. The Department formulated the Annual Plan proposals 2007-08 at Rs.1217.52 crore including an external aid component of Rs.90.00 crore for control and containment of avian influenza. Against this, the Planning Commission has agreed to allocate Rs.910.00 crore. The non-plan allocation for the year 2007-08 has been fixed at Rs.45.00 crore. These include Rs.440.92 crore for the development of animal husbandry sector Rs.85.50 crore for dairy development and Rs.205.68 crore for fisheries development. The provision for Secretariat & Economic Services has been kept at Rs.4.90 crore. The Department is implementing a special livestock and fisheries package for 31 suicide prone districts in the States of Andhra Pradesh, Maharashtra, Karnataka and Kerala. An amount of Rs.170.00 crore has been provided in the Annual Plan 2007-08 for this package, which is to be implemented over a period of three years (2006-07 to 2008-09). Further, the Planning Commission has made the following suggestions:

- (i) National Programme for Cattle & Buffalo Breeding may be clubbed with the National Project for Improvement of Poultry and Small Animals and jointly renamed as 'R&D for Livestock Breeds'.
- (ii) Livestock Insurance, Livestock Disease Control Programme and Dairy Development may be merged and jointly renamed as 'Livestock Disease Control and Integrated Dairy Development'.
- (iii) Both Inland and Marine Fisheries may be merged and jointly renamed as 'Integrated Fisheries Development Programme'.

1.18 On being asked if any study was conducted regarding the feasibility of clubbing of these schemes, the Department replied as under:

“Planning Commission had constituted a Committee to improve operations of centrally sponsored schemes, which in turn suggested that such schemes which have annual allocation of less than Rs 500.00 crore should be wound up. Subsequently, after further deliberation between Planning Commission/Ministry of Finance and Prime Ministers Office, it was scaled down to Rs 300.00 crore and Departments were advised to work out the Plan proposals accordingly. However, it was noticed that none of the schemes under the Department has such allocation as the total outlay for more than twenty schemes was around Rs 750.00 crore. Accordingly, the Planning Commission might have suggested merger of some of the schemes to bring them near the proposed Rs 300.00 crore. However, the Department while finalizing Annual Plan 2007-08 expressed its reservation on any irrational clubbing of schemes and assured the

Planning Commission that the Department would take a view subsequently.”

- 1.19 The Sector-wise break up of the proposed and actually approved Plan Outlay for the year 2007-08 is as follows:-

| Sector | Proposed outlay | Allocated |
|---|-----------------|---------------|
| (1) | (2) | (3) |
| Animal Husbandry | 604.90 | 440.92 |
| Dairy Development | 136.00 | 88.50 |
| Fisheries | 300.02 | 205.68 |
| Secretariat & Economic Services | 6.60 | 4.90 |
| Spl. Package for suicide prone districts of Andhra Pradesh, Karnataka, Kerala and Maharashtra | 170.00 | 170.00 |
| Grand Total | 1217.52 | 910.00 |

Under-utilisation of Funds

- 1.20 The Department was allocated Rs. 2500.00 crore for the 10th Plan. However, based on RE of 2006-07 of Rs.750 crore, the actual allocation for the five Annual Plans during 10th Plan has been Rs. 2439.00 crore. Out of which the Department of Animal Husbandry, Dairying and Fisheries has incurred the following expenditure during the Tenth Plan for implementation of various schemes relating to the Department.

(Rs. in crore)

| Year | Allocation | | Expenditure |
|--------------|----------------|----------------|-----------------------------|
| | BE | RE | |
| 2002-03 | 300.00 | 240.00 | 238.90 |
| 2003-04 | 300.00 | 275.00 | 271.76 |
| 2004-05 | 500.00 | 575.00 | 566.22 |
| 2005-06 | 669.08 | 599.00 | 589.37 |
| 2006-07 | 777.00 | 750.00 | 561.76 (Till Feb. 28, 2007) |
| Total | 2546.08 | 2439.00 | 2228.01 |
| 2007-08 | 910.00 | | |

1.21 The Department has assigned the following as the reason for the under-spending:-

“Based on the assumption of expenditure of Rs.113.00 crore (15% of RE of Rs.750.00 crore) during March, 2007, the total expenditure during 10th Plan would be around Rs.2341.01 crore, which is 96% of the approved outlay of Rs.2439.00 crore. Thus, the Department’s utilization of available funds has been very encouraging.

In respect of certain major schemes introduced in the Tenth Plan, significant expenditure could not be effected in the first two years, since certain preliminary steps were required to be completed. The Livestock Insurance Scheme proposed during 2004-05 could take off in February, 2006 only. As a result, against BE and RE of Rs.51.00 crore for the scheme, an amount of Rs.26.10 crore could only be utilized. The National Fisheries Development Board came into operation in the last quarter of 2006 and therefore, against BE of Rs 151.00 crore, only Rs 30.00 crore could be utilized.

The Department will make strenuous efforts to secure approval to the new schemes so that their implementation commences as early as possible in the Eleventh Five Year Plan”

1.22 The Committee observed under-utilisation of funds in the following new schemes implemented during the Tenth Five Year Plan :-

(Rs. in crore)

| Sl. No. | Schemes | (2005-2006) | | Actual Exp. (2005-06) | (2006-2007) | | Actual Exp. (2006-07) till Feb. 2007 | BE 2007-08 |
|---------|---|-------------|-------|-----------------------|-------------|-------|--------------------------------------|------------|
| | | BE | RE | | BE | RE | | |
| 1. | Centrally Sponsored Fodder Development Scheme | 15.50 | 12.99 | 11.62 | 26.00 | 35.00 | 22.33 | 8.13 |
| 2. | Rural Backyard Poultry Development | 23.00 | 0.01 | 0.00 | 19.00 | 0.50 | 00 | 18.04 |
| 3. | Integrated Development of small Ruminants | 20.00 | 0.01 | 0.00 | 15.00 | 0.50 | 00 | 10.22 |
| 4. | Assistance to states for Piggery Development | 20.00 | 0.01 | 0.00 | 11.00 | 0.50 | 00 | 9.48 |
| 5. | National Fisheries Development Board | 5.00 | 0.01 | 0.00 | 151.00 | 30.00 | 30 | 100.58 |

1.23 In case of the Centrally Sponsored Fodder development Scheme, it was noted that the Department could spent only Rs. 11.62 crore during 2005-06 out of the total allocation of Rs. 15.50 crore. Even so, BE for 2006-07 was fixed at Rs. 26 crore, and later revised to Rs.35 crore. The Actual Expenditure was also a healthy Rs.22.33 crore during 2006-07. But the BE for 2007-08 has been fixed at a much lower Rs.8.13 crore. To this the Department ascribed the following reasons for the under-spending :-

“As regards the Budget provision and expenditure under Centrally Sponsored Fodder Development scheme at Serial No. 1 in the table, it may be stated that the scheme was approved for implementation for 2 years with a total provision of Rs 24.50 crore (Rs 11.59 crore for 2005-06 and Rs 12.91 crore for 2006-07) as per the approved SFC memo. Thus the expenditure during 2005-06 was limited to Rs 11.62 crore keeping in view the above approved limit though the budget provision was Rs 15.50 crore during 2005-06.

The budget provision under BE 2006-07 for the scheme was Rs 26.00 crore. This was raised to Rs 35.00 crore in RE 2006-07 to accommodate the requirement of funds for feed fodder component of the special package for suicide prone States. A sum of Rs 5.71 crore has been spent till and the anticipated expenditure till the end of March is Rs 6.13 crore, i.e., total expenditure may come to Rs 11.84 crore under the Centrally Sponsored Fodder Development Scheme.

A sum of Rs 16.62 crore has been released under the special package for suicide prone districts. Thus, the total expenditure under both the programmes will come to Rs 28.46 crore as against the provision of Rs 35.00 crore (RE 2006-07). The balance of Rs 1.54 crore has been re-appropriated to Central Minikit Testing programme, which is also meant for enhancement of fodder production.

An allocation of Rs 8.13 crore has been made under BE (2007-08) for the Feed & Fodder Development, which will become a component of the National Project for Improvement of Poultry and Small Animals during 2007-08. This could be raised in RE 2007-08 subject to receipt of complete and viable project proposals from the State Governments.”

- 1.24 Further, it was noted that the figures at Sl. Nos. 2 to 4 of the table above also indicate that while BE for all the schemes have certain allocated amount for the years 2005-06, and 2006-07, no expenditure was incurred during both the years. Asked how the Department justifies the increase in BE for the year 2007-08 when no expenditure was incurred during 2005-06, 2006-07 and the reasons leading to this situation wherein no expenditure could be incurred on all these schemes, the Department informed the Committee as under :-

“The Planning Commission did not agree to introduction of the new scheme during the 10th Plan. Now the EFC of the new scheme is ready and the proposal has been included in 11th Plan. The scheme is expected to be approved during 2007-08. There is persistent demand from the States for introduction of this new scheme, and hence a higher outlay has been retained”.

- 1.25 Further, during the oral evidence the Department furnished the following reply regarding Under-Utilisation of Funds over the years and the reduced allocation provided to them:-

“The main reason for under utilisation during 2005-06 was delay in approval and non-approval of certain schemes like that of piggery development. The sanction for livestock insurance scheme came quite late in the year. Then, there are some schemes in the fishery sector, poultry farms, IDDB etc. So far as 2006-07 is concerned, one of the major reasons was that there were much unspent balances with the States and therefore, low level of expenditure in first and second quarters of 2006-07. Quite often, it does happen that we find that there are unspent balances because we are not able to account for them till we get the utilisation certificates from the States.”

- 1.26 The Representatives of the Department further elaborated as under:-

“ A lot of concern was expressed about utilization of funds by various hon. Members. My submission is that in 2003-04, our utilization was only Rs.272 crore. In 2005-06, it doubled to about Rs.589 crore. If you look at the figures of utilization between the start of the 10th Plan and the culminating year of the 10th Plan, our utilization has gone up by almost 260 per cent and it is not that there has been any lack of efforts on our part in asking for more funds. But we would not be able to plan for bigger initiatives unless funds are assured. Now we have a plan for large number of schemes for which we had asked for about Rs.17,000 crore during the Eleventh Plan. Unless this money is given to the Department, we cannot plan further.”

CHAPTER – II

ANIMAL HUSBANDRY

2.1 The Department operates 18 Central Livestock Organizations and allied Institutions for production and distribution of superior germ plasm to the State Governments for cross breeding and genetic upgradation of the stocks. Besides, the Department is implementing various central sector and centrally sponsored schemes for the development of requisite infrastructure and supplementing efforts of the State Governments for achieving accelerated growth of the animal husbandry sector.

2.2 Following are the budgetary allocations and expenditure on Animal Husbandry:-

(Rs. in crore)

| Year | BE | RE | Actuals |
|---------|--------|--------|-------------------------|
| 2002-03 | 156.48 | 122.48 | 125.36 |
| 2003-04 | 172.10 | 181.79 | 181.93 |
| 2004-05 | 284.38 | 348.91 | 348.73 |
| 2005-06 | 397.91 | 337.50 | 326.95 |
| 2006-07 | 415.00 | 496.98 | 355.71(up to Feb. 2007) |
| 2008-09 | 440.92 | - | - |

During the Tenth Plan period, fund utilisation was slow in the first two years. In the third and fourth years, there was increased allocations and only negligible under-utilisation of funds. However, during 2006-07 the Department has been able to spent only Rs.355.71 crore (till February, 2007) out of the revised allocation of Rs.496.98 crore.

National Project for Cattle and Buffalo Breeding (NPCBB)

2.3 Cattle and Buffalo development is the most important component in Animal Husbandry Sector because of the contribution of these two species in terms of value of output, employment generation, supplementing household nutrition and alleviation of rural poverty.

2.4 Genetic improvement is a long-term activity and the Government initiated a major programme 'National Project for Cattle and Buffalo Breeding' (NPCBB) in October 2000 for a period of ten years, in two phases, with an allocation of Rs 402 crore for phase-I and Rs 775.87 crore for Phase-II. The Project envisages genetic up-gradation on priority basis. The project also has its focus on the development and conservation of important indigenous breeds. The project provides 100% grant-in-aid to the State Implementing Agencies (SIAs).

27 States and UTs participating in the project have been provided financial assistance of Rs.339.78 crore so far. During 2006-2007, an amount of Rs 46.33 crore has been released till December, 2006 including funds released under the special package for suicide prone districts in the country

2.5 In order to consolidate the gains made during Phase-I of the NPCBB, the CCEA in its meeting held on 30.11.2006, has approved Phase-II of National Project for Cattle and Buffalo Breeding for a further period of five years, with an allocation of Rs.775.87 crore. Administrative approval for the scheme has been issued in January, 2007. The Phase-II will generate self-employment for about 20,000 Artificial Insemination (AI) practitioners to provide delivery of AI at the farmer's doorstep. To improve viability of private AI workers, grants have been raised from Rs.3000/- to Rs.6000/-, about 80,000 bulls for natural service are being inducted to provide quality breeding services to poor livestock owners and enhance rural self-employment opportunities and increase farm income. Issues to be addressed during Phase-II:

- i) Large cattle population and its low productivity per animal.
- ii) More emphasis on conservation of dwindling indigenous cattle and buffalo breeds.
- iii) Setting up of farmers' organisations and breeders societies in the country.
- iv) More effective extension network.

2.6 Physical Targets & Achievements 2006-07 and Targets 2007-08:-

| (Rs.in crore) | | | | | | |
|---------------|---|----------------|----------------------|----------------|---------------------------------------|----------------|
| Sl. No. | Quantifiable Deliverables | Target 2005-06 | Achievements 2005-06 | Target 2006-07 | Achievement 2006-07 (upto Feb., 2007) | Target 2007-08 |
| 1 | Establishment of Mobile AI units | 7000 | 7221 | 5500 | 3495 | 3000 |
| 2 | Strengthening of Semen Stations | 12 | 13 | 10 | 7 | 5 |
| 3 | Establishment of Frozen Semen Banks | 50 | 56 | 60 | 39 | 30 |
| 4 | Establishment/Strengthening of Training Centres | 28 | 27 | 12 | 12 | 5 |
| 5 | No. of Semen doses produced | 35 million | 37 million | 36 million | 29 million | 22.5 million |
| 6 | No. of artificial inseminations carried out | 34 million | 34 million | 35 million | 28 million | 21.5 million |
| 7 | No. of Animals brought under conservation programme | 9000 | 7200 | 20,000 | 20,000 | 25,000 |
| 8. | No. of improved calves born from AI | 12 million | 10 million | 13 million | 11 million | 7 million |
| 9 | No. of Progeny Tested bulls produced | 10 | 10 | 10 | 8 | 8 |
| 10 | No. of Progeny Tested bulls used for breeding | 100 | 82 | 100 | 100 | 100 |

2.7 The Committee noted that except the target of the number of animals brought under the conservation programmes all other components have shown decrease in the targets set for 2007-08 and desired to know the reasons for lowering the targets. The Department replied as under:-

“Allocation of funds during the year 2005-06 and 2006-07 were Rs 95.00 crore (RE Rs. 96.50 crore) and Rs. 106.00 crore (RE Rs 152.00 crore) respectively. Accordingly the targets under different components were set. Where as an amount of Rs 80.00 crore was proposed for 2007-08 and proposed targets were also set against that amount. Since the allocation for 2007-08 has been curtailed under the project from proposed amount of Rs 80.00 crore to Rs 51.00 crore, the targets had to be downsized.

The approval of Phase II of National Project for Cattle and Buffalo Breeding was obtained on 4th December, 2006. Due to this, all the releases under the scheme were made in the last quarter of the current financial year. Thus fewer targets have been achieved up to February 2007. However, at the end of the financial year 2006-07, expenditure to the tune of Rs 119.34 crore has been made against the allocation of Rs 106.00 crore under the project. Following are the details of achievements made by 31st March, 2007 under the scheme:

| S. No | Activity | 2006-07 | | Reasons for shortfall |
|-------|---|---------|-------------|-----------------------|
| | | Target | Achievement | |
| i) | Conversion/setting up of A/c | 5500 | 6789 | NA |
| ii) | Storing of semen stations/acquisition of AI Bulls | 10 | 13 | NA |
| iii) | Storing/Establishment of semen banks | 60 | 65 | NA |
| iv) | Storing/Establishment of Training courses | 12 | 16 | NA |
| v) | No. of semen doses produced (million) | 36 | 39 | NA |
| vi) | No. of AI carried out (million) | 35 | 34 | NA |
| vii) | No. of improved calves produced | 13 | 12 | NA |
| viii) | No. of progeny tested bulls produced | 10 | 10 | NA |
| ix) | No. of PT bulls tested for breeding | 100 | 100 | NA |

Under National Project for Cattle and Buffalo Breeding, 51 semen stations have been funded for strengthening. The quality semen straws being produced at CFSP&TI caters to the need of all the States and UT's including private breeders working in various States. It was envisaged that 43,000 AI centres would be converted /established. At present there are

29,000 such mobile centres. In the second phase, we will be permitting 14,000 private AI workers who would be offering artificial insemination.”

Livestock Insurance

2.8 This is a centrally sponsored scheme, which is being implemented on a pilot basis as a part of the Common Minimum Programme of the Government during the years 2005-06 and 2006-07 of the 10th Five Year Plan in 100 selected districts across the country with an approved outlay of Rs. 120.00 crore. Under the Scheme, crossbred and high yielding cattle and buffaloes are being insured at maximum of their current market value. Only 50 percent of premium of the insurance is to be paid by the beneficiary, while the rest of entire cost of subsidy is being borne by the Central Government.

2.9 Budgetary Allocations for the scheme :

(Rs.in crore)

| Year | BE | RE | Actual |
|---------|----|-------|---|
| 2005-06 | 50 | 19.35 | 24.21 |
| 2006-07 | 51 | 51 | 26.10 (Till 28 th Feb, 2007) |
| 2007-08 | 35 | - | - |

The Committee observed that the BE of Rs.50 crore was reduced to Rs.19.35 at the RE stage during 2005-06 while an expenditure of Rs.24.21 crore was incurred. During 2006-07 though there was no reduction of BE of Rs.51 crore at the RE stage, actual expenditure was only Rs.26.10 crore (till 28th February, 2007). The BE for 2007-08 has been fixed at Rs.35 crore.

2.10 It was pointed out to the Department that the Committee were informed last year that the proposals received during 2006-07 had more amount than the funds available for the year and full utilization would be made. Taking this into

consideration, the Committee desired to know the cause of low utilization of funds during 2006-07 and the reasons for reduced allocation (BE) for 2007-08 despite the fact that a new scheme may be expected to have incremental allocation of funds.

2.11 The Committee also enquired about the criteria adopted in selecting the 100 districts for implementing the Pilot Projects of the Scheme, the number of policy issued so far and the involvement of various public and private sector companies in providing the insurance cover under the scheme.

2.12 Replying to these queries, the department submitted as under:-

“The Livestock Insurance Scheme was approved by the CCEA on 21st February, 2006. Selection of the Insurance Companies and signing of necessary MOU, preparatory steps like holding meetings with the beneficiaries and district/below district levels officials responsible for implementing the scheme, printing of publicity materials for creation of awareness among the public took some time after approval of the scheme. The scheme could be implemented in various states only from the beginning of the financial year 2006-07. An amount of Rs.26.10 crore was also released to the States during 2006-07 from the allocated amount of Rs.51.00 crore. The funds amounting to Rs.24.21 crore released during 2005-06 was thus also available for its use during 2006-07 making total availability of funds with the States to the tune of Rs.50.31 crore for implementing the schemes during 2006-07. The Livestock Insurance is a matter of solicitation; the States had enough funds to meet the targets fixed by them. On review of the progress in various States, an additional fund of Rs.24.50 crore was further released in order to achieve the target.

Due to delay in approval of the scheme by the CCEA during 2005-06, the BE of Rs 50.00 crore was reduced to Rs 19.35 crore at RE stage. After approval of the scheme in February 2006, Rs 24.21 crore was released to the State Implementing Agencies from Rs 19.35 crore available from RE and rest from savings from other schemes of the Department. The Department proposed a BE of Rs 51.00 crore for 2007-08. However, the same was reduced to Rs 35.00 crore by the Planning Commission.

As regards the Pilot Project of the Scheme, it was stated that during 2005-06 and 2006-07 the Scheme was implemented in 100 selected districts to gain experience before implementation in the entire country. The scheme envisages providing 50% subsidy on premium for insuring crossbred and high yielding cattle and buffaloes. The number of districts in every state was selected on the basis of population of the cross-bred and high yielding cattle and buffaloes.

Farmers' response has been very encouraging. They are coming forward. However, many are still not able to take the policy due to their inability to pay their share of premium. Involvement of Panchayats and the milk societies/dairy associations had provided much needed confidence and trust of the farmers in the scheme. Publicity had also played very important role in creating awareness among the target group which is evident from the progress made by various States over the period. So far, about 2.54 lakh animals have been insured in 27 States.

- 2.13 Answering to a supplementary question regarding the Committee earlier recommendation that the premium of 50% will be too high for poor farmers to pay and that it should be reduced to 25%, the Department stated as under:

“The Livestock Insurance Scheme in its present form of providing 50% subsidy on premium has been approved by the CCEA for implementation on pilot basis during 2005-06 and 2006-07 in 100 selected districts. The suggestions of the Committee to enhance 75% subsidy on premium will be taken up for approval of the CCEA and the EFC while proposal for extending the scheme in entire country during the 11th Five Year Plan is prepared.”

Veterinary Council of India

- 2.14 The Indian Veterinary Council Act, 1984 was to regulate veterinary practice and to provide for that purpose the establishment of Veterinary Council of India (VCI) and State Veterinary Councils, the maintenance of Register of veterinary practitioners and for matters connected therewith. At present only the State of Jammu and Kashmir is to adopt this Act. The Veterinary Council of India shall regulate veterinary practice in the country and maintain register of veterinary practitioners.

- 2.15 Budgetary allocations for VCI:

| (Rs. In lakhs) | | | |
|----------------|-----|-----|---------|
| Year | BE | RE | Actuals |
| 2005-06 | | | 100 |
| 2006-07 | 155 | 155 | |
| 2007-08 | 90 | | |

- 2.16 The Committee wanted to know the reasons for reducing the BE by about half for the year 2007-08 to Rs.90 lakh while the council had an actual expenditure of

Rs.100 lakh in 2005-06 and BE and RE of Rs.155 lakh during the year 2006-07 and the status regarding establishment of the Veterinary Council of India and State Veterinary Councils. The Department furnished the following reply: -

“It is true that the actual expenditure during 2005-2006 was Rs.100.00 lakh and BE and RE of Rs.155.00 lakh was provided for the year 2006-07 but the actual expenditure will be about Rs.110 lakh. As the Continuing Veterinary Education component under the scheme has not yet been started, therefore, BE of 2007-08 has been kept at Rs.90 lakhs.

In order to ensure that the State Governments establish the State Veterinary Councils as per the provisions of Section 32 of the Act, the VCI is regularly impressing upon the authorities of the State/U.T. Governments to constitute their State/U.T. Veterinary Councils. As a result of VCI efforts, 23 States/U.Ts have so far established their State/U.T Veterinary Councils as per the Act and the State of Jharkhand decided to adopt the Act.

We have on roll today 45,000 veterinarians registered with the Veterinary Council of India. Almost 8720 veterinary hospitals, and about 17,820 dispensaries are there. Besides that, we have about 25,437 Veterinary Aid Centres. The total number of veterinary institutions all over the country is more than 50,000. One problem we have is that of manpower. It is not because the veterinary colleges are not producing enough manpower. There is a problem of employment as well. Salaries and other perks go to State budgets as the States are responsible for providing veterinary services. That slight constraint is there. But, from the Department we have proposed slow privatisation of veterinary services.

Where the Government is unable to provide veterinary services will be encouraged.”


Subsidy to Poultry Industry

- 2.17 The outbreak of the avian influenza in parts of Maharashtra, Gujarat and Madhya Pradesh caused some panic situation in the country. As a result, the consumption and prices of poultry products nosedived. In view of a severe economic distress faced by the poultry industry, the Government of India announced a number of relief measures. The Reserve Bank of India issued necessary instructions in this regard to various banks on 4th April, 2006.
- 2.18 The Committee have been informed that an allocation of Rs.107 crore was made at RE stage for the year 2006-07 under the head of subsidies by way of interest subvention granted to Poultry Industry. But, out of this, only Rs.80 crore has been spent causing an under utilization of Rs.27 crore (25.23%).
- 2.19 When asked if this subsidy was intended for absorbing the loss caused by Avian Influenza in the country and the reasons for shortfall in expending the allocation, the Department stated as under:-

“In order to provide relief to the poultry industry suffering from erosion of demand and prices of poultry products on account of bird flu in certain parts of the country, the Government of India announced a financial relief package in March 2006. This package, *inter-alia*, included grant of one time interest subvention of 4% for a period of one year on the outstanding principal amounts of loans availed of by the poultry units as on 31.03.2006. The RBI had initially intimated a requirement of Rs.80 crore to implement the said measure, which was provided to them in May 2006. Subsequently in January 2007, the RBI have indicated an additional

requirement of Rs. 27 crore to meet the total financial liability in this regard. The additional requirement has been demanded in the RE 2006-07 but the same is yet to be made available to the Department. The amount demanded is likely to become available in the last week of March 2007 when the same would be released to the RBI.”

- 2.20 During the oral evidence, on a query by the Committee about the use of maize as poultry feed, the Department submitted as under: -

“Maize is a very important component for the poultry industry and it constitutes about 50 per cent of the cost of the poultry feed. High prices were prevailing due to lower domestic production and lower international production. Against the FCI’S normal carrying cost of Rs.550 per quintal. The Government has allocated five lakh quintal of maize at Rs.450 per quintal to various States for distribution to poultry farmers for use in their poultry feeds. This involved a subsidy of Rs.50 crore. About 3.82 lakh tonnes of maize have already been distributed to various States and the balance is also in the process of distribution.” 

Special Package for Suicide-Prone Districts

- 2.21 A number of districts in the states of Andhra Pradesh, Maharashtra, Karnataka and Kerala have seen higher incidence of suicide by farmers due to economic distress. There are 31 such identified districts (16 in Andhra Pradesh, 6 in Maharashtra, 6 in Karnataka and 3 in Kerala). In order to provide economic relief to the farming population in these districts, the Department is implementing a special livestock and fisheries package.
- 2.22 During the year 2007-08 an allocation of Rs.170 crore has been made for Special Package for suicide prone districts of Andhra Pradesh, Karnataka, Kerala and

Maharashtra. When the Committee desired to know the ratio of allocation of this relief package, State-wise and other details the Department replied as under:-

“The Government notified a ‘Special Livestock and Fisheries Sector Package’ in August 2006 to provide avenues of subsidiary income to the farmers in the 31 suicide-prone districts in the States of Andhra Pradesh (16), Maharashtra (6), Karnataka (6) and Kerala (3). The package involves an investment of Rs.698 crore over a period of three years, commencing with 2006-07. While an amount of Rs.510.79 crore will be provided as Government's budgetary support, the balance Rs.187.21 crore is to be made available by way of bank credit. The special package includes the following measures:

- i) Induction of 1000 high yielding milch animals per district per year with 50% subsidy (balance as bank credit).
- ii) Induction of 500 female calves per district per year, also providing to the farmers 50% of rearing cost.
- iii) Taking up a massive artificial insemination programme (21.9 lakh animals) and estrus synchronization of 70% breedable animals (19.40 lakh animals).
- iv) Provision of adequate health care to all inducted animals (31,000 animals per year over three years).
- v) Supply of fodder blocks for feeding inducted animals with 25% subsidy.
- vi) Establishment of 20-fodder block making units with 50% subsidy (balance as bank credit).
- vii) Establishment of 50 milk-chilling plants.

- viii) Taking up fisheries in 100 hectares per district providing 40% to
- ix) 50% of capital and input costs (balance as bank credit).

2.23 The amount allocated state-wise is given below:

| State | Districts Covered | Budgetary Support | Loan Component |
|----------------|-------------------|-------------------|----------------|
| Andhra Pradesh | 16 | 263.63 | 96.63 |
| Maharashtra | 6 | 98.86 | 36.23 |
| Karnataka | 6 | 98.86 | 36.23 |
| Kerala | 3 | 49.43 | 18.12 |
| Total | 31 | 510.79 | 187.21 |

The allocation for each State has been worked out in proportion to the number of districts covered in the Special Package. The funds are released on receipt of specific proposals from the concerned States.

2.24 During oral evidence the representatives of the Department submitted the following regarding allocation of funds to the Package:-

“The requirement for the current year is Rs. 169.70 crore. However, the Department could only get Rs. 30 crore in the first batch of Supplementary Grants for implementing the package. As a result, funds had to be diverted from other schemes for this package. Also the funds under this package are released on receipt of specific proposals from the concerned States. In a meeting taken by me in December 2006, representatives of the concerned States indicated that they would be able to utilize only 50 per cent of the earmarked funds in the current year due to time involved in identification of beneficiaries and inadequate availability of milch animals. The Department could release only Rs. 71 crore till December 2006”.

2.25 Summary of the physical and financial targets of the special package is as under:-

Special Package for Suicide Prone Districts – Component-wise Financial Implication

| Component | Physical Target | Total Financial Implication | |
|------------------------------------|--|-----------------------------|-------------------|
| | | Loan | Budgetary Support |
| Cattle induction | 1000 animals per district per year | 139.50 crore | Rs. 139.50 crore |
| Calf rearing | 500 female calves per district per year | | Rs. 33.96 crore |
| Breeding Services | | | |
| <i>AI coverage</i> | 21.9 lakh animals | | Rs. 98.55 crore |
| <i>Estrus synchronization</i> | 19.40 lakh animals | | Rs. 97.00 crore |
| Health care | 31,000 animals per year over three years | | Rs. 2.79 crore |
| Component | Physical Target | Total Financial Implication | |
| | | Loan | Budgetary Support |
| Milk chilling units | 50 units | | Rs. 12.00 crore |
| Feed & Fodder Supply (50% subsidy) | 31,000 blocks per day | | Rs. 86.40 crore |
| Fodder Block making units | 20 units | Rs. 8.50 crore | Rs. 8.50 crore |
| Fisheries | 100 ha in each district | Rs.39.21 crore | Rs. 32.09 |
| Total | Rs.187.21 crore | Rs. 510.79 crore | |

As implementation of the package has just commenced, its delivery to intended beneficiaries will be reviewed in the next financial year.

Unorganised Sector in Livestock

2.26 As per the Central Statistical Organisation, during the year 2005-06, the livestock sector produce 97 million tonnes of milk, 46.2 billion eggs, 44.9 million kilograms of wool and around 2.31 million tonnes of meat from the organized sector.

2.27 The Committee desired to know if any data has been compiled for the unorganised sector in livestock and policy of the Government regarding making use of the unorganised sector in livestock development. The Department has furnished the following in this regard:-

“Except for dairy and poultry, livestock sector is largely unorganised in this country. It remains endeavour of various schemes being implemented by the Government that unorganised livestock rearing should be transformed into an organized activity so as to benefit from latest technology and management practices.”.

Export of Livestock products

2.28 As one of the leading countries of the world in terms of cattle, buffalo and poultry population, India has tremendous potential in the areas of export of livestock products. When the Committee desired to know the export revenue generated by the livestock sector during the Tenth Plan Period and the Targets fixed for the Plan period, details of scheme design to promote export of livestock products and the position of India among the countries engaged in export of livestock products, the Department stated as under:-

“As per the Eleventh Plan Working Group Report submitted recently, the revenue generated from export of livestock products during the year 2001-2005 works out to about Rs. 2252.34 crore. These products

include buffalo meat, sheep/goat meat, poultry and dairy products, animal casings and processed meat. No targets have been set for export of livestock products.

This Department does not have any scheme to promote export of livestock products. The assessment of demand for export of Indian livestock products is done by Agricultural and Processed Food products Export Development Authority (APEDA). They have informed that a target of Rs.13, 597 crore was fixed for export of livestock products during X plan period. The achievement is Rs.11, 998 crore up to October 2006 which is 88.24% of the total target

India is not a major player in the international trade of livestock products. India's share in the world trade of dairy products is 0.25 % and in case of meat and poultry it is 0.5 %.However India's export of livestock products has increased over the last five years (in terms of value) from Rs.1500 crore in 200-01 to around Rs.2253 crore in 2004-05. Buffalo meat constitutes the major export item with a value of Rs 1615 crore in 2004-05. Export value of milk products have increased from Rs.95 crore in 2000-01 to Rs 390 crore in 2004-05. Export value for sheep/ goat meat was Rs 79.36 crore and was Rs 154 crore in case of poultry products during 2004-05.

- 2.29 The Committee pointed out the quality of processed products, like meat, as one of the bottlenecks in the export of livestock products from India. The details of interaction between the Department of Animal Husbandry and the Ministry of Food Processing Industries in implementing schemes to facilitate the export of

livestock products was also sought by the Committee. In this regard, the Department replied as follows:-

“The Food Processing Ministry is fairly new, but whatever planning they are doing, they are in touch with us and they take our reactions. We also attend their meetings. But the issue is very important that we have to realize the true potential of the export that we have of not only just meat, but also in milk and other dairy products, poultry and eggs. The major issue that is going to come in the way is the number of diseases that we have in the country, and the other is the food safety, like the minimum residue limits, the antibiotic residues and all that. We have addressed quite a few of them. We have minimum residue limits of a few toxic elements and antibiotics. As far as livestock is concerned, the main input is from this Department. Once the input in the form of raw-material is there, then only the processing will happen. We will provide that linkage; we will provide the raw-material and then they will carry out the processing. To promote exports further, one of the major impediments is the Foot and Mouth disease because of which we are unable to export or fully tap our potential. We have a small scheme which we ran in the Tenth Plan, and for the Eleventh Plan, the Working Group has suggested a much elaborate plan. The international community believes that if that one particular disease is controlled with vaccines for which we have all the infrastructure, we can hugely increase our export potential. It is only the financial resources that will be required. Similarly, the reduction in the usage of antibiotics in respect of animals is something that we are working upon. Then, there is a monitoring mechanism also. The BIS and PFA

standards are there for that. There is a scope for increasing that potential.”

New Schemes during Eleventh Plan

2.30 The Department of Animal Husbandry Dairying and Fisheries plans to implement 32 schemes during the Eleventh Plan period (2007-2012) – one relates to Secretariat and Economic Services, 21 relate to Animal Husbandry, 4 to Dairy Development and 6 to Fisheries sector. Out of these, 10 are new schemes for which only a token allocation of Rs. 1 lakh has been made for the year 2007-08. Some of the Schemes are discussed below:-

(a) **Establishment/Modernisation of rural slaughter houses, including mobile slaughter plants.**

2.31 The target of 10% increase in meat availability during the Eleventh Plan requires that slaughter houses are established in rural areas and those already existing are suitably modernized by provision of effluent treatment facilities and rendering plant. It is proposed that under this Centrally Sponsored Scheme, these slaughter houses will be established in public-private partnership. Their day-to-day operations will be in private hands. In order to ensure safe delivery of dressed carcasses to the meat shops in cities, the slaughter houses will have refrigerated trucks to link them to meat shops. For the implementation of the Scheme, the Department anticipates an investment of Rs.1250 crore, 80% of which i.e. Rs.1000 crore will need to come from the Government.

2.32 The Committee wanted to know the extent of private participation in their management and measures adopted to ensure quality standards, to which the Department furnished the following reply:-

“The objective of the proposed scheme is to promote meat production and its delivery to the consumer under hygienic conditions. It will encourage value addition and prevent wastage of by-products leading to enhanced economic gains to livestock farmers. The rural slaughter houses will also ensure that the meat animals are slaughtered in the area of their production rather than being transported live to urban areas with all its attendant problems. The private operator may need to bring in 20% to 25% of the project cost, including cost of land. However, further details in this regard are yet to be worked out.

The proposed rural slaughter houses will serve the domestic market and are not intended to be export-oriented. These will be required to meet the BIS norms for hygienic meat production. A suitable protocol to ensure continued adherence of these slaughter houses to the BIS norms will be chalked out through State/Central monitoring mechanism”.

(b) **Rural Backyard Poultry Development Scheme**

- 2.33 This scheme, originally proposed under the ‘National Project for improvement of Poultry and Small Animals’ during 2005-06, is aimed at improvement of employment and income generation of poor rural families, particularly women who are outside the commercial poultry sector. The major objectives of the proposed scheme are to support small farmers and landless labour families in improvement of income, employment, nutritional status, fostering community development and gender empowerment.

Major financial & physical parameters proposed under the Scheme during the Eleventh Plan:-

| S.No. | Parameter | Quantity/ Value |
|-------|--|-----------------|
| 1. | Number of beneficiary families to be assisted over three years | 180,000 |
| 2. | Number of Mother units to be set up over three years | 600 |
| 3. | Financial implication over 5 years | Rs. 127.63 cr. |

- 2.34 Asked about the details of the proposal in the scheme to give priority to the women who are outside the commercial poultry sector and how the objective to support small farmers and landless labour families was planned to be achieved, the Department furnished the following :-

“It has been observed from experience that the rural backyard poultry is an activity, which is mostly looked after by woman of a household. Hence, it is inherent in the scheme that women are its natural targets and beneficiaries. The scheme provides for rearing of only low-

input technology birds. As a result, this scheme will be of no interest and benefit to the commercial sector.

Around 1, 80,000 beneficiary families are proposed to be assisted under the scheme. These beneficiary families will be assisted to kick-start their backyard poultry activity by providing them support in terms of chicks, feed and minimal medicine/ vaccines for a few batches with tapering assistance. Chicks suitable for backyard rearing are the main input to the beneficiaries and is crucial to the success of the scheme. These are proposed to be provided after rearing for about 6 weeks as it has been seen that mortality is highest during this stage. The Mother Units, to be run mostly by NGOs, will do this rearing activity. In addition to subsidy towards total cost of a shed/other non-recurring assets, the mother units will also be provided interest-free loans for carrying out their operations. Training is another important component of the scheme. Both the trainers and the beneficiaries are proposed to be trained in backyard poultry rearing. Suitable training modules, tailor-made for region to region as per felt need, will be devised so that the beneficiaries make a success of the scheme. All these measures have been formulated, particularly keeping in view the small and landless farmers.”

(c) Establishment of Poultry Estates

- 2.35 There are several States which do not have adequate egg or broiler production to meet their demand and depend for the same on inputs from other States. Some such States are Bihar, Jharkhand, Chhatisgarh, Madhya Pradesh, Uttaranchal and North Eastern States. These poultry estates will follow cluster approach for facilitating backward and forward linkages.

2.36 Each poultry estate may require an investment of Rs.50.00 crore. As per the Departments estimates, establishment of 20 poultry estates in the 11th plan will require an outlay of Rs.1000.00 crore.

“It is envisaged that a poultry estate will promote its products through an education campaign in mass media highlighting merits of its wholesome and hygienic projects. Such a promotion will not only attract wholesale dealers of poultry products but also the input suppliers, thereby providing gains of economies of scale to the poultry farmers participating in a poultry estate.

The poultry products from the poultry estate will be made available to retail outlets at the nearby consumption centres at competitive rates. The distribution of products could also be part of an integrated operation where chicks and other inputs are supplied by an integrator and the products are collected after fixed period of time against payment of growing charges to the poultry farmers. The Department is also formulating a scheme of setting up retail poultry dressing units. These poultry estates would act as dedicated supplier to these retail poultry outlets.”

(d) Salvaging and Rearing of Male Buffalo Calves

2.37 As per an estimate, about 8 million buffalo male calves are intentionally killed (to save milk for feeding calves) by starvation and neglect by the farmers/dairies each year. This practice results in loss of valuable genetic material for up-gradation of livestock. Salvaging of male buffalo calves particularly from the big cities and rearing in villages will not only lead to retaining genetic material but would also boost buffalo veal export. It is proposed to set up a venture capital fund with a

corpus of Rs.500 crore in the Eleventh Plan in the catchment areas of the export-oriented slaughter houses where individual farmers will be encouraged to rear male buffalo calves and not allow them to die. These export-oriented slaughter houses will provide an assured buy-back arrangement. They will buy these animals at the end of nine months or twelve months, rear them for three months in their own farms for fattening purposes and then export the meat. Normally, up to 12 months, it is called veal, but even up to 24 months, it is accepted as veal. Against a rate of about US \$ 700 to 800 per tonne for buffalo meat, the veal meat goes in export market at about US \$ 2000 per tonne..”

- 2.38 The Committee wanted to know the rationale for setting up a venture capital fund for implementation of the scheme and the expected impetus to forex earnings from the scheme. The Department furnished the following reply in this regard:-

“Salvaging and rearing of male buffalo calves for meat purposes in an organized manner and on a commercial scale has not been tried any time in the past. It has vast potential for development of meat, by-products and leather industry. Implementation of the scheme will generate lot of employment in rural areas and also earn valuable foreign exchange for the country. However, what adverse reaction such an activity may attract from the ‘ahimsa’, anti-slaughter, welfare of animals, groups promoting vegetarianism and general public in the area of implementation of the scheme is unclear at this stage. Therefore, private entrepreneurs may not come forward to make substantial investments in salvaging and rearing of male buffalo calves. Accordingly, in order to mainstream the initiative, it is necessary to start the same in a venture capital mode.

It is proposed to cover a total of three million calves during the 11th Plan period. This will yield 4.13 lakh tones of additional premium meat and 10 million sq. mts. of additional hides. The value of foreign exchange earning from the meat alone will be US \$ 826 million i.e. Rs.3800 crore. Forex earnings will also come through export of leather products from additional hides becoming available”.

(e) Utilisation of Fallen Animals

2.39 It is estimated that out of 283 million bovines and 186 million ovines, 23 million bovines, 17 million ovines and 3 lakh other animals die their natural death every year in the country. The present method of their disposal is very rudimentary. These animals present an important source which can be gainfully utilized by salvaging hides, skins and leather, production of meat-cum-bone meal, production of gelatine and tallow, use of horns, hoofs and hair for manufacture of buttons, brush, etc.

The total investment involved for implementing the above proposal during the 11th Five Year Plan would be as follows:-

| S.No. | Particulars | Number | Amount (Rs. crore) |
|-------|-----------------------------|--------|--------------------|
| (i) | Carcass Utilisation Centres | 50 | 500 |
| (ii) | Bone Crushing Plants | 20 | 100 |
| (iii) | Hide Flaying Units | 5000 | 400 |
| | Total | | 1000 |

2.40 When the Committee desired to know the proposed State-wise establishment of the Carcass Utilisation Centres, Bone Crushing Plants and Hide Flaying units under the Scheme requiring a proposed sum of Rs.1000 crore during the Eleventh Plan, the Department replied as under:-

“The proposed scheme ‘Utilization of Fallen Animals’ aims at recovering economic value from dead animals. The Central Leather Research Instituted has estimated an annual loss of Rs.985 crore due to non-recovery/partial recovery of hides/skins and other by products. A survey carried out by the said Institute has identified 30 potential districts, out of 100 surveyed by it, in Bihar, Haryana, Punjab, Orissa, Uttar Pradesh and West Bengal for establishment of carcass utilization centres. It has been estimated that based on a model of 8-10 animals per day to be collected within a radius of 20-30 kms, there is a scope to establish 440 carcass utilization centres in the identified districts. There is further scope for establishment of 400 units in other districts of the above mentioned States and about 600 units in the adjoining States, making a total of 1440 units. The location of these units will depend on animal density matrix, mortality of animals, motorable roads, availability of flayers and socio-cultural factors. The scheme is still at a conceptual stage. The NABCONS has been engaged as a consultant to formulate an approach paper, which is expected to be ready by 30th March, 2007”.

CHAPTER III

DAIRY DEVELOPMENT

- 3.1 The Indian Dairy Industry acquired substantial growth momentum from 9th Plan onwards, achieving an annual output of about 90.70 million tonnes of milk during 2004-05. India's milk output during the year 2005-2006 reached the level of 97.1 million tonnes (provisional) and is estimated to reach 100 million tones in 2006-07.. Dairying has become an important secondary source of income for millions of rural families and has assumed the most important role in providing employment and income generating opportunities. The per capita availability of the milk is expected to reach 245 grams per day in the year 2006-07, but it is still low compared to the world average of 265 grams per day. Most of the milk in India is produced by small, marginal farmers and landless labourers who are grouped into cooperatives at the village level. To provide them a steady market and a remunerative price for the milk produced, about 12 million farmers have been brought under the ambit of more than one lakh village level cooperative societies in the country as part of Operation Flood Programme.
- 3.2 The efforts of the Department in the dairy sector are concentrated on promotion of dairy activities in non-operation flood areas with emphasis on building up cooperative infrastructure, revitalisation of sick dairy cooperative federations and creation of infrastructure in the States for production of quality milk and milk products.

3.3 The Dairy Development Sector consists of the following major schemes.

A. Centrally Sponsored Schemes

- (i) Intensive Dairy Development Programme (IDDP).
- (ii) Strengthening Infrastructure for quality and clean milk production

B. Central Sector Schemes

- (i) Assistance to Cooperatives.
- (ii) Dairy/Poultry Venture Capital Fund.
- (i) Delhi Milk Scheme (DMS).

3.4 According to National Sample Survey Organization's latest survey (July 2004-June 2005 NSS 61st round), the estimate of employment in animal husbandry sector was 11.44 million in principal status and 11.01 million in subsidiary status, which is 5.50% of the total working population of the country. As per Livestock Census 2003, as many as 185.20 million cattle including 64.50 million adult female and 79.90 million buffaloes including 59 adult females are responsible for making India first in milk production.

3.5 The outlay and expenditure for the entire sector is as under:-

Total 10th Plan Outlay = Rs. 361 crore

(Rs. in crore)

| | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 |
|------|---------|---------|---------|---------|--------------------------|---------|
| BE | 37.02 | 29.90 | 51.62 | 92.00 | 79.00 | 88.50 |
| RE | 31.02 | 19.97 | 74.12 | 91.58 | 73.00 | |
| Exp. | 34.99 | 19.61 | 63.66 | 91.57 | 59.49 (till Feb. '07) | |

Total expenditure till Feb. 2007 = Rs. 269.32

(74.60 % of the total outlay)

The Committee noted that out of the total outlay of Rs.361 crore during the Tenth Plan period (2002-2007) the expenditure in Dairy Development has been Rs.269.33 crore (74.61%). Considerable shortfall has happened during

2006-07, where in spite of a reduction of BE of Rs.79 crore to Rs.73 crore at the RE stage, only Rs.59.49 crore was utilized (81.5%) and wanted to know the reasons for shortfall in utilizing the funds allocated during the Tenth Plan Period. The Department was also asked to explain the steps taken to fully utilise the budgetary resource of Rs.88.50 crore for the year 2007-08. The following reply was furnished in this regard:-

“Out of total outlay of Rs 360.00 crore during the Tenth Plan period, the actual expenditure with respect to dairy development scheme works out to be Rs 264.21 crore (73.40%). The major shortfall in the expenditure is reported under the Intensive Dairy Development Programme and Assistance to Cooperatives schemes.

Effective steps /measures will be taken by this Department to fully utilize the budget provision of Rs 88.50 crore provided for the year 2007-08 under four dairy Development schemes. In fact a number of proposals of IDDP, Clean Milk Production and Venture Capital schemes are pending for want of budget. Unfortunately, proposal of this Department for Rs.136 crore during 2007-08 has been reduced to Rs. 87.50 crore by the Planning Commission and this would hamper dairy development considerably as only limited proposals of the states would be covered.”

- 3.6 Through a supplementary query, the Committee wanted to know if the paucity of funds has been brought to the knowledge of the Planning Commission, efforts made to convince and reasons still cited by the Commission in effecting the cut in allocation to Dairy Development. The Department furnished the following reply in this regard:-

“An amount of Rs.136 crore was sought for dairy development schemes initially, out of which Rs.75 crore were proposed for “Dairy/Poultry Venture Capital Fund and Rs.35 crore for IDDP. But only Rs.45 crore and Rs.23 crore have been allocated respectively in order to meet the demands of other schemes within total allocation of Rs.910 crore for this Department. However, Dairy/Poultry Venture Capital Fund being implemented by National Bank for Agriculture & Rural Development (NABARD) has been very popular since its launch in 2005-06 and NABARD could not release funds for appraised projects worth Rs.14 crore during 2006-07 for want of funds. If this release is made in April, 2007, the Department may not be in a position to fully meet the future demands in the new fiscal year. Hence the original demand of the Department for this scheme may be supported. The Planning Commission was apprised of the need for higher financial allocations. This, however, did not receive a positive response.

Similarly under the scheme ‘Intensive Dairy Development Programme’, the budget allocation has been only Rs.23.00 crore against the demand of Rs.35.00 crore. This may also be restored, because, at RE stage during the current financial year as against a BE provision of Rs.23.00 crore, an enhanced provision of Rs.33.62 crore was provided to meet the demand of funds from States and the same has been spent.

As regards Strengthening of Infrastructure for Quality and Clean Milk Production scheme, it may be mentioned that as against the proposed Rs.20 crore, only Rs.16 crore has been provided for 2007-08. However, it may be reviewed in the backdrop of the fact that Rs.24.65 was released under this scheme during 2006-07.”

Assistance to Cooperatives

- 3.7 The central sector scheme “Assistance to Cooperatives”, started during 1999-2000, aims at revitalizing the sick dairy cooperative unions at the district level and cooperative federations at the State level. The rehabilitation Plan is prepared by NDDDB in consultation with the concerned State Dairy Federation/District Milk Union. Each rehabilitation plan is to be implemented within a period of 7 years from the date of its approval.
- 3.8 The Department has approved 31 rehabilitation proposals of milk unions so far in Madhya Pradesh, Chattisgarh, Karnataka, Uttar Pradesh, Kerala, Maharashtra, Assam, Nagaland, Punjab, West Bengal, Haryana and Tamil Nadu. The scheme is being implemented on 50:50 sharing basis between Government of India and the concerned State Governments.
- 3.9 The Committee noted that out of a total plan outlay of Rs.150 crore during the Ninth Plan period, only a meagre sum of Rs.35 crore was spent. This sad situation continued during the Tenth Plan period with a poor spending of Rs.38.69 crore (30%) till March 18, 2007 out of an outlay of Rs.130 crore. The Committee desired to know the reasons for huge under-utilisation of funds in two consecutive Five Year Plans. The Department was also sought to provide the State-wise break up of Milk Unions approved for rehabilitation under the Scheme. The Department replied as under:-

“The reasons for huge under utilization of funds in the two consecutive Five Year Plans have been stated as under:

- (i) The Scheme is purely demand driven.
- (ii) It has not been possible to assist as many cooperatives as envisaged earlier because of non-availability of viable proposals.

- (iii) Inability/delay on the part of State Governments to release 50 % of their matching share.

State wise break up of Milk Unions where rehabilitation projects are approved under the scheme - 'Assistance to Cooperatives' is as under:

| S.No | Name of State | Name of Milk Unions | Number of projects |
|------|----------------|---|--------------------|
| 1 | Madhya Pradesh | Gwalior, Ujjain, Jabalpur & Indore | 4 |
| 2 | Chhatishgarh | Raipur | 1 |
| 3 | Karnataka | Dharwad, Tumkur, Bizapur & Gulbarga | 4 |
| 4 | U.P | Allahabad, Moradabad, Mathura, Varanasi, Aligarh & Fatehpur | 6 |
| 5 | Haryana | Hissar-Jind & Karnal-Kurukshetra | 2 |
| 6 | Kerala | Eranakulam | 1 |
| 7 | Maharashtra | Pune, Wardha, Latur& Beed | 4 |
| 8 | West Bengal | Himul | 1 |
| 9 | Assam | West Assam | 1 |
| 10 | Nagaland | Kohima | 1 |
| 11 | Punjab | Hoshiarpur, Amritsar & Jalandhar | 3 |
| 12 | Tamil Nadu | Villupuram, Erode & Dharmapuri | 3 |

The scheme is implemented through National Dairy Development Board and project report for rehabilitation plan is prepared by them following the guidelines of the scheme in consultation with concerned milk union/State Cooperative Federations and the State Government.

Statement indicating BE, RE and expenditure under the scheme Assistance to cooperatives during the year 2005-06 to 2007-08 is given as under:

| (Rs. in crore) | | | | |
|-----------------------------|------------|---------|---------|---------|
| Major head | Particular | 2005-06 | 2006-07 | 2007-08 |
| 2404* | BE | 9.00 | 4.50 | 3.05 |
| 2552# | BE | 1.00 | 0.50 | 0.45 |
| Total | BE | 10.00 | 5.00 | 3.50 |
| 2404 | RE | 4.00 | 4.50 | - |
| 2552 | RE | 0.80 | 0.50 | - |
| Total | RE | 4.80 | 5.00 | - |
| Expenditure as on 18.3.2007 | | | | - |
| 2404 | | 5.46 | 4.05 | - |
| 2552 | | - | - | - |
| Total | | 5.46 | 4.05 | - |

* Grant-in-aid to NDDDB for Assistance to Cooperation

Grant-in-aid to NDDDB for Assistance to Cooperation (for North Eastern areas)

The scheme Assistance to Cooperatives is purely demand driven and release of funds under the scheme depends upon several factors like rehabilitation plan received from the implementing agency, receipt of matching share of the concerned State Government, following of the conditionalities laid down under the guideline of the scheme by the respective State Government, submission of utilization certificates in case of schemes where assistance has been provided earlier, approval of the scheme by the Expenditure Finance Committee (EFC)/Standing Finance committee (SFC), etc. The funds are released to various State Dairy Federations/Milk Unions through NDDDB only after ensuring that the above mentioned conditions are followed by respective State Government/State Dairy Federations/Milk Unions”.

- 3.10 The Committee, by a supplementary query wanted to know if the demand under the scheme cannot be forecast and if any study has been done regarding the feasibility of changing the funding pattern of the scheme to 75:25 from the current 50:50. The Department replied as under:

“The scheme Assistance to Cooperatives is purely demand driven. There is no mechanism by which the demand under the scheme can be forecasted. However with the experience of the Department on the expenditure incurred during the previous Five Year Plan, an idea can be got about the likely expenditure during the next Five Year Plan.

The Department had entrusted the evaluation study of the scheme to National Institute of Agricultural Extension Management (MANAGE), Hyderabad, an autonomous organization under the Department of Agriculture & Cooperation. MANAGE has recently submitted its draft report which is being examined by the department before the same is accepted. While no specific study on the feasibility of changing the funding pattern to 75:25 has been undertaken, any decision in this regard would be taken at the time of approving the evaluation report.”

Delhi Milk Scheme

- 3.11 MS was set up in 1959 with the primary objective of supplying wholesome milk to citizens of Delhi at reasonable prices, as well as for providing remunerative prices to milk producers. Manufacture and sale of milk products like Ghee, Table Butter, Yoghurt, Paneer, Chhachh and Flavoured milk is also undertaken as an allied activity. The initial installed capacity of Delhi Milk Scheme was for processing/packaging of 2.55 lakh litres of milk per day which has been expanded

to the level of 5.00 lakh litres. The present sale of milk by DMS is around 2.49 lakh per day.

- 3.12 The Committee desired to know the physical targets fixed and achievements made from 2005-06 onwards in the marketing of milk and milk products by DMS, the market share of DMS, the details of its proposed corporatisation and modernization/upgradation of the DMS plant. In their reply the Department submitted as under:-

“The physical targets are fixed for major component of the scheme. Accordingly, the physical targets fixed and achievements made from 2005-06 onwards in the procurement and marketing of milk and milk products like Ghee & Butter are as follows:

| Sl.No. | Major Component of the Scheme | 2005-06 | | 2006-07 | |
|--------|------------------------------------|-----------------|-----------------|-----------------|----------------------------|
| | | Target | Achievement | Target | Achievement (upto Feb.,07) |
| 1. | Procurement of Milk (In Lakh Kgs). | 1106.00 | 1029.33 | 1145.00 | 565.31 |
| 2. | Sale of Milk (In Lakh Ltr) | 1460.00 | 1276.39 | 1460.00 | 997.17 |
| 3. | <u>Production/Sale of</u> | | | | |
| | (i) Ghee In M.T.) (ii) Butter | 828.00 50.00 | 658.89 38.84 | 709.00 66.26 | 340.45 33.47 |

The target fixed could not be achieved due to non-availability of milk because of drought/flood in the States of Rajasthan and Gujarat during 2006-07. The current market share of DMS in Delhi is 7 to 8%.

Cabinet in its meeting held on 1st February, 2007 has granted in principle approval for corporatization of DMS. As per Cabinet approval the modalities like feasibility report, Memorandum of Understanding (MOU) and Articles of Association should be completed within 12 months

because Cabinet is to be approached again for formal approval for corporatization of DMS. Accordingly, action is being taken to appoint an agency to prepare feasibility report by way of inviting open tender.

With regard to modernization and upgradation of DMS Plant, it is stated that in order to improve the efficiency and cut down the costs, the following major modification/upgradation have been made in the DMS Plant.

- (i) Installation of 2 Nos. of 20 KLPH pasteurizers replacing the old & obsolete pasteurizers.
- (ii) Installation of 9 numbers of mechanical type Polypack Machines for enhancing the packing capacity.
- (iii) Installation of 2 Nos. of 20 KLPH Milk Separators/Clarifiers.
- (iv) Installation and commissioning of HT Panels for uninterrupted power supply to plant and machinery.
- (v) Installation of CIP System (Cleaning-in Place) for horizontal milk storage tank with plate heat exchangers.
- (vi) Installation of 2 Nos. of mechanical Crate Washers and Crate Conveying Systems”.

3.13 During the evidence, the representatives of the Department submitted the following explanation for the underperformance of the DMS in the production of milk and other milk products:-

“There is no lack of capacity in DMS; it is very frankly lack of finances. If the DMS had been able to get more finances, it would have been able to procure more. Having said that, it is also true in Delhi that the share of Mother Dairy and private dairies is pretty much higher. I believe, about 45 lakh litres is sold every day in Delhi, out of which, 22

odd lakh litres is sold by Mother Dairy and 2.5 lakh litres by the DMS, and the rest of it is sold by the private dairies. We have augmented the present capacity of DMS to 5 lakh litres.”

Intensive Dairy Development Programme

3.14 The scheme ‘Integrated Dairy Development Project (IDDP) in Non-Operation Flood, Hilly and Backward Areas’ was launched in 1993-94 on 100% grant-in-aid basis. The main objectives of the scheme are as under :

- Development of milch cattle
- Increase the milk production by providing technical input services
- Procurement, processing and marketing of milk in a cost effective manner
- Ensure remunerative prices to the milk producers
- Generate additional employment opportunities
- Improve social, nutritional and economic status of residents of comparatively more disadvantaged areas.

3.15 The scheme was modified during March, 2005. The modified scheme has been named as ‘Intensive Dairy Development Programme’ (IDDP) and is being implemented in the districts, which received less than Rs.50.00 lakh for dairy development activities during Operation Flood programme.

The funds under the revised scheme are released directly to the Implementing agencies (State Milk federations/ Unions) and the projects are implemented by the State Milk federations/ Unions in view of their expertise and professionalism.

3.16 The Committee noted that during Tenth Plan period, out of the total outlay of Rs.175 crore, the Department has been able to put to use only Rs.120.58 crore (68.90%) and desired to know if there was any particular area/component of the scheme that has caused under-utilisation of funds. In their reply, the Department informed as under:

“Delayed release of funds by State Government to the implementing agencies is responsible for under-utilization of funds in this scheme. There is a component viz. ‘milk processing & marketing’ in this scheme that has a sub-component for establishment/ expansion/ strengthening of milk chilling centres and dairy plants in terms of civil construction and purchase of dairy equipment. This requires considerable time in the process of project implementation”.

CHAPTER IV

FISHERIES SECTOR

- 4.1 The Geographic base of Indian marine fisheries has 8118 km. Coastline, 2.02 million sq.km. of Exclusive Economic Zone (EEZ) including 0.5 million sq.km. of continental shelf and 3937 fishing villages. India also has 73.59 lakh hectare of inland water bodies. The fisheries sector in India provides employment to over 14.00 million people engaged fully, partially or in subsidiary activities pertaining to the sector, with an equally impressive segment of the population engaged in ancillary activities associated with fisheries and aquaculture. Potential of fish production from marine and inland resources has been estimated at 3.9 million tonnes and 4.5 million tonnes respectively. At present, total fish production is about 6.57 million tonnes comprising of 3.75 million tonnes from Inland and 2.82 from Marine fisheries which makes India the third largest producer of fish and second largest producer of fresh water fish in the world. Having almost reached a plateau in production from the coastal waters, the scope for increasing fish production from marine sources now lies in the deep sea. In the inland sector, however, there is considerable scope for increasing production and productivity by sustainable exploitation of the resources. The potential for fishery development in East and North Eastern States is immense and fish is an important constituent of diet of majority populace of the States in this region. Development of fisheries can go a long way to tackle the problem of food as well as unemployment in the regions that are predominately rural and possess adequate water bodies.

4.2 Total outlay for Fishery Sector during the Tenth Plan - Rs. 740 crore.

(Rs.in crore)

| | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 |
|--------------------|---------|---------|---------|---------|---------|---------|
| BE | 102.00 | 95.00 | 160.00 | 174.34 | 277.00 | 205.68 |
| RE | 82.00 | 70.24 | 148.97 | 166.11 | 174.02 | |
| Actual Expenditure | 75.98 | 68.72 | 150.50 | 167.79 | 142.10 | |

It was observed that during the year 2006-07 the budgetary allocation of Rs.277.00 crore was reduced to Rs.174.02 crore at the RE stage. The Committee sought the reasons that caused such drastic reductions of funds at the RE stage and the subsequent under-utilisation of funds during 2006-07. The Department replied as under:-

“Out of Rs 277.00 crore 2006-07 (BE) for the fisheries sector, Rs 151.00 crore was earmarked for the activities of the National Fisheries Development Board and remaining Rs 126.00 crore for various schemes and Fisheries Institutes. This year a package for suicide prone districts has come up and the requirement of funds has to be met within the overall allocation of funds to the Department in 2006-07. In view of this, allocation was reduced to Rs 174.02 crore at RE stage for the current financial year. This comprised Rs. 30 crore for NFDB and Rs. 144.02 crore for the other fisheries schemes. Against the RE, the expenditure during the current financial year for the fisheries sector is expected to be around Rs 168.00 crore.

The allocation of Rs. 151.00 crore for National Fisheries Development Board (NFDB) was made for the whole year. It was inaugurated in September 2006. The Board has to formulate detailed guidelines and release funds on receipt of proposals from the State Governments and other stakeholders on need basis, a

time consuming exercise. Thus, out of Rs. 151.00 crore-fund earmarked for the Board, Rs. 121.00 crore has been utilized for suicide prone districts package and other schemes in the fisheries sector. Actual expenditure for the fisheries schemes and fisheries institutes is expected to be Rs. 138.0 crore against Rs. 126.00 crore (BE) and Rs. 30.00 crore for the activities of the Board in 2006-07.”

- 4.3 When the Committee wanted to know the reasons for not announcing any new scheme in the Fisheries Sector for the Eleventh Plan period, the Department replied as under:-

“As per the advice of the Planning Commission, the Department’s endeavour should be to reduce the number of schemes by following an integrated approach, consisting of weeding out, convergence and transfer. Thus, new components under the existing schemes are formulated as per the needs projected by the States.

The interaction with the State Governments and other stakeholders are held periodically. The Conference of State Ministers of Fisheries was held on 24th February 2007 in Delhi. During the periodic dialogue, issues concerning implementation of the existing schemes and programmes as well as introduction of new schemes are deliberated in detail. Further Working Group on Fisheries set up by the Planning Commission for the XI Plan brought out various issues concerning the fisheries sector. In view of the report of Working Group, additional components such as propagation of CCRF, etc. would be included under the ambit of umbrella programme for development of fisheries. Most of the activities having commercial angle such as solar fish drying, seaweed culture, sea ranching, trout culture, fish dressing centres, ornamental fish culture, etc. have been

put under the activities to be taken up by the National Fisheries Development Board (NFDB).”

Tsunami Relief Package

- 4.4 A special package viz. ‘Rajiv Gandhi Rehabilitation Package’ was put in place encompassing various Tsunami affected areas and envisaging immediate rehabilitation and restoration of fishing activities and means of livelihood to fishermen.
- 4.5 The Committee desired to have the detailed break-up of how the allocation was spent – component and State/UT wise and the status of implementation of long term measures approved by the core group under the Tsunami Rehabilitation Programme. The Department furnished the following reply in this regard:-

“Under the Rajiv Gandhi Rehabilitation Package announced by the government for the Tsunami affected areas, total package of Rs. 2822.17 crore was announced for all sectors in Andhra Pradesh, Kerala, Tamil Nadu and Pondicherry. Out of this, Rs. 568.81 crore subsidy was meant for fisheries sector especially to repair and replace the craft and gear and repair of fishing harbours/ fish landing centres. The Tsunami Rehabilitation Programme (TRP) covering all the sectors and period up to March 2009 amounts to Rs. 9870.25 crore for all the Tsunami affected States/UTs including A&N Islands of which Rs. 1046.57 crore relates to fisheries sector. The overall package has been revised by the Planning Commission in February 2007 to Rs. 9822.09 crore of which Rs. 797.20 crore is meant for fisheries and livelihood. The allocation to fisheries sector in the original package, revised package and expenditure till December 2006 is given below:

A sum of Rs.1046.57 crore was initially approved and subsequently after re-engineering of the package, the package has been reduced to Rs. 797.20 crore for rehabilitation and restructure of the fishery sector under the Tsunami Rehabilitation Package (TRP). The detailed break-up of State-wise allocation and expenditure incurred till December 2006 are as below:-

| (Rs. in crore) | | | | |
|----------------|----------------|------------------|-----------------|---------------------------------|
| S.No. | State | Original Package | Revised Package | Expenditure till December, 2006 |
| 1 | Tamil Nadu | 607.02 | 251.01 | 156.72 |
| 2 | Kerala | 162.82 | 162.82 | 22.30 |
| 3 | Andhra Pradesh | 52.66 | 27.66 | 31.91 |
| 4 | Pondicherry | 48.02 | 207.30 | 36.36 |
| 5 | A & N Islands | 176.05 | 148.41 | 17.06 |
| | Total | 1046.57 | 797.20 | 262.64 |

(i) Construction of fish landing centres: -

Under the Tsunami Rehabilitation Package (TRP), construction of 21 fish landing centres have been approved and the state-wise details along with the present status is as below:-

| Sl. No. | State | No. of FLCs approved | Total cost of FLCs (Rs. in crore) | Status |
|---------|------------|----------------------|-----------------------------------|--|
| 1 | Tamil Nadu | 10 | 50.00 | Sites have been identified and the consultants are being appointed for formulation of project related documents. |
| 2 | Kerala | 2 | 10.00 | Sites have been identified, necessary investigations and model studies and preparation detailed project reports have been completed. EIA studies are in advance stage of completion. |

| Sl. No. | State | No. of FLCs approved | Total cost of FLCs (Rs. in crore) | Status |
|---------|----------------|----------------------|-----------------------------------|--|
| 3 | Andhra Pradesh | 4 | 15.00 | Site selection and project formulation completed. Environmental clearance in respect of 2 projects has been received and the same in respect of other 2 projects is awaited from MOEF. |
| 4 | Pondicherry | 1 | 5.00 | Site selection is yet to be completed by Govt. of Pondicherry. |
| 5 | A & N Islands | 4 | 20.00 | Site selection, preparation of detailed project reports completed and environmental clearance in respect of all the projects have been received. Technical clearance has been accorded for implementation of the projects. |
| | Total | 21 | 100.00 | |

It is expected that all the 21 fish landing centres would be completed and put to use within the stipulated time frame under the TRP i.e. before March 2009.

(ii) Livelihood support and other activities:-

Concerted efforts have been made by the departments/State Governments concerned to restore the fishery sector by way of repair and replacement of damaged fishing boats, nets and restoration of fishing harbours/fish landing centres and other infrastructures facilities.

The livelihood programme mainly relates to skill upgradation and value addition in processing and marketing. The State Government is taking necessary steps by involving State Fisheries College and other State/National level Institutes. The Government of Kerala allotted Rs. 13.50 lakh to Integrated Fisheries Project (IFP), Cochin for 'Training of

Master Resource Persons' for various vocation like fish drying, fish dressing, sea food kitchen, shell fish processing etc. IFP is also extending technical support for establishment of 20 Sea Food Kitchens along the coastal districts involving total financial implication of Rs. 2 crore.

In Andhra Pradesh, the livelihood support activity is being taken up through formation of Self Help Groups (SHG) of fisherwomen by providing financial assistance through micro credit system. It is estimated that total package will involve Rs. 17.40 crore of which 50% will be subsidy and 50% SHG contribution for the TRP programme. The training part involving cost of Rs. 1 crore is through State Institutes of Fisheries Technology (SIFT) with the help of resources persons of ICAR, NGOs fisheries colleges, etc.

The Govt. of Puducherry has proposed to constitute Fishery Training Institute involving cost of Rs. 7.0 crore to impart training to the fisheries and others in value addition activities, as part of the TRP.

The package of assistance for providing additional nets and other facilities to the fishermen has been taken up as essential for their livelihood. The State Government is processing nets, safety equipments like lanterns, life buoys, life jackets, warning equipments, GPS equipments, heavy duty bicycles for transport, insulated ice boxes, etc. to provide to the Tsunami affected fishers.

The A&N Administration proposes post harvest value addition facilities for of various products including canning of tuna and tuna like fishes. To augment marine exports, infrastructure facilities such as fish landing centres and fishing harbours are also proposed for construction.

Women in Fisheries Sector

4.6 In the fisheries sector, women have a major role in post harvest fisheries such as processing, marketing and other allied activities such as dressing, seaweed farming, oyster culture, etc. Since they are involved in post harvest operations, various programmes implemented to promote fish production both in inland and marine sector are intended to benefit the fisherwomen. Under the scheme, Development of Marine Fisheries, Infrastructure, Post Harvest Operations, Self-Help Groups of fisherwomen are also included as one of the implementing agency for seeking assistance for developing marketing infrastructure such as setting up of retail outlets, icebox and other equipments related to preservation and storage of fish. No data is maintained at present about the fisherwomen benefiting from various schemes. However, data on fisherwomen is collected through the periodic survey/ census conducted by the Department. As per Marine Fisheries Census 2005, 3.65 lakh women in coastal States/UTs were engaged in marketing of fish, making/repairing of nets, curing processing, peeling and other allied activities.

4.7 The Integrated Fisheries Project (IFP) conducts specific programmes to impart training to fisherwomen in the following fields:-

- Skill Upgradation Programmes in rural appropriate technology
 - Value added product development from marine fish species.
 - Procuring of farmed fish and shellfish.
 - Bye product development from damaged fish and fish waste.
 - Hygiene, sanitation and quality control.
- Test marketing and popularisation of the fish and shellfish farmed by 'Kudumbasree units' of fisherwomen, e.g., Mussel Processing.
- Extension of consultancy in setting up of small scale fish based micro enterprises like drying units, dressed units, sea food kitchen, ready to cook and serve products, heat and eat products, etc.

- So far 2210 number of fisherwomen have been trained in hygienic fish handling and preparation of ready to eat and serve products that will enable them to enter into entrepreneurial activities subsequently.
- So far 120 nos. of candidates were provided with apprentice training to vocational higher secondary school students who are mostly girls from fisher community in Fish Processing Technology for a period of one year by providing stipend.

Short-term training to around 175 nos. of +2 vocational Higher Secondary Education students, who are mostly from fisher community for ten days duration is being conducted every year.

Export

4.8 The export of marine products during 2005-2006 set an ever time record of 5,51,282 tonnes of marine products valued at Rs.7,018.68 crore. This has replaced the previous record of 4,67,297 tonnes valued at Rs.6875.88 crore registered in 2002-03. The export registered a growth of 11.8% over the previous year. The export of fish and fish products constitute 1.18% of GDP to Agriculture and allied activities at current price in 2005-06. Keeping in view the immense export potential of marine products from the country, the Committee desired to know the major initiatives in the Tenth Plan specifically aimed at promoting the export of fish and fish products, the percentage contribution of fisheries export to GDP to agriculture and allied activities and the proposals for the Eleventh Plan period. The Department sated as follows in their reply:-

“Shrimp (frozen shrimp) is the single major commodity of our marine exports accounting for 59% of the total export value. This is followed by frozen fish (33.93 %), Cephalopods (cuttle fish, squid, octopus), dried fish and other live / chilled fish. The uncertainty created

over setting up of shrimp farms in coastal areas by the Supreme Court's judgment of 1996 was removed with the enactment of Coastal Aquaculture Authority Bill, 2005 and the setting up of Coastal Aquaculture Authority (CAA) in December 2005 to regulate shrimp farming activities in the coastal areas in a sustainable and eco-friendly manner. Rules under the Act have already been framed and the procedures for shrimp farm registration have been made simple especially for smallholdings of 2 ha. Shrimp farming can now be carried out with due consideration for environment protection thus reducing the conflicts between various user groups. This would also facilitate institutional finance for this sector.

Development of deep-sea fishing through import of resource specific vessels has also assisted in exploiting the unexploited resources like tuna for export purposes. Assistance was also provided under the centrally sponsored scheme on Development of Marine Fisheries for conversion of existing trawlers for resource specific fishing by providing a back ended subsidy of Rs.15 lakh per vessel. Besides, the upgrading/modernization of existing fishing harbours to international standards was undertaken through a scheme of Marine Products Exports Development Authority (MPEDA), which complements the programme of this Department on establishment of fishing harbours and fish landing centres. This would help in maintaining hygienic conditions at landing centres for better price.

During the Eleventh Plan period, all the above-mentioned activities shall continue. In addition, it is proposed to establish a Multiplication

Centre for production and supply of Specific Pathogen Free (SPF) shrimp (*Penaeus monodon*) seed to shrimp farmers through an agreement with M/s Moana Technology, Hawaii, United States of America with an investment from the National Fisheries Development Board (NFDB) to the tune of Rs.30 crore. This programme when implemented would help in production of three billion post larvae, which would cater to the needs of about 25 % of the shrimp farmers in the country. Farm output through culture of this genetically improved SPF seed is likely to increase substantially. The Coastal Aquaculture Authority is likely to cover the registration of all the shrimp farms in the country. In addition the Authority would bring out guidelines for crab farming, sea bass cultures etc., which are in high demand and have a good export potential. Programmes for promoting ornamental fish culture would also be taken up. Mariculture activities envisaged to be taken up by the National Fisheries Development Board (NFDB) would bring in substantial foreign exchange earnings.”

National Fisheries Development Board

- 4.9 National Fisheries Development Board (NFDB) has been set up recently with its headquarters at Hyderabad. The Board registered under Andhra Pradesh Society Registration Act 2001 on 10th July, 2006 and has been inaugurated in September 2006. NFDB aims to realize the untapped potential of fisheries sector in inland and marine fish capture, culture, processing and marketing fish, and over all growth of fisheries sector with the application of modern tools of research and development including biotechnology for optimising production and productivity from fisheries. So far, two meetings of the Governing Body and five meetings of the Executive Committee have been held. The Board has finalized the guidelines

for taking up programmes like Training of Fish/Shrimp Farmers, Intensive Aquaculture in Ponds and Tanks, Reservoir Fisheries Development, Coastal Aquaculture for the use of State Governments to apply for assistance from NFDB. The proposals received in this regard have been scrutinized and sanctions have been issued to some States and organizations.

- 4.10 The committee have been informed that an allocation of Rs. 151.00 crore for National Fisheries Development Board (NFDB) was made for the year 2006-07. However, the Board was inaugurated only in September 2006 and the formulation of detailed guidelines and release funds on receipt of proposals from the State Governments and other stakeholders on need basis, was a time consuming exercise. Thus, out of Rs. 151.00 crore-fund earmarked for the Board, Rs. 121.00 crore has been utilized for suicide prone districts package and other schemes in the fisheries sector. The actual expenditure during 2006-07 is expected to be around Rs.30.00 crore
- 4.11 The Committee wanted to know how the NFDB proposes to coordinate activities pertaining to fisheries undertaking by different Ministries/Departments in the Central/State Governments. The Department furnished the following replies in this regard:-

“Since there are different agencies concerned with the implementation of various programmes relating to fisheries, there is the problem of coordination. This does not mean that any Department / organization does not want to cooperate with other concerned Department but every Department / organization carries on their activities in a manner considered relevant from their stand point without necessarily ensuring that it is in consonance with the activities of other organizations. Many a

times, one organization may not know the activities of the other and the fact that there is a forum like NFDB where such agencies can come together and discuss various issues itself will contribute to a great extent in ensuring that activities of different agencies are carried out in a cohesive manner. The Executive Committee of the Board, which is entrusted with the job of collaborating with all the organizations in the matter of fisheries development has got representatives from other Ministries as well as State Governments and from organizations such as National Bank for Agricultural and Rural Development (NABARD), Indian Council for Agricultural Research (ICAR) and Marine Products Export Development Authority (MPEDA), etc. For example the research findings of ICAR institutes can be made use of by the Board and the State Fisheries Departments and can be widely disseminated for the benefit of the fishermen and farmers. Also, while deciding the research programmes of the institutes, the actual requirements in the field can be taken care of through deliberations in the meetings of the Board. Similarly, the loaning programmes of NABARD and other financial institutions could be dovetailed for the production-oriented programmes of NFDB. The schemes of Ministry of Food Processing Industries can also be made use for the proposed activities of the Board. The export-oriented programmes would be taken up in collaboration with organizations like MPEDA.

The involvement of State Governments in the activities of NFDB would be by way of sharing of infrastructure, resources, training and extension. Ministers for Fisheries from various States are involved in the

Governing Body and the State Fisheries Secretaries' from both inland and coastal States are represented in the Executive Committee by rotation.”

4.12 The Department stated the present status of functioning of the NFDB as under:-

“The Governing Body of the NFDB is headed by the Union Agriculture Minister, who is the Chairman and the Minister of State – In Charge of Department of Animal Husbandry, Dairying and Fisheries is the Vice Chairman. The other Members are: (1) Member (Agriculture), Planning Commission, (2) Ministers in-charge of Fisheries in the States and Union Territories, (3) Secretaries of Department of Animal Husbandry, Dairying and Fisheries / Department of Agriculture and Cooperation / Department of Agricultural Research and Education / Department of Commerce / Ministry of Food Processing Industries / Ministry of Panchayati Raj, (4) Chairman, Coastal Aquaculture Authority / NABARD and (5) Nine other Members representing various Groups and Associations of Fish Farmers, Fishing Craft Operators and Exporters.

The private entrepreneurship has to play a major role in the commercial activities of the Board such as domestic fish marketing, deep-sea fishing and tuna processing (value addition), etc. NFDB is to promote such activities through equity participation to the extent of 20-30%. Also any programmes like Intensive Fish Farming in Ponds and Tanks where high investment are required, the Board has to assist the farmers by motivating the banks to finance such ventures as well as by providing a subsidy of 20% of the cost. Similar assistance is also considered for setting up of additional hatcheries by private entrepreneurs.”

PART – II

RECOMMENDATIONS/OBSERVATIONS

Recommendation No. 1

Tenth Plan Allocation and Utilisation of funds.

The Committee note that though the Department of Animal Husbandry, Dairying and Fisheries was allocated Rs.2500 crore for the Tenth Plan, the actual allocation for the five Annual Plans during the Tenth Plan has been Rs.2439.00 crore. Assuming an expenditure of Rs.113 crore (15% of RE of Rs.750 crore) during March 2007, the Department claims a total expenditure of Rs. 2431 crore, which is 96% of the actual outlay of Rs.2439 crore.

In this scenario, the Department has utilised 51% of the actual allocation of Rs.2439 crore for the Tenth Plan during the last two years of the Plan period. The Committee observe with apprehension that such skewed expenditure pattern may dilute the intended results of the schemes/programmes implemented by the Department. From the information provided by the Department, the Committee further observe that timely commencement of Schemes would have enabled a more equitable expenditure of funds over the five year term of the Tenth Plan. If a scheme, envisaged for implementation through a period of five years, takes two years of the Plan period just to begin its functioning, the lag created would definitely impinge upon the output.

The Committee would, therefore, like to be informed of the specific measures adopted by the Department to prevent delayed implementation of Schemes from being repeated during the Eleventh Plan period. The Department may also apprise the Committee on the causes of delay in implementation in each scheme during the

Tenth Plan period along with the effect, the delay has caused in the performance of the Schemes.

Another reason brought before the Committee for under-utilisation of funds is non-production of utilisation certificates by the States. The Committee may be apprised of the details of outstanding utilisation certificates, the monitoring mechanism for the funds released to States and action taken, if any, in case of non-production of utilisation certificates. It is felt that failure to get utilisation certificates and the accumulation of unspent balance could become a vicious cycle of under utilisation of funds, if not addressed emergently.

Going through the figures of allocation of resources to the Department in proportion to the total Central Plan Outlay and Budgetary Resources over five years of the Tenth Plan and the Annual Plan for 2007-08, the Committee found that the allocation has either decreased or remained stagnant. The Committee wonders how the proposed overall growth of 6-7% per annum for sector as a whole (5% per annum in milk, 10% per annum in meat and poultry sectors) during the Eleventh Plan can be achieved, if Plan allocation to the Department remains stagnant. The Department is right in its argument that diminished budgetary allocation over the years has been the stumbling block that prevented them from performing to the full. The Committee, therefore, recommends that the allocation to the Department of Animal Husbandry, Dairying and Fisheries may be increased to sufficient levels so that the targets under different schemes are not downsized due to resource crunch.

Recommendation No. 2

National Project for Cattle and Buffalo Breeding (NPCBB).

Cattle and Buffalo development is a very important component in Animal Husbandry Sector because of the contribution of these two species in terms of value output, employment-generation, supplementing household nutrition and alleviation of rural poverty. Aiming at the genetic upgradation of cattle and buffalo, the NPCBB was launched in October 2000 for a period of ten years in two phases, with allocations of Rs.402 crore and Rs.775.87 crore for phase I & II respectively. The Department has informed that to consolidate the gains made during phase-I, cabinet and administrative approvals for phase-II have been obtained by January 2007.

The Committee note that most of the physical targets fixed under the scheme for the year 2006-07 have been achieved. But the Department have stated that targets under the Scheme are set as per the funds allotted for the project. Due to curtailment of funds during 2007-08, the targets for the year have been reduced accordingly. The Committee view this as a perturbing trend and feel that the Department should have impressed upon the Planning Commission in a better way about the benefits of the scheme to raise the income of rural poor to have more funds allotted for NPCBB, one of their flagship projects. The Committee note that the downsizing of targets for 2007-08 has happened in spite of an increased allocation for Phase-II of NPCBB. The Committee would like the Department to make sure that the Planning Commission and Ministry of Finance are better convinced at the RE stage to allot more funds to the project on priority basis, by showcasing the output of the Department during Phase – I of the Project and by advocating the need to ensure continuity to consolidate and enhance the gains achieved during Phase – I.

The Committee feel that the National Project for Cattle and Buffalo Breeding as a whole has to be revisited. Hybrid/Cross-bred cattle being given preference currently under the Project may face danger in view of global warming. The Department should review the NPCBB and concentrate more on breeding buffalos and indigenous cows, as they may prove more tolerant to the rise in temperature due to global warming.

Recommendation No. 3

Livestock Insurance

Livestock Insurance, a centrally sponsored scheme, has been formulated with the twin objective of providing protection mechanism to the farmers and cattle rearers against any eventual loss of their animals due to death and demonstrating the benefit of the insurance of livestock to the people in order to popularise rearing of improved animals leading to the ultimate goal of attaining qualitative improvement in livestock and their products.

The Scheme is being implemented on a pilot basis as a part of the Common Minimum Programme of the Government during the years 2005-06 and 2006-07 of the 10th Five Year Plan in 100 selected districts across the country with an approved outlay of Rs. 120.00 crore. Under the Scheme, crossbred and high yielding cattle and buffaloes are being insured at maximum of their current market value. Only 50 percent of premium of the insurance is to be paid by the beneficiary, while the rest of entire cost of subsidy is being borne by the Central Government. The Government is providing subsidy for a maximum of two animals per beneficiary for a policy of a maximum of three years.

The Committee have been informed that the launch of the scheme, already delayed due to belated approval from the CCEA, was further delayed by preparatory procedures and could be launched only from the beginning of the financial year 2006-07. It is beyond the comprehension of the Committee why such delays cannot be avoided. Though the Committee has commented upon such delays

several times in the past, the Committee reiterate their displeasure at the delays that occur in the launch and completion of schemes.

It has also been informed that the initial feed back on the scheme suggests that though the response of the farmers has been encouraging, paying 50% of the premium is too high for the poor farmers and is proving to be an impediment in the acceptability of the scheme. In view of this, the Committee reiterate their earlier recommendation that the premium to be paid by the beneficiaries under the scheme may be reduced from 50% to 25% and that the scheme should be implemented in all parts of the country. The Committee also recommend that 100% subsidy may be provided to people who belong to Below Poverty Line and SC/ST communities. The Department should also consider including cattle of domestic breed under the livestock insurance scheme along with cross breed cattle/buffalo. The Committee would like to be apprised of the feedback once the pilot project of the scheme is completed.

Recommendation No. 4

Clubbing of Schemes

The Committee have been informed that during Annual Plan 2007-08, the Planning Commission has recommended clubbing of the following schemes:-

- (i) National Programme for Cattle & Buffalo Breeding may be clubbed with the National Project for Improvement of Poultry and Small Animals and jointly renamed as 'R&D for Livestock Breeds'.
- (ii) Livestock Insurance, Livestock Disease Control Programme and Dairy Development may be merged and jointly renamed as 'Livestock Disease Control and Integrated Dairy Development'.
- (iii) Both Inland and Marine Fisheries may be merged and jointly renamed as 'Integrated Fisheries Development Programme'.

The Department have also informed that they feel that combining the schemes will work only when there is synergy among the schemes getting combined, otherwise, clubbing will only hinder achievement of objectives. The Committee are given to understand that the Department is making efforts to convince the Planning Commission that the clubbing of schemes as suggested by the Planning Commission should not to be insisted upon.

The Committee feel that apart from the above, clubbing/renaming of schemes cause a lot of confusion among the grass-root level beneficiaries, especially, in rural areas where creating awareness about schemes itself is a time/effort/money

consuming process. Therefore, the Committee recommend that the renaming/clubbing of schemes should be avoided to the extent possible and, if not avoidable, extra efforts should be put in to create awareness among the beneficiaries.

Recommendation No. 5

Professional Efficiency Development – Veterinary Councils

The Professional Efficiency Development Scheme envisages establishing Veterinary Council of India (VCI) at the Centre and State Veterinary Councils in those States, which adopted the Indian Veterinary Council Act, 1984. The Veterinary Council of India regulates veterinary practice in the country and maintains register of veterinary practitioners.

The Committee has been informed that in order to ensure that the State Governments establish State Veterinary Councils, the VCI is regularly impressing upon the authorities of States/UTs to constitute their veterinary councils. As a result of VCI efforts, 23 States/U.Ts have so far established their State/U.T Veterinary Councils as per the Act and the State of Jharkhand decided to adopt the Act.

The Committee have also been informed that there are 45,000 veterinarians registered with the Veterinary Council of India. There are around 8720 veterinary hospitals and about 17,820 dispensaries in the country. Besides, about 25,437 Veterinary Aid Centres are also functioning. However, it is informed that in spite of the Veterinary Colleges producing qualified manpower, there exists a problem of their employment. The veterinarians are employed by the States and resource constraint affects the veterinary service provided.

Taking this into account, the Department has proposed slow privatisation of Veterinary Services in places where the Government is unable to provide Veterinary Services.

The Committee observe that trained manpower is pivotal to disease control and high quality productivity from the livestock sector. The Committee agree to the

proposal of the Department to privatise veterinary services. However, the Veterinary Council of India should be empowered to monitor and regulate the functioning of the private veterinary service providers. The Committee desire that the Department should provide a detailed note on veterinary services infrastructure in rural areas containing the information on the services provided, the number of practitioners actually employed, the shortfall in employment, various animals covered, and the number of hospitals aid centres per district, State-wise.

Recommendation No. 6

Special Package for Suicide-prone Districts.

The Committee have been informed that a number of districts in the States of Andhra Pradesh, Maharashtra, Karnataka and Kerala have seen higher incidence of suicide by farmers due to economic distress. There are 31 such identified districts (16 in Andhra Pradesh, 6 in Maharashtra, 6 in Karnataka and 3 in Kerala). In order to provide economic relief to the farming population in these districts, the Department is implementing a special livestock and fisheries sector package since August, 2006.

During the year 2007-08, an allocation of Rs.170 crore has been made for the Special Package. The Committee have been informed that the package involves an investment of Rs.698 crore over a period of three years, commencing from 2006-07. While an amount of Rs.510.79 crore will be provided as budgetary support, the balance of Rs.187.21 crore is to be made available by way of bank credit.

However, the Committee are perturbed to note that while the requirement for 2007-08 is pegged at Rs.169.70 crore the Department could get only Rs.30 crore in the first batch of supplementary grants of 2006-07 for implementing the package. As a result, funds had to be diverted from other schemes. In the opinion of the Committee, diversion of funds from schemes that are already resource starved could adversely affect their performance. Though the Special Package for Suicide-Prone Districts is very much welcomed, it is felt that sourcing of funds should not have been by compromising funds from other schemes. The Committee would like to be apprised of the details of schemes from which funds have been diverted for the Special Package and the adverse impact it had on the performance of such schemes.

The Committee have been informed that the funds under this package are released on receipt of specific proposals from the concerned States and that the States have informed that they would be able to utilize only 50% of the earmarked funds in the current year due to the time involved in identification of the beneficiaries and inadequate availability of milch animals. The Department could release only Rs.71 crore till December, 2006.

The Committee are dismayed to note that even after such grave situation of farmers getting driven to the extreme step of committing suicide, a basic activity like identification of beneficiaries of the scheme is taking time and causing 50% under-utilisation of the allocated funds. It is felt that such apathy is shocking and, therefore, the committee strongly recommend that the Department should take immediate steps to hasten up the process of identifying the beneficiaries under the schemes. The Department should also ensure that good quality milch animals and calves, along with adequate feed and fodder, are provided to the affected farmers at the earliest. Milk chilling plants should also be established urgently. It is also highly desirable that, if not already set up a stringent monitoring and assessment mechanism headed by the Secretary to the Department may be put in place to evaluate the performance of the scheme.

The Committee shall be apprised of the action taken in this regard within three months of the presentation of this report.

Recommendation No. 7

Export of Livestock Products

The Committee have been informed that India ranks first in respect of cattle and buffaloes, second in goats, third in sheep and seventh in poultry population in the world. India is not a major player in the international trade of livestock products and India's share in the world trade of dairy products is 0.25 % and in case of meat and poultry it is 0.5 %. However, India's export of livestock products has increased over the last five years (in terms of value) from Rs.1500 crore in 2000-01 to around Rs.2253 crore in 2004-05. Buffalo meat constitutes the major export item with a value of Rs 1615 crore in 2004-05. Export value of milk products have increased from Rs.95 crore in 2000-01 to Rs 390 crore in 2004-05. Export value for sheep/ goat meat was Rs 79.36 crore and was Rs 154 crore in case of poultry products during 2004-05.

The Committee have also been informed that the control of diseases, especially the Foot and Mouth Disease, and adherence to the minimum residue limits of toxic elements and anti-biotics in meat are major factors to be tackled to boost export of livestock products. Along with this, the Department feels that allocation of enough financial resources can hugely increase the country's export potential.

The Committee note that the Department had no scheme to promote export of livestock products. However, it has been informed that the Department has formulated a new scheme, viz. Salvaging and Rearing of Male Buffalo calves which will be launched in the catchment areas of export oriented slaughter houses where individual farmers will be encouraged to rear male buffalo calves under assured buy-back arrangement and not allow them to die. At present eight million male

buffalo calves are intentionally killed by starvation and neglect by farmers/dairies in the very first year of birth every year to save milk for feeding them.

The Committee lauds the initiative of the Department to provide backward linkages to produce raw material for export and thereby helping farmers to tap the huge potential of export in livestock products. It is expected that more such schemes would be launched that can propel India to the top of world livestock exporters.

It is recommended that stringent adherence to quality norms in livestock products both national and international, may be ensured which is cardinal in finding market for our products.

Recommendation No. 8

Dairy Sector

The Committee have been informed that India's milk output during 2005-06 reached the level of 97.1 million tonnes (provisional) and is estimated to reach 100 million tonnes in 2006-07. Dairying has become an important secondary source of income for million of rural families and has assumed the crucial role of employment and income generation. The per capita availability of milk is expected to reach 245 grams per day in 2006-07 compared to the world average of 265 grams per day. While it is noted that India has 15% of world's cattle population and 57% of buffalo population of the world and is the world's leading milk producer of the world, the productivity of animals which is much lower than the world average is a matter of unnerving concern. While the world average is about 2050 litres per lactation, India's average hovers around a thousand litres. The Committee observe that nothing else can vouch for the scope of improvement in the Dairy Sector. Genetic improvement, disease control and fodder development have been noted as the major initiatives of the Department in this direction.

During the examination of the DFG, the Committee noted that the Department have been able to utilise only Rs.264.21 crore which is 73.40% of the total Tenth Plan outlay of Rs.360 crore for Dairy Sector. The Department have informed that the under performance of the schemes IDDP and Assistance to Cooperatives caused the under spending of funds. Later on, the under-utilisation was ascribed to the Assistance to Cooperatives only. The Department have assured that effective steps would be taken to fully utilise the budget provisions for the year 2007-08 under the four dairy development schemes.

The Committee also note that while the Department sought an allocation of Rs.136 crore, only Rs.88.50 crore has been allocated for the year 2007-08. The Department expressed that the schemes Dairy/Poultry Venture Capital fund, Dairy Development Programme and Strengthening of Infrastructure for Quality and Clean milk production may be affected by the depleted allocation of funds by the Planning Commission. The Committee desire that along with financial prudence, the output of schemes and the benefit to the targeted sectors may also be taken into account while determining the outlays. They, therefore, recommend that the allocation to schemes that have met the fixed targets in the past year may be enhanced, so that their better performance continue in future also.

Recommendation No. 9

Assistance to Cooperatives

The Committee note that the Central Sector scheme “Assistance to Cooperatives”, started during 1999-2000, aims at revitalizing the sick dairy cooperative unions at the district level and cooperative federations at the State level. The rehabilitation Plan is prepared by NDDB in consultation with the concerned State Dairy Federation/District Milk Union. The maximum assistance of grant is limited to the minimum amount required so that the net flow becomes positive within 7 years. The Department has approved 31 rehabilitation proposals of milk unions from various States.

The Committee also note that out of the total approved Tenth Plan outlay of Rs. 130 crore for the scheme, the Department has released only Rs.38.69 crore till March 18, 2007, which is about 30% of the total outlay. The reasons put forward for the huge under-utilization of funds are (i) the scheme is purely demand driven, (ii) viable proposals were not available and (iii) inability/delay on part of the State Government to release 50% of their matching share.

As the Committee recommended in their 20th report (2006-07), the Government need to review the sharing mechanism between the Central and State Governments from 50:50 basis to 90:10 or at least 75:25 basis for more pro-active participation for the State Governments as recommended in a study made by National Institute of Agricultural Extension Management (MANAGE). Considering the fact that the Scheme ‘Assistance to Cooperatives’ has been under-performing since its inception, the Committee recommend immediate action to restructure the scheme and produce a turn-around in performance. The progress made in this regard may be apprised in due course to the Committee.

Recommendation No. 10

Delhi Milk Scheme

The Committee have been informed that the Delhi Milk Scheme (DMS) was established to provide reasonably priced milk and milk products to the Delhi consumer. From the initial installed capacity of 2.55 lakh litres per day, the capacity of DMS now stands at 5 lakh litres per day. The Committee is happy to note that DMS has been awarded ISO and HACCP (Hazard Analysis & Critical Control Point) certifications of quality and food safety. The current market share of DMS is 7 to 8 per cent.

However, it is pathetic to note that out of the 45 lakh litres of milk sold in Delhi everyday, DMS manages only a meagre 2.5 lakh litres. Further, during the year 2006-07, the production & sales targets for milk, ghee and butter have not been achieved and considerable gaps separate targets from achievements. The reason assigned has been drought/flood in the States of Rajasthan and Gujarat during 2006-07 resulting in fall in milk production and the consequent under-procurement by DMS.

The Committee have further been informed that the Cabinet has accorded 'in principle' approval for corporatisation of DMS and the process of appointing an agency to chalk out a comprehensive plan of corporatisation within a year, has been set rolling.

The Committee recommend that the process of appointment of the agency to chalk out the plan for corporatisation of DMS be expedited and a time frame should be fixed for preparing a plan for corporatisation of DMS which should be strictly adhered to and the interests of the employees as well as the consumers of Delhi be kept in mind while finally corporatising the DMS.

Recommendation No. 11

Tsunami Rehabilitation Package (TRP)

The Committee note that the Tsunami Rehabilitation Package, covering all sectors for a period upto March 2009, originally amounted to Rs.9870.25 crore with an amount of Rs.1046.57 crore earmarked for the fisheries sector. The package was revised by the Planning Commission to Rs.9822.09 crore with Rs.797.20 crore for the fisheries sector. It has been informed that the revision has been effected taking into account the physical and financial absorption capacity and level of activity picked up by the NGOs and other private partners. An amount of Rs.262.64 crore has been spent till December 2006 under the TRP.

The Committee are surprised at the Government's insensitivity in deriving new avenues for reducing allocations even to the most emergent of relief activities. The Committee fail to comprehend the reasons put forward for the reduction in funds to TRP. The Committee strongly feel that efforts put in by NGOs and other private partners should supplement the efforts of the Government and should not count as a reason to cut down the relief amount for TRP by the Government. Instead, more diverse relief activities should have been funded by the Government in the Tsunami affected areas.

The Committee further note that while one and a half years out of the four year period of the package have elapsed, out of Rs.162.82 crore allocated to Kerala, only Rs.22.30 crore was spent till December 2006. This amounts to only 13% of the total allocation. In case of Puducherry, of the total outlay of Rs.207.30 crore, only Rs.36.36 crore (17% of the total) was utilised till December 2006.

The Committee observe, in terms of pace of expenditure, that a lot of relief work needs to be done and many of the affected people are still waiting to get their

share of the relief fund, which should be made available without any further delay.

The Department should expeditiously ascertain and apprise the Committee of the specific reasons for slow pace of Tsunami Relief Package activities in Kerala, Andaman and Nicobar Islands and Puducherry within three months of the presentation of this Report.

Recommendation No. 12

National Fisheries Development Board

The Committee are happy to note that National Fisheries Development Board (NFDB) has been set up recently with its Headquarters in Hyderabad to realise the untapped potential of fisheries sector in inland and marine fish capture, culture, processing and marketing fish, and over all growth of fisheries sector with application of modern tools of research and development including biotechnology for optimising production and productivity from fisheries. It is noted that an allocation of Rs.151 crore for the year 2006-07 for National Fisheries Development Board was reduced to Rs. 30 crore due to late inauguration of the Board in the middle of the financial year, i.e., in September 2006.

It has been informed that the Board had to formulate detailed guidelines and release funds on receipt of proposals from the State Governments and other stakeholders on need basis which was a time consuming exercise. This resulted in funds to the tune of Rs.121 crore being diverted to the special package for suicide-prone districts and other schemes in the fisheries sector.

The Committee observe that the NFDB is designed to act as the nodal agency in fisheries development in the country and may have over arching influence in the implementation of the major schemes in the fisheries sector.

The Committee hope that during the next year the Department will present a much more encouraging report on the performance of the NFDB and more funds will be provided to make over the last year's deficiencies.

Recommendation No. 13

Global Warming

The Committee observe that the effects of the phenomenon of global warming have begun to manifest as unexpected oscillations in temperature, vagaries in rainfall pattern and other climatic changes. The recently published report of the Intergovernmental Panel on Climate Change (IPCC) constituted by the World Meteorological Organisation (WMO) and the United Nations Programme on Environment (UNEP) has also painted a cautioning picture regarding the possible effects of global warming.

The Committee recommend that the Department initiate studies to determine the possible effects of global warming on different breeds of livestock and fisheries sector of the country and take effective measures to counter them.

Recommendation No. 14

New Schemes of the Department during Eleventh Plan

The committee have been informed that the Department proposes to implement ten new Schemes during the Eleventh Plan period. However the Committee observe that in the budget estimates for 2007-08, only a token allocation of Rs.1 lakh each has been provided for these schemes. The Committee feel that providing such minuscule allocation during the year of inception predisposes delay in the implementation of the schemes. It is a lacuna in the planning process that the finalisation of schemes and their allocations is not done at the beginning of the first financial year of the Plan. Rather the schemes should be finalised in advance of the next Five Year Plan. Some of the new schemes are given below:-

- (a) Establishment/Modernisation of Rural Slaughter Houses, including Mobile Slaughter Plants.

The Committee are informed that the implementation of this scheme aims at catering to the 10% targeted increase in meat availability during the Eleventh Plan. Slaughter houses in rural areas will be established/modernised in Public-Private-Partnership. It is a scheme to serve the domestic markets and hence Bureau of Indian Standards norms for hygienic meat production will be adhered to.

The Committee would like be apprised of detailed project report prepared if any, and the time by which the scheme will become operational.

- (b) Rural Backyard Poultry Development Scheme

The scheme, originally proposed under the 'National Project for Improvement of Poultry and Small Animals' during 2005-06, is aimed

at improvement of employment and income generation of the poor rural families, particularly women who are outside the commercial poultry sector. Under the scheme, Mother Units run by NGOs will rear the chicks for the first six weeks and provide them to the beneficiary families for backyard rearing. The families will be further assisted with feed, medicines and vaccines for a few batches.

The Committee may be apprised of the progress made towards implementation of the scheme and the date of commencement. The Committee fail to understand the logic of making a token provision of Rs. One lakh for a scheme, which was proposed for clearance in 2005-06. The Committee desire to know the reasons for the inordinate delay in implementation of the scheme. The Department may also inform if any particular region/States have been identified for launching the scheme depending on the demand of poultry products. The Committee recommend that necessary measures may be adopted to take care of the marketing needs for effective implementation of the Scheme.

(c) Establishment of Poultry Estates

The Committee have been informed that the scheme will follow Cluster Approach to facilitate backward and forward linkages in States that do not have adequate egg or broiler production to meet their demands. It has also been informed that the Department estimates an outlay of Rs.1,000 crore during the Eleventh Plan period to establish 20 Poultry Estates under the Scheme.

The Committee would like to apprised of the measures taken to ensure that the individual poultry farmers getting associated with Poultry Estates get fair returns for their contributions and do not get exploited by the wholesale dealers or integrators.

(d) Utilisation of Fallen Animals

The Committee are informed that the objective of the scheme is to gainfully utilise the huge number of animals dying their natural death by recovering hides, skin and leather production of meat-cum-bone meal, production of gelatine and tallow, use of horns, etc.

The Committee feel that the scheme should not be restricted to the currently identified States of Bihar, Haryana, Punjab, Orissa, Uttar Pradesh and West Bengal only, and should be implemented throughout the country. The Committee may be informed of the progress made towards the implementation of the scheme as the approach paper was to be submitted by 30 March, 2007.

Recommendation No. 15

Subsidy to Poultry Industry

The outbreak of Avian Influenza in parts of Maharashtra, Gujarat, and Madhya Pradesh caused some panic in the country. The Committee have been informed that in view of the severe economic distress faced by the poultry industry due to the loss created by the outbreak, the Government of India announced a financial relief package of Rs.107 crore in 2006-07 including grant of one time interest subvention of 4 % for a period of one year on the outstanding principal amounts of loans availed by the poultry units as on March 31, 2006.

However, the Committee note that though the RBI has been provided initial requirement of Rs.80 crore for the package, for onward distribution to affected people through banking system, the remaining amount of Rs.27 crore demanded in the RE of 2006-07 has not been made available for release to RBI. The Committee may be intimated about the present status in this regard.

NEW DELHI;
20 April, 2007
30 Chaitra, 1929 (Saka)

PROF. RAM GOPAL YADAV
Chairman,
Standing Committee on Agriculture

MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE ON AGRICULTURE HELD ON FRIDAY, 23 MARCH, 2007 AT 1100 HRS. IN COMMITTEE ROOM 'E', BASEMENT, PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1100 hrs to 1305 hrs

PRESENT

Shri Anil Basu – In the Chair

MEMBERS

LOK SABHA

2. Shri Girdhari Lal Bhargava
3. Shri Khagen Das
4. Shri Gadakh Tukaram Gangadhar
5. Shri Hari Rama Jogaiah
6. Shri Prabodh Panda
7. Smt. Rupatai D. Patil Nilangekar
8. Smt. Kalpana Ramesh Narhire

RAJYA SABHA

9. Shri Harish Rawat
10. Smt. Mohsina Kidwai
11. Shri Vikram Verma
12. Shri Vinay Katiyar
13. Shri Sk. Khabir Uddin Ahmed
14. Shri Sharad Anantrao Joshi
15. Shri M. Rajasekara Murthy

SECRETARIAT

- | | | | |
|----|-------------------|---|----------------------|
| 1. | Shri S.K.Sharma | - | Additional Secretary |
| 2. | Shri Hardev Singh | - | Director |
| 3. | Shri N.S. Hooda | - | Deputy Secretary |
| 4. | Ms. Amita Walia | - | Under Secretary |

WITNESSES

| S.NO. | Name | Designation |
|--------------|------------------------|--|
| 1. | Ms. Charusheela Sohoni | <i>Secretary, Animal Husbandry, Dairying and Fisheries</i> |
| 2. | Shri P.P.Mathur | AS & FA |
| 3. | Shri S.K.Bandyopadhyay | AHC |
| 4. | Shri Ajay Bhattacharya | JS (Fisheries) |
| 5. | Shri Arvind Kaushal | JS (P&F) |
| 6. | Smt. Upma Chawdhry | JS (A&LH) |
| 7. | Smt. Swarnamala Rawla | JS (C &DD) |
| 8. | Shri O.P. Mishra | Adviser (Statistics) |

In the absence of the Hon'ble Chairman, Standing Committee on Agriculture, the Committee chose Sh. Anil Basu, M.P. (Lok Sabha) to act as Chairperson for the sitting under Rule 258 (3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

2 Thereafter, the Chairperson welcomed the Members of the Committee and the representatives of the Department of Animal Husbandry, Dairying and Fisheries to the sitting convened for taking evidence in connection with the examination of Demands for Grants (2007-2008) of the Department. He drew their attention to Direction 55(1) of the Directions by the Speaker regarding treating the entire proceedings of the sitting confidential till the Report of the Committee is presented to the Parliament. He requested the Secretary to introduce her colleagues.

3. After introduction of the officials, the Secretary gave a brief overview of the budgetary allocation for the year 2007-2008 and also highlighted the activities/achievements made by the Department during the year.

4. The Chairperson and Members of the Committee raised several queries regarding Animal Husbandry, Dairying and Fisheries sectors, on Budget Estimate for 2007-2008, under-utilisation of funds during Tenth Plan, Tsunami Relief Package, relief package to Suicide-prone Districts, research, laboratories, veterinary services, inadequate infrastructure, clubbing of schemes suggested by the Planning Commission, the effect of global warming, Central Sheep Breeding

Farm, development of fisheries, Milk Co-operatives, Delhi Milk Scheme etc. The representatives of the Ministry replied to the queries one by one and assured to send replies to some questions that could not be answered during the sitting.

5. A copy of the verbatim proceedings has been kept.
6. The witnesses then withdrew.

The Committee then adjourned.

**MINUTES OF THE ELEVENTH SITTING OF THE STANDING COMMITTEE
ON AGRICULTURE HELD ON FRIDAY, THE 20 APRIL, 2007 AT 1030 HRS. IN
COMMITTEE ROOM ‘A’, GROUND FLOOR, PARLIAMENT HOUSE
ANNEXE, NEW DELHI**

The Committee sat from 1030 hrs to 1245 hrs

PRESENT

Prof. Ram Gopal Yadav – Chairman

MEMBERS

LOK SABHA

2. Shri Manoranjan Bhakta
3. Shri Girdhari Lal Bhargava
4. Shri Khagen Das
5. Shri Gadakh Tukaram Gangadhar
6. Shri Prabodh Panda
7. Shri K.J.S.P. Reddy

RAJYA SABHA

8. Shri Harish Rawat
9. Dr. M.S.Gill
10. Shri Vikram Verma
11. Shri Sk. Khabir Uddin Ahmed
12. Shri Sharad Anantrao Joshi
13. Shri M.Rajasekara Murthy

SECRETARIAT

- | | | | |
|----|-------------------|---|------------------|
| 1. | Shri A.K.Singh | - | Joint Secretary |
| 2. | Shri Hardev Singh | - | Director |
| 3. | Shri N.S. Hooda | - | Deputy Secretary |
| 4. | Ms. Amita Walia | - | Under Secretary |

At the outset, the Chairman welcomed the Members. Thereafter, the Committee took up for consideration the Draft Reports on Demands for Grants (2007-08) 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/modifications, as suggested by the members of the Committee.
3. The Committee then authorised the Chairman to finalise the above-mentioned Reports on Demands for Grants (2007-08) and present them to the House on a date and time convenient to him.
4. The Chairman thanked the Members for their cooperation and valuable suggestions made by them during consideration of the Demands for Grants of the concerned Ministries/Departments.

The Committee then adjourned.